

**The Use of Remittances  
by Circular Hmong Migrants to Chinese Banana  
Plantations in Bokeo, Lao PDR**

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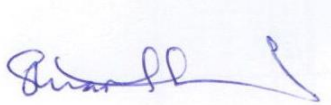
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## Certification

I certify that the substance of this dissertation has not already been submitted for any degree and is not currently submitted for any other degree or qualification

I certify that any help received in preparing this dissertation, and all sources used, have been acknowledged in this dissertation

A handwritten signature in blue ink, appearing to read 'Stuart Ling', with a long horizontal flourish extending to the right.

Stuart Ling

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## Abstract

Chinese banana plantations in the northern Lao province of Bokeo have grown rapidly over the past few years and now cover over 11,000 hectares. This dissertation has researched one aspect of this boom by gathering information on the use of remittances from a sample of the thousands of ethnic Hmong households who have migrated to tend the plantations. Using multiple methods, this paper takes this underrepresented minority group, and through their own language, portrays their experiences of internal, circular and rural-rural migration. It is calculated that each labourer remits on average, 689 USD for a season's work, which is comparable to the amounts earned by international labour migrants to Thailand. Most remittances were used for consumption purposes while investments in agriculture were low. The results suggest that migrating households are not intending to rely full time on farming for their future livelihoods, and that rather migration is part of a diversified livelihood strategy that both enables integration into the modern cash economy and reduces the reliance on meeting income needs from unproductive farms. The findings are therefore in accordance with the 'new economics of migration'.

Keywords: internal migration, circular migration, rural-rural migration, Hmong, remittances, Laos, banana

## Acronyms

CAMKID	Community Association for the Management of Knowledge In Development
DAFO	District Agriculture and Forestry Office
DPI	Department of Planning and Investment
GDP	Gross Domestic Product
IOM	International Organisation for Migration
LAK	Lao Kip
LSWO	Labour and Social Welfare Office
PAFO	Provincial Agriculture and Forestry Office
THB	Thai Baht
USD	United States Dollar

## Note on Exchange Rates

Although the official Lao currency is the Lao Kip (LAK), this paper uses the Thai Baht (THB) as the reporting currency, since the banana companies and their workers use this currency, and quote this currency, when providing figures on payments made or received. At March/April 2014, one USD bought 32.3 THB, and in May 2015 one USD bought 33.5 THB.

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## Preamble

*“Migration is likely to become one of the key problems—or solutions, depending on one’s viewpoint— of the 21st century”*

Branco Milanovic, Poverty and Inequality Unit, World Bank

I have lived in the province of Bokeo in the Golden Triangle of Laos since 2001. At first, my life was simple: a few kilometres outside the provincial capital, Houayxay, the roads stopped, apart from the jarring 10 hour four wheel drive journey to the neighbouring province of Luang Namtha, only 197km away. By boat and on foot I visited farmers in isolated and mountainous villages, in which food security and animal health were their greatest concerns. A few years later the first Chinese arrived in Bokeo, looking for land to grow rubber. They were the vanguard of what would become a torrent of Chinese investment, in roads, casinos, hydropower, mining and lately, bananas. Over the past few years, the verdant rice fields close to the Mekong and its tributaries have become islands in a sea of bananas that employs thousands of migrant workers. As land prices and wages rocketed, small fortunes have been made, and conversation amongst farmers has changed from subsistence agriculture to modern consumption. This dissertation is the story of some of these migrant workers, the ethnic Hmong, who have left their homes to seek their fortunes in bananas, and how these fortunes have been spent.

## Chapter 1. Introduction

### 1.1 Historical context – Chinese investment and Bokeo

Laos<sup>1</sup> is a small, landlocked and mountainous country in South-east Asia with an ethnically diverse population of about 6.8 million people (Map 1). It remained relatively undeveloped until the turn of the century, when the Lao government scaled up foreign investment policies to boost economic growth. In particular, Laos sought Chinese investment, both as a counter to the influence of Thailand and Vietnam, and as a means to develop the isolated and ethnically diverse north of the country which borders China (Vientiane Times, 2013a, 2013b).

During the same period, the Chinese government became concerned about the availability of natural resources to fuel its own economic growth. Since 2004, the 'Going Global' strategy has provided subsidies to Chinese companies willing to invest in the development of natural resources, with a particular emphasis on neighbouring countries (Rutherford, Lazarus and Kelley, 2008). Further subsidies were available for northern Laos as China attempted to reduce the importation of opium by introducing crop substitution programs for poppy farmers (Shi, 2008). By 2011, the Chinese contributed 85% of all foreign investment in the three Northern provinces of Oudomxay, Luang Namtha and Bokeo (Tan, 2012:71).

Bokeo province, which comprises five districts (Map 2), is situated in the Golden Triangle and shares borders with Thailand and Myanmar. The province is economically divided, with farmers on the plains along the Mekong River bordering Thailand having high incomes due to fertile soils and close markets. These plains are inhabited by the politically dominant Lao-Tai ethnic group, who practise paddy rice farming and Buddhism, and have strong cultural and family links to neighbouring Thailand. The Lao-Tai ethnic groups, which make up approximately 60% of the total population of Laos, are concentrated along the river valleys where they practise wet rice farming, and speak either Lao language or closely related dialects.

By contrast, the mountainous soils further inland have only limited market access and government services. Here animist ethnic minorities (such as Hmong, Khmu and Lahu), who combined make up the majority of Bokeo's population, base their livelihoods on shifting cultivation and the collection of non-timber forest products for consumption and sale. This economic divide has created spaces for new migration patterns and frames the research problem.

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<sup>1</sup> Laos is officially recognized as the Lao People's Democratic Republic, or Lao PDR.



Map 1: Laos in relation to its neighbours



Map 2: The five districts (or 'meuang') of Bokeo province

## 1.2 Rationale and statement of the research problem

The Chinese banana industry in Bokeo only began in 2009, with some small plantings of Cavendish hybrid bananas in Tonpheung district adjacent to the Mekong River. Plantations took off in 2012, after China banned imports of Philippine bananas in a dispute over the Spratly Islands in the South China Sea, and which forced Chinese companies to seek alternative suppliers (Farquhar, 2012). Over the past six years over 11,000 hectares of plantations have been planted on irrigable soils on the Mekong and its tributaries in Bokeo (PAFO, 2015). Here the ethnic Lao majority rents out their land to the Chinese companies, since this alone provides a far greater return than maize, which had been previously the dominant cash crop in Bokeo (NERI, 2014).

These landowners however, have chosen not to undertake the manual labour needed to tend the plantations on a fulltime basis. Better educated and financially secure, they are in the process of transitioning out of the agriculture sector altogether, following the paths of agrarian transition which has been documented in Thailand and the Lao border regions (Rigg and Salamanca, 2011; Manivong, Cramb and Newby, 2014). To make up the labour shortfall, a thriving internal migrant labour market has developed, in which households (termed 'worker-couples'), from poorer regions migrate to satisfy the high labour requirements of the plantations. Many worker-couples are circular migrants, in that they have returned for more one season, while a large majority are Hmong, despite only making up a small proportion of



the background population. Therefore, it is imperative to **understand this migration process, the level of income it brings at household level, and the uses to which this income is put.**

Some key terminologies used in defining the research problem are described below:

#### *The worker-couple*

The literature does not appear to have a specific terminology to describe migration as a couple<sup>2</sup>, and includes it in the broader category of family migration. The term 'worker-couple' is used by Farquhar (2012) in his study of banana plantations in southern China, in which the companies employ a similar pattern of operations to Laos.

Like Farquhar, this dissertation will use the term 'worker-couple' to refer to a married couple, often with children and/or other extended family, who are contracted by the Chinese companies to work on plots of about 3 hectares in size. They take responsibility for tending the plot, which includes such tasks as weeding, fertilising, applying insecticides and other chemicals, and performing other maintenance tasks under the direction of the Company supervisors.

They are not paid wages, but rather receive a lump-sum payment based on the number of kilograms of bananas harvested at the end of the season on their particular plot. They receive a fortnightly advance to cover their subsistence needs, which is then deducted from the lump-sum payment at the end of the harvest.

#### *Circular migration*

Hugo, (2013: 2), defines circular migration as "repeated migration experiences between an origin and a destination involving more than one migration and return." Both Vertovic (2006) and Hugo (2013) have described circular migration as a 'triple win': receiving countries benefit, since they can fill labour shortages without the responsibilities of taking permanent migrants; host countries benefit, since returning migrants bring back new skills and capital; and finally the migrants and their families benefit from the higher wages and the continued ties with their loved ones.

Since banana plantations are relatively new to Bokeo, most families are only working their first season and the number of circular migrants is small. Circular migration will become a growing phenomenon as the area of plantations expands and the seasons pass.

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<sup>2</sup> . Resurreccion and Sajor (2010), in their study of migration to prawn farms in southern Thailand refer to migrant couple workers, or working couples but their terminology is inconsistent.

### *The Hmong*

The Hmong are a traditionally animist ethnic group concentrated in the mountainous regions of southern Yunnan province in China, and northern Thailand, Laos and Vietnam. In Laos, the 2005 census (Lao Bureau of Statistics, 2005) estimated that there were 451,946 Hmong located in the north of the country, and while most maintain their traditional livelihoods of shifting cultivation and cattle raising in upland villages, others have resettled to lower areas during the upheaval of the Indo-China war or due to village consolidation policies.

Hmong society is patriarchal, and women are underrepresented at all levels of decision-making (Lindeborg, 2012). While most men have worldly knowledge and are capable of communicating in Lao language, most women are not able to do so.

### **1.3 Research questions and overview of methodology**

The general research problem can be divided into three specific research questions as follows:

1. What is the nature and extent of labour migration to banana plantations in Bokeo?
2. What is the net income (remittance) of households migrating to tend bananas in Bokeo?
3. To what extent are these remittances spent on productive investments?

The positivistic paradigm has been employed in this study which allows the results to be compared to other migration studies of remittance spending. Both qualitative and quantitative data has contributed to what can be described as taking a multiple methods approach in two distinct stages. Stage One gathered information on the extent of labour migration data from a sample of government and company stakeholders associated with the banana industry in Bokeo (Question 1). This data, along with the identified niche in the literature, was used to refine the sampling frame for Stage Two as meeting three criteria: of Hmong ethnicity, being circular migrants in at least their second season tending bananas, and either migrating from another district (if within Bokeo), or from another province. An additional criteria, which was imposed to overcome the resource and time constraints of a minor dissertation, required those surveyed to be tending plantations within a defined area about 30km south of Houayxay.

Stage Two, which answered Questions 2 and 3, used a questionnaire to measure the level and use of remittances for 33 Hmong households out of a possible sampling frame of 51. This represents a total response rate of 65%, with those not responding being considered unreachable. Given the small size of the sample, it is not intended in this research to generate statistical inferences: rather this research may be considered as a profiling study that explores a new dimension to internal migration in Lao PDR.

For the purpose of this study, the terms 'net income' and 'remittance' are used interchangeably when referring to the amount earned by the 'worker-couple' households. This assumption of equivalence can be made due to the nature of the contract each worker-couple

makes with the Chinese companies. The living allowance (paid fortnightly) that the worker-couples receive is assumed to be *fully spent* on daily needs, while the lump sum payment at the end of the season is assumed to be *fully saved* – this ‘net income’ can be treated fully as would a remittance, since it is taken back to the home village by the worker-couple at the end of the banana season.

#### **1.4 Significance of this research**

This study is significant in Laos, since previous researchers have focussed on the migration of young, single and ethnic Lao-Tai individuals to either Thailand or to the capital city Vientiane. By contrast, this paper examines the opposite cohort, by studying the migration of older and married ethnic Hmong households. It looks at internal, circular and rural-rural migration, all of which are considered to be underrepresented in the migration literature. Compared to other studies which largely rely on memory, the opportunity provided by the lump sum payment described above enables the collection of reliable primary data on the remittance amount and the use to which it is put.

The research is also significant due to the sheer numbers of migrants it represents. The estimated figure of between 7,800 and 13,400 full-time internal migrants and their families (defined as being from either other districts or provinces) and their families represents the largest movement of people in Laos outside rural-urban migration to Vientiane and represent a significant addition to Bokeo’s permanent population in 2012 of 173,962 (Lao Bureau of Statistics, 2015).

#### **1.5 Structure of the dissertation**

The remainder of this dissertation is organised as follows. Chapter 2 is a literature review, which starts with the theory and concepts of labour migration, before reviewing previous work that has been done in Laos and identifying the niche in the literature occupied by this dissertation. It concludes by the presenting a Conceptual Framework and the hypothesis to be tested.

Chapter 3 describes the methodologies used both Stage One and Stage Two in detail, and justifies their choice. Chapter 4 presents the results and discussion of Stage One (Research Question 1 on the nature and extent of banana plantations), while Chapter 5 presents Stage Two (Research Questions 2 and 3 on the amount of, and use of, remittances). The conclusions and their implications are given in Chapter 6.

References cited, ethics approval from UNE and copies of questionnaires and other research tools are given in the Appendices.

## Chapter 2. Literature Review

### 2.1 Introduction

This Chapter may be divided into two subsections. The literature review (Sections 2.2 to 2.5) begins with a review of the concept and theory of labour migration, before looking more specifically at migration issues in Laos and identifying the niche this dissertation occupies within the existing literature.

The second subsection (Sections 2.6 and 2.7) presents the research questions, the hypotheses and a Conceptual Framework which has been developed based on the existing niche in the literature.

### 2.2 Review of the concept/theory on labour migration

#### *Classical and new migration theories*

In classical economics terms, labour migration can be defined as workers moving from an area of labour surplus to one of labour shortage in order to take advantage of wage differentials and so maximise their utility (Lewis, 1954). Under this theory, it would be expected that the poorest people would move first, but this was not borne out by empirical evidence: the poorest are excluded due to the significant amounts of money needed to reach their destinations (Skeldon, 2008). Classical theory also predicts that increased labour mobility should reduce income disparities between the source and receiving locations, but as Cai and Wang (2008) point out, the reverse has happened in China due to incomplete *hukou*<sup>3</sup> reforms.

Instead, many households consciously choose migration as part of a livelihood diversification strategy. In a series of papers, Oded Stark outlined what was to become known as the New Theory of Labour Migration: rural households use labour migration not just as a risk aversion strategy against poor yields or low income, but also as a means to maintain incomes relative to other households in the community, thus avoiding 'relative deprivation' (Stark and Taylor, 1989). Kaur (2004) reflects on how this so called 'new' migration has been encouraged by globalisation, with complex patterns emerging that reflect the rise of chain migration (via family or village networks), illegal migration and the feminisation of labour.

#### *Classification of migration types*

The migration literature often simplifies this complexity into dichotomous terms. The most well studied form of labour migration is international migration, whose remittances are documented by a special unit within the World Bank, and are estimated to have reached 583 billion dollars in 2014, with an annual growth rate of 4.7% (World Bank, 2015). The average international remittance per household is higher than the average internal remittance, since many international migrants are skilled workers and are able to work in more developed countries (McKay and Deshingkar, 2014). Overall, developing countries received

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<sup>3</sup> A household registration system that restricts freedom of movement and its benefits beyond one place of birth.



approximately three times more in remittances than they countries received in official development assistance: international migrants from Nepal, for example, contributed 28.8% to their country's GDP (World Bank, 2015).

By contrast, internal labour migration is less well studied (McKay and Deshingkar, 2014). This is despite internal migrants both outnumbering those from international migration by a factor of 4 to 1 (or some 740 million people) and sending their remittances to poorer households. McKay and Deshingkar, (2014:5) attribute this to the "paucity of statistics and the difficulty of capturing flows through informal channels, but also because of the view among national accounts organisation that tracking internal remittances is not needed."

Internal migration is often restricted or controlled by governments as it is seen as either destabilising to the recipient communities (hence policies such as the *hukou* system described earlier) or due to a lack of local development in source communities (International Organisation of Migration, 2005). Such controls are interpreted by many researchers as actually having a negative impact on development (Cai and Wang, 2008; Skeldon, 2008).

A second division can be made between rural-urban and rural-rural migration. Here rural – urban migration dominates the literature, often in the context of its perception as a necessary stage in the classic transition from an agricultural economy to an industrial economy (Todaro 1969, Kuznets 1979). Here China stands out, with some estimates suggesting that 230 million people have migrated from rural areas to the cities, making it the largest internal migration in human history (Ye, Wang, Wu, He & Liu, 2013:1119). However, the level of rural-rural migration, in which rural people move for agricultural work, is often underestimated. In China, approximately 30% of flows are other than rural-urban, while in Vietnam 37% of internal migration is rural-rural (IOM, 2005). The IOM (2005:15) asserts that "any examination of the relationships between poverty and migration has to pay due regard to rural-to-rural flows, as it is among these that we may find the poorest migrants."

A third division can be made between temporary and permanent migration. Temporary workers are often managed by specialist agencies who match them with employers on a fixed contract basis, usually in positions that local workers no longer aspire to. Some workers, by design or accident, end up becoming permanent settlers – historically these were described as 'sojourners', who had settled into their new homes either through marriage or simply because they had no means to return home (Kaur, 2004). In contemporary times, labour migration has generated political debate in developed economies as undocumented migrants seek work to support, and eventually dream to bring over, their families back home. There are estimated to be 11.2 million such migrants the US alone (New York Times, 2008).

Between the temporary and permanent definitions fit circular migrants, who as pointed out in Section 1.3, migrate on more than once between their homes and places of work.

When the circular labour migration takes place over an annual cycle, it can be described as seasonal migration. Typically, this involves farmers moving to take advantage of labour opportunities during periods when they are underemployed on their own farms, such as during the dry season after crops are harvested. This means that farming households benefit from remittances while still being able to maintain farm output (Atamanov and Van den Berg, 2012). In India, Haberfield, Menaria, Sahoo and Vyas, (1999) proved that households using seasonal migrant labour as a livelihood strategy were wealthier than those that do not. They report that the main reason for seasonal migration is scarcity of land, and that such migration is used as a risk mitigation strategy by low income, poorly educated and remote rural households, thus supporting the new economic theory of migration.

#### *Determining factors for the use of remittances*

Elbadawi and Rocha (1992) describe two schools of thought in the literature on the determining factors of remittances. In the “portfolio approach”, researchers assume that the migrants take rational decisions about how to invest their savings, without particular regard for family ties. Such researchers have often used national accounts data to compare households that did and did not receive remittances, and seek to understand the factors that affect the level of remittances and their impacts on such variables as poverty, economic growth and inequality.

By contrast, the “endogenous migration” approach includes motivations based on altruism, in which the migrant remits in order to care for family members left behind. Mills (2005) for example, describes the “dutiful daughters” of north-east Thailand, who take up factory work in the city in order to provide education for their siblings and pay off farm debts. Other social researchers in Asia have attempted to understand the effects of remittances on family cohesion in the Philippines (Lukasiewicz, 2011), agrarian transition in Thailand (Rigg and Ritchie, 2002) and social status in Vietnam (Resurreccion, Bernadette and Khanh, 2007). An even broader approach is advocated by Ye, Wang, Wu, He, & Liu (2013:1120), who advocate for a political economy perspective when studying the cultural impact on those ‘left behind’ (those who did not migrate) “so that the power structures, government policies and economic relations can be brought into analysis.”

#### *Remittances, consumption and investment*

Given the sheer volume of remittances, how migrants spend their remittance earnings has an important development effect. The literature divides remittance spending into two broad categories, being consumption (food and consumer goods) or productive investments (education, housing and business). There is a debate in the literature over whether remittances have a development effect on local economies by helping to build human and physical capital, or whether they create a culture of dependency as they are consumed by those ‘left behind.’

One view, subscribed to by Chami, Fullenkamp and Jahjah (2005) questions the general presumption that remittances play the same role in economic development as other forms of

investment. Based on their mathematical model, Chami et al. (2005:77) conclude that “remittances do not appear to be intended to serve as capital for economic development, but as compensation for poor economic performance.”

A less pessimistic view is put forward by Adams and Cuecuecha (2010) using household data from Guatemala, who found that households receiving remittances spent less on food and more on education and housing. They described their findings (2010:14) as supporting “the growing view that remittances can help increase the level of investment in human and physical capital in remittance-receiving countries.”

In northern Thailand, which is adjacent to Bokeo, Nontakot and Villano (2009:15) conclude that remittances from seasonal migrants “have a positive and significant effect on maize production”, since farmers effectively have sufficient capital to buy inputs and hire labour in a timely fashion. Similarly, Paris, Rola-Rubzen, Luis, Thi Ngoc Chi, Wongsanum, & Villanueva (2009) noted that remittances ease credit constraints and enable rice production to be maintained in the Philippines, Thailand and Vietnam, even though household labour has migrated. However, Ping and Shaohua (2008), found little evidence of productive investments from remittances amongst rural Chinese households, a situation which required households to spend their remittances on basic government services and daily expenses against the backdrop of an unprofitable agriculture sector.

In any case, measuring the contribution of remittances in the expenditure decisions made by individual households requires careful interpretation. (Kelly, 2011), for example, points out that the security of receiving remittances for daily consumption needs may then free up household budgets to make productive investments.

There may also be differences in consumption between those receiving international and internal remittances, which implies that caution is needed before extending migration spending patterns to the population at large. McKay and Deshingkar (2014:20), quote figures from Uganda showing that households with international remittances spent more on housing by a ratio of three to one, while households receiving internal remittances spent most food and education. By contrast, and closer to Laos, Pholphirul (2012) states that both international and internal remittances received by Thais are predominantly used to meet daily expenses, with internal migration having a greater effect in reducing inequality and household poverty. However, the paper does not provide any references about the relative allocation of investment versus consumption at household level in Thailand.

Finally, the relative level of consumption by the migrants themselves determines whether remittances can be sent at all. Mills (1997), in an ethnographic study of young Thai women who migrated to Bangkok, found that they were influenced to a large degree by seductive advertisers, who seem to sense the vulnerability of rural people and their desire to become

modern. For many migrants, their dream to save money to send home was soon side-tracked by their desire to participate with their friends in city life: “Money, they said, is hard to keep, not because of large or flamboyant purchases but because of the everyday demands of urban existence, including the desire to hang out and have fun with friends” (Mills, 1997:46).

## 2.3 Labour migration in Laos

### *International migration*

In Laos, most labour migration studies have focussed on the migration of Lao workers to Thailand, where they are currently estimated to number 300,000 people (Southichack, 2014:5). Thailand is the main destination for Lao migrants, since it has higher average wages, a long porous border with Laos, a similar language and culture, and because many people have relatives with whom they can stay (Chanthavisouk, 2006).

Table 1 summarises the findings from five such studies, all of which were undertaken in the border districts of Laos adjacent to Thailand.

Table 1: Summary of migration statistics from studies of Lao migrants to Thailand

Study	Typical Age of migrants	% women	% Lao-Tai in survey	Average remittance (USD) <sup>4</sup>
Chanthavisouk (2006)	16-24	55	96%	?
Sisenglath (2009)	19-25	72	? <sup>5</sup>	\$827
Barney (2012)	16	76	100	\$185 <sup>6</sup>
Southichack, (2014)	?	52 <sup>7</sup>	?	\$325-\$409
Manivong, Cramb, & Newby (2014)	24	?	100	\$1,070

Table 1 shows that a typical migrant to Thailand is young, female and ethnically Lao-Tai. They are also poorly educated, with Chanthavisouk (2006:15), noting that 64% (of both sexes) are either illiterate or have at most finished only primary school.<sup>8</sup> Most migrants can therefore only take unskilled jobs which pay low wages: men are concentrated in agriculture and construction, while women work in domestic service and food sales.

<sup>4</sup> This is a gross amount of remittance: net benefits are lower due to the initial costs of migrating.

<sup>5</sup> Some of those interviewed were non Lao-Tai, but exact figures are not provided.

<sup>6</sup> For women, who comprise the majority of migrants.

<sup>7</sup> This figure represents those officially registered with the Thai government. Southichack (2014:8) reports that only about 10% of migrants are officially registered.

<sup>8</sup> Chanthavisouk (2006) quoting 2003 figures from ILO, but I was unable to locate this reference.

Migration researchers divide the factors leading to migration as being either 'push' or 'pull'. Chanthavisouk (2006) regards unemployment in rural villages as the key 'push' factor, with Soutichack (2014) noting that the wage differential between Laos and Thailand was the main 'pull' factor for unskilled migrants. Such conclusions fit with the classical migration theory, which argues that labour migration occurs in response to differences in wages between the origin and destination countries. However this wage differential is rapidly closing with increased foreign investment in Laos and a demand for workers: the reported wage for labourers in Bokeo in 2015 is 300 THB a day, which is the same as the minimum wage in Thailand (Alexander, Salze-Lozac'h and Winijkulchai, 2013).

Since statistics show that the number of migrants to Thailand has remained constant in recent years despite the similar wages, 'pull' factors may extend just beyond earning money. Like Mills in 1997, Chanthavisouk (2006:22) reported that 12% of respondents migrated to Thailand because they wished to see modern places, while Barney (2012) described the cultural capital that can be obtained with the ability to purchase consumer goods.

The impact of migration on source communities has been described by Rigg (2007). He notes that youth migration to Thailand leads not only to economic changes, but also has socio-cultural impacts, as young people leave farming to the old and do not return to pass on the new skills they have acquired as migrants.

### *Internal migration*

Internal migration in Laos itself is not a recent phenomenon, with the Indo-Chinese war period in particular causing the displacement of hundreds of villages. More recently, in the 1990's and 2000's, the Lao government has resettled hundreds of ethnic villages from the uplands in an attempt to reduce opium production and shifting cultivation. Evrard and Goudineau (2004:939) have described the often tragic consequences of such resettlement policies, which lead to "unplanned or unexpected further migrations" as farmers try to compensate for receiving insufficient or poor quality land.

Labour for migration purposes dates only from the late 1990's, and coincides with the opening up of the Lao economy to increased levels of Foreign Direct Investment. The 2005 Lao census reports that urbanisation increased from 17% to 27% between 1995 and 2005, with state and private employees, people aged 15-29 years and women being overrepresented (Phouxay, 2010:8; Phouxay, Malmberg and Tollefsen, 2010:100). However, ethnic minorities (which presumably includes the Hmong) had a propensity to stay put, except in situations of resettlement from highland areas<sup>9</sup>.

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<sup>9</sup>

In fact this is likely an oversimplification. As primary swidden cultivators (who traditionally moved their villages to old forest areas to grow rice), I consider Hmong to have a greater propensity to migrate than other ethnic groups such as the Khmu (who practise rotational swidden around their village and tend to stay in the same location).

Phouxay (2010) mentions the importance of social networks as a 'pull' factor for young rural women moving to Vientiane, and describes them as a precondition for migration. She considers that internal migration is regarded as a less risky alternative to migration to Thailand, since there are clearly many cases of exploitation, particularly when migrants are illegal (Barney, 2012; Huijsmans and Baker, 2012). As such, Phouxay regards the experience of internal migration as being in many ways more positive, despite the lower wages.

Echoing the thoughts of Rigg (2007) on young Lao migrants to Thailand, and Mills (1997) of rural-urban migration in Thailand, Sisaleumsak (2012:iii) describes how the wish to become a modern consumer is a key driver ('pull' factor) in the rural-urban migration of young women to Vientiane:

"Within the urban settings the young women were able to practice modernity through consumption, thus enabling them to create a new self-identity."

This trend is consistent with my own observations in Bokeo villages close to the Thai border. Young people, many of whom have at least a primary education, are eschewing hard farming work in favour of 'easier' jobs in the manufacturing and service industries in Thailand. This leaves an employment vacuum, which is then filled by ethnic migrants from inland areas of Bokeo and beyond. This segmentation of the labour market, in which skilled workers from agricultural areas migrate abroad for higher wages, only to be replaced by unskilled labour migrants, has also been observed in Thailand for many years (Pholphirul, 2012).

### ***Use and impact of remittances***

Like McKay and Deshingkar (2014), Southichack (2014) states that since most Lao migrants are from rural areas, the remittances they send back mostly benefit poorer communities. While that may be true, Rigg (2007) warns that only measuring remittances in monetary terms underestimates the true value of migration, and that 'social' (changes in social practice), 'knowledge' (acquired skills and knowledge) and even 'political' (changing identity and awareness) remittances are also important since they determine the uses to which the money is put. Those who have gained skills in marketing, for example, may be able to return to their villages and open their own businesses.

There are few studies available on how the income from migration have been spent in Laos, a problem acknowledged by Barney (2012). The most complete data on the use of remittances by Lao migrants to Thailand is given by Sisenglath (2009:20)<sup>10</sup>. His study of 200 recipient households in southern Laos found that 32% of remittances were spent on daily household needs, 18% on housing, and 12% on transport. Savings only made up 4% of the total, and less than 7% is spent on investments in business or agriculture. A comparison of these results with the findings of this dissertation is given in Chapter 5.

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<sup>10</sup> The same data is summarised in Deelen and Vasuprasath (2010).

Other studies of Lao migrants to Thailand have only focussed on the percentage of those who spent their remittances in a particular category, without detailing the relative amounts. Chanthavisouk (2006), lists housing, education and food as the top three priorities, while Jampaklay and Kittisuksathit (2009) lists daily expenses, household appliances and housing. Sisaleumseuk (2012) describes how young rural women working in Vientiane garment factories save their money to buy gold, since this is considered more secure than carrying cash, and may be converted into a large remittance to their rural families.

Several studies have inferred that remittances are contributing towards investment in agriculture, based on the link between recipient households and observed investments. Manivong et al. (2014:376) concluded that remittances from Thailand, which make up 30% of household income in six Champassak villages, are contributing to the mechanisation of rice production through the purchase of hand tractors and threshers. Barney (2012), suggests that remittances from Thailand contribute to new production practices such as the growing of rubber in Khammouane province.

Finally, it is worth acknowledging that some migrants send no remittances home at all. Phouxay and Tollefsen (2011:428) found that only 40 percent of female garment workers in Vientiane sent remittances back to their villages. By contrast, 85 percent of international migrants to Thailand sent money home (Sisenglath, 2010:12).

## **2.4 Related studies**

Related studies which share common themes with this dissertation, and have influenced its focus are presented in this section.

### *Boom crops and social networks*

While most internal migration studies focus on rural –urban migration, Hall (2011) has emphasised the contribution of rural –rural migration for agriculture, much of which occurs through the production of “boom crops” such as coffee, cocoa, oil-palm, rubber and prawns. Hall defines a crop boom as taking place when two conditions are met, firstly being when large areas of land are being converted to mono-crops, and secondly when these land use transformations have time horizons of more than one year. In Bokeo, and indeed throughout northern Laos, bananas are satisfying this definition, and concerns about the rapid spread of bananas and the possible impacts upon rice security and the environment are widespread in the official press (Vientiane Times, 2014).

While Hall reports that boom crops have largely attracted permanent migrants, migration to Bokeo is likely to remain temporary due to the nature of the banana plantations. Firstly, bananas are grown on rented land with existing tenure, and therefore there is no opportunity for migrants to become smallholders. Secondly, compared to coffee or cocoa, which can be

grown sustainably on the same land for many years, the bananas are estimated to only have a life expectancy of between six and eight years before the soils are exhausted and/or pests and diseases make them unviable. Finally, the investment in bananas is driven by foreign capital and foreign capital generally moves to the point of highest return - perhaps to the next boom crop!

Hall emphasises the importance of networks, and particularly those based on kinship or ethnicity when analysing boom crop migration. Leepreecha (2013) has described the kinship based social networks of the Hmong, which are maintained despite their broad spread across Southern China, the north of South-east Asia and developed countries such as the United States and Australia. In northern Laos, cross-border connections between Laos and China played a key role in the rubber boom which affected northern Laos in the mid 2000's (Shi, 2008)<sup>11</sup>. Shi reports that rather than engaging in joint investment with the Chinese companies, as other farmers did, almost all Hmong used their social networks to propagate, plant, tend and tap their own rubber trees. Baird and Vue (2015) extend this argument beyond rubber, and point out that the importance of taking into account social networking when conducting any agricultural extension activities with the Hmong.

#### *Ethnicity and the use of remittances*

All the studies referred to in Table 1 on the remittance spending patterns in Laos were focussed on Lao-Tai ethnic group, since they are the overwhelming majority of migrants to Thailand. However, Kurien (2008) points out the importance of cultural context, with the socio-economic structures of the different ethnic and religious communities influencing spending behaviour. In the Indian state of Kerala, she found that Muslim communities tended to invest in businesses with their remittances, while Hindu communities spent large sums on lavish gift giving and entertaining.

No studies in the literature were found that demonstrate the differences in spending patterns between Hmong and Lao-Tai groups. However, numerous social studies have pointed to the hierarchical structure in Lao Tai society, in which Lao elites maintain their social status through an expensive system of patronage whereby social and working relationships are maintained by hosting/attending parties and donating to temples (Stuart-Fox, 1986). Chanthavisouk (2006), observes that one's position in Lao-Tai society is determined by the value of assets, with a house being a reflection of the owner's social status. By contrast, Leepreecha (2013) points out that traditionally there was no social and political hierarchy in Hmong society, although in recent times differences in religion, political systems and the relative wealth of the Hmong diaspora has started to create social and cultural boundaries.

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<sup>11</sup> Approximately 30,000 hectares were reportedly planted in Bokeo, although some was later abandoned due to poor maintenance.



## 2.5 The niche in the literature

The literature review has noted that internal, rural-rural and circular migration is not well researched in the literature, compared to international and rural-urban migration. There is also ongoing debate about the role of remittances and whether they are a source of capital for household development. In Laos, most studies have focussed on the international migration of workers to Thailand from the Lao-Tai ethnic group.

The observed migration patterns of the worker-couples have some distinguishing features which allow us to examine some of these gaps in the literature. A first distinguishing feature is that the worker-couples receive a monthly advance to cover their subsistence needs, and a lump-sum payment at the end of their contract. This lump sum payment makes it relatively simple for farmers to estimate their net income (or remittance), and then report how they spent it. The delayed payment is a kind of forced saving. The question may be asked whether this arrangement encourages saving compared to migrant workers who receive a regular salary and are then tempted to spend it on modern lifestyles, as described by Sisaleumsak (2012).

Secondly, the migrant worker-couples are almost exclusively from ethnic minorities, such as Hmong, Yao and Khmu, which contrasts with previous studies of the Lao-Tai ethnic group. Are there socio-cultural factors which play a role (as described by Kurien, 2008) in determining how remittances are spent by the Hmong?

Thirdly, while previous studies have focussed on the young and single, worker-couples are married and mostly have children. Rather than sending remittances to other members of the household, they are actually working for themselves. Married migrants have been shown to send home greater amounts than single migrants (Jampaklay and Kittisuksathit, 2006). Is there also an effect on the ratio between spending on consumption and investments for the worker-couples?

Based on these questions, a hypothesis can be proposed in which it is predicted that the Hmong worker-couples will spend their remittances differently compared to other types of migrants, and this is addressed below. However, given the dearth of studies in Laos on the use of remittances, and the ongoing debate in the literature, this dissertation is not intended to provide a definitive answer to this hypothesis. Rather, it is also intended to contribute to the understanding of internal migration in Laos in the context of dramatic agrarian transformation.

## 2.6 Research questions and hypotheses

### *Review of the research questions*

In Chapter 1, the general research problem was divided into three specific research questions to be answered sequentially as follows.

1. What is the nature and extent of labour migration to banana plantations in Bokeo?

2. What is the net income (remittance) of households migrating to tend bananas in Bokeo?
3. To what extent are these remittances spent on productive investments?

Understanding these questions requires some clarification of the definitions to be used in this dissertation, and these were given in Section 1.2. Of particular importance is the assumption made in this study that net household income and remittance are the same value (Section 1.3), since the payments made to the worker-couples are divided into a fortnightly allowance (which covers daily living expenses) and a lump sum payment at the end of the contract (the remittance) which is taken home by the migrant workers.

Following the classification of Adams, De Haas, Jones and Osili (2012), productive investments are considered to be education, housing and business investments (including agriculture investments) that help to build human and physical capital, whilst consumption covers food and consumer goods.

#### *The hypothesis*

Following on from the niche in the literature identified in Section 2.5, Research Question 3 can be expressed by the following hypothesis.

*Hmong 'worker-couples' and their families who migrate to work in banana plantations will spend a higher proportion of their income on productive investments compared to other Lao migrants*

## **2.7 Conceptual framework**

The Conceptual Framework which follows demonstrates the relationships between the research questions and the constructs to be measured (Figure 1).

Figure 1 illustrates the two stage sequential approach used for this dissertation, with Stage One (corresponding to Research Question 1) being exploratory and gathering both qualitative and quantitative data to understand both the context and composition of migrant labour. Stage One is considered a prerequisite to enable the refinement of Stage Two (Research Questions 2 and 3), which is considered to be the major component of the research, and measures the quantitative constructs of net income (remittance), and its actual uses.

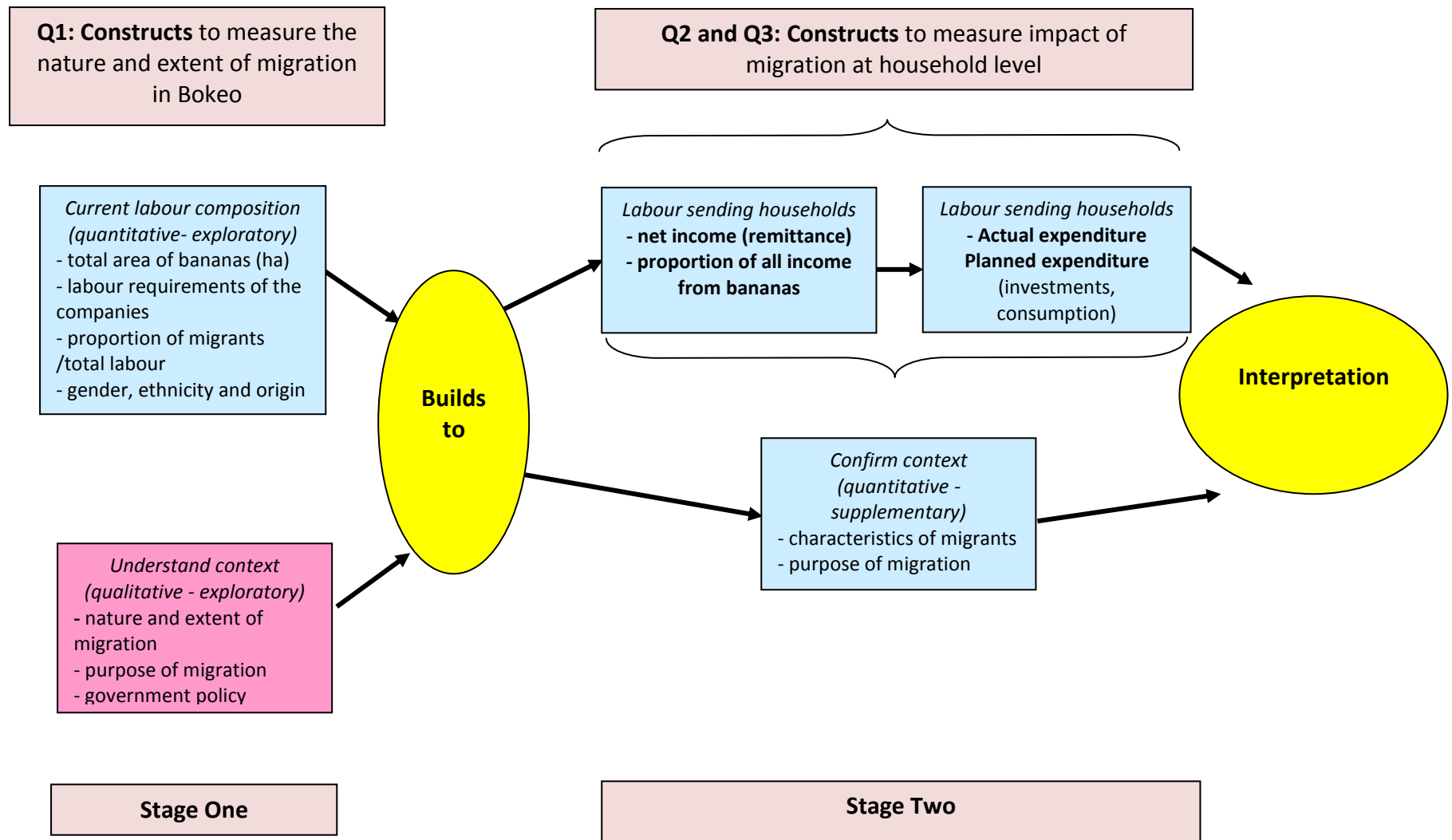


Figure 1: Conceptual Framework

## **2.8 Chapter synthesis**

This Chapter started by outlining the New Theory of Labour Migration, in which households migrate not just for the relatively high wages, but also to reduce risk by diversifying their incomes. It has presented migration theory in terms of a series of dichotomies that differentiates international and internal migration, urban and rural migration and temporary and permanent migration. Most research into migration in Laos has focussed on the young, single and ethnic Lao-Tai who have migrated to Thailand. By contrast, this dissertation has taken a niche within the Lao literature by studying older, married, and ethnic Hmong households in Laos, and a niche within the general migration literature by adding to the research on internal, circular and rural-rural migration.

The Chapter concluded by developing the research questions and a Conceptual Framework on the basis of the literature review.

## Chapter 3. Methodology

### 3.1 Introduction

This Chapter begins with placing the research questions and the Conceptual Framework chosen to answer the research problem (Sections 2.6 and 2.7) within the spectra of guiding assumptions and methodologies outlined in the literature. It identifies some studies which faced similar data collection and analysis issues to this dissertation, and draws lessons from them. The position of myself as a researcher with a close relationship to the study area is discussed.

It then presents in detail the participants, methodology and procedures used to complete the two stages of research (Stage One and Stage Two) shown in the conceptual framework, and justifies these choices by analysing their strengths and weaknesses.

### 3.2 Guiding assumptions

This dissertation is guided by the assumptions of the positivistic paradigm, in which a relationship between Hmong worker-couples (the independent variable) and the level of spending on investment (the dependant variable) has been tested by measuring quantifiable constructs.

The study is, as far as possible, designed to demonstrate construct, internal, external and statistical validity, all of which are considered to be quality criteria of the positivistic paradigm (Cooksey and McDonald, 2011). The Conceptual Framework shows the emphasis placed on an objective approach and the statistical analysis of quantitative data, which will enable the results of this research to be compared with other studies of remittances and their use, or may be generalised to other agriculture crops in Laos which require migrant labour, such as rubber, sugar and coffee (external validity). The restriction to one ethnic group, the Hmong, ensures that the relationships between the independent and dependent variables are consistent (internal validity).

At the same time, the collection of some qualitative data has been incorporated into the framework, as a necessary step to understanding the research problem. The use of both quantitative and qualitative data, or multiple methods, has been described by Cooksey and McDonald (2011: 199) as becoming an increasingly desirable feature of research, to “improve the chances of converging on a convincing research story”.

### 3.3 Literature review on methodologies

#### *Multiple methods*

Creswell and Plano-Clark outline several different types of mixed methods approaches in their 2011 paper, including a two stage mixed methods approach whereby an exploratory

qualitative phase is followed up with a quantitative investigation. This is similar to the approach taken for this dissertation as outlined in the conceptual framework (Figure 1).

However, the Creswell and Plano-Clark definition of mixed methods requires one to collect and rigorously analyse both the quantitative and the qualitative data. As would be expected with the positivist approach, the quantitative data collected in this dissertation has been statistically analysed. However, a rigorous analysis of the qualitative data has not been attempted due to the time and resource constraints of a minor dissertation. Therefore this research can be best described as taking the “multiple data types approach” described by Cooksey and McDonald (2011:200), rather than mixed methods.

One practical example in the migration literature using such an approach is that of Jampaklay (2006), in her study of the impact of migration on education performance in rural Thailand. With the benefit of collecting both quantitative and qualitative data, she was able to conclude that while the receipt of remittances improved school enrolment levels for the children of migrants, the lack of parental guidance actually led to poorer school performance. It is intended that the use of multiple methods in this research will also be able to identify interesting trends which may not have been apparent using just a single method, thereby adding to the convincingness of the research (as defined by Cooksey, 2008).

#### *Cross- cultural research*

Ghauri, P. N. & Grønhaug (2010:22) point out the biases that can arise when undertaking cross-cultural research.

In international research, it is particularly problematic if the researcher who is going to interpret the data is not familiar with the cultural conditions in which the data is collected. This can however, be handled through the collection of data by several researchers familiar with different cultures, and through interpretation of data through a common and systematic analytical framework.

This dissertation needs to present the perspectives of three cultures (the Hmong farmers, Lao informants and counterparts, and an Anglo-Australian researcher) in an impartial manner if it can be assumed to be convincing under the positivistic paradigm.

#### *Methodology of other studies on the use of remittances*

Many studies on the uses of remittances rely on secondary econometric data that has been generated from household income and expenditure surveys. Adams et al. (2008), for example, use the 2005/2006 household survey in Ghana to compare the marginal spending behaviour of households (consumption or investment) that either received or did not receive remittances. Expenditure categories analysed were consumption (food and consumer goods/durables), investments (housing and education), health and other

(transport and utilities). Adams et al. (2008:11) point out that they are only able to use expenditure data, since that there are many problems with “defining and measuring income for the self-employed in agriculture.”

In Laos, several studies have gathered primary data on the level of remittances. Phouxay and Tollefsen (2011) used a multiple methods approach to understand the feminisation of rural urban migration to Vientiane, which included a structured questionnaire of 210 migrant households in one particular village in Vientiane. Manivong et al. (2014), interviewed 180 households from 6 villages (a random sample of 30 per village) in Champassak. In both these studies however, the actual use of these remittances by the household was not examined.

By contrast, Sisenglath (2009) included specific questions on the use of remittances over the past two years by 200 recipient households in four southern Lao provinces which had family members working in Thailand. Remittance categories included health, education, agricultural investment and savings. The sampling method is not clearly defined in the paper, but since the survey districts were deliberately chosen because of their high numbers of migrants it is possibly a form of purposive sampling. While the survey attempted to triangulate the results by also measuring income, it was complicated by the need to calculate income in kind (such as rice produced and consumed by the household) and by in-kind remittances (such as consumer goods). The survey was also presumably hampered by the need for farmers to rely on their memory for the previous two years when estimating their use of remittances.

### **3.4 Researcher positioning**

The choice of research topic reflects my own position as both an agricultural development practitioner and a resident of Laos for the past 19 years, with 15 years of them in Bokeo. I have observed Bokeo evolve from a largely subsistence economy into an integrated market economy, which gives me a unique insight into agrarian change in the province. My local knowledge and fluency in Lao language has been advantageous in undertaking this research. My network includes the Provincial Agriculture and Forestry Office (PAFO), who was the key gatekeeper from whom approval had to be sought, and the local non-profit organisation Community Association for Managing Knowledge in Development (CAMKID) who assisted with the interviews in Hmong language. Their roles will be detailed later in this Chapter.

### **3.5 Approval processes**

This research has been approved by the provincial authorities and also by University of New England's Human Research Ethics Committee (Appendix 2). All those interviewed during Stage One were provided with a Participant Information Sheet and signed a form giving their free, prior and informed consent to participate in this research (Appendix 3). For Stage Two, the information in the Participant Information Sheet was summarised into Hmong language

and explained prior to interview. Stage Two participants gave assumed consent by voluntarily agreeing to answer the questionnaire.

### **3.6 Methodological steps for Stage One**

This section outlines the processes of stakeholder identification, survey instruments, sampling and data analysis used to conduct Stage One of the research. This stage was undertaken between January and May, 2014, as shown on the research timeline in Appendix 4.

#### *Stakeholder identification*

Three types of stakeholders were identified for inclusion in the Stage One interviews. Firstly, government policy makers at provincial level take decisions to approve plantation investments, and set conditions on their location, labour relations and monitoring process. Key policy makers are PAFO, the Department of Planning and Investment (DPI) and the Provincial Labour and Social Welfare Office (LSWO). The second group comprises government departments at district level which monitor the implementation of these investments, and include the respective line agencies as well as local police. Thirdly, the Chinese companies have their own perspectives on the research topic and have the best knowledge of their own labour requirements.

#### *Survey instruments*

A semi-structured questionnaire (Appendix 5) for government policy makers and implementers was developed to gather both quantitative and qualitative information, with the questions ordered so as to begin with understanding the existing situation, before identifying opportunities (and how to take them) and constraints (and how to overcome them). For the Chinese companies, the questionnaire was supplemented by a recording form designed to measure the labour requirements of the plantations.

The questionnaire was then translated into Lao and then reviewed for accuracy by the government counterparts and myself.

#### *Sampling of participants*

Stage 1 used purposive sampling to select stakeholders to be interviewed within three banana plantation areas within Tonpheung District (Simeuangngam and Donethat administration zones) and Houayxay District (Dan administration zone) in March 2014. These districts (Map 2) represent the majority of banana plantations within Bokeo. Saunders, Lewis and Thornhill, (2012, 287) define purposive sampling as “a non-probability sampling procedure in which the judgement of the researcher is used to select the cases that make up the sample”. Its use was appropriate in this study because only these larger banana growing areas employed sufficient labour necessary to provide reliable information on the labour flow patterns and the labour requirements for each stage of banana growing.



A total of 13 stakeholders were interviewed, of which three represent policy makers at provincial level, seven are policy implementers at district level, and three are Chinese companies (Table 2).

Table 2: Stakeholders interviewed during Stage One

Stakeholder type (and Number interviewed)	Name
Policy Makers (3)	Provincial Offices of Agriculture and Forestry, Labour and Social Welfare, Planning and Investment
Policy Implementers (7)	District Agriculture and Forestry Offices (Tonpheung, Houayxay), District Labour and Social Welfare ((Tonpheung, Houayxay), Police Units (Dan, Donethat, Simeuang Ngam)
Chinese Companies (3)	Lery Ling, Li Hui, Singthaly

### *Procedures*

All interviews took place in a formal setting within the respective government or company offices, with each taking between 1 and 1.5 hours and conducted in Lao language using the semi-structured questionnaire. Official documents were provided to the team in several instances: at the zone police stations, for example, the team was able to collate the details of those migrant labourers that had officially registered. Interviews with the Chinese company representatives were undertaken with the assistance of their Lao-Chinese interpreters.

The Stage One interviews were not recorded for several reasons. Firstly, as noted in Section 3.3, there was no intent from the outset to subject the interviews to detailed analysis due to the practical limitations of a minor dissertation. Secondly, it would have been both impractical, time consuming and possibly unreliable to transcribe and translate such data from Lao to English (or from Chinese to Lao to English). Finally, it was considered that recording interviews may be of limited practical use, since government officials are unable to quote 'on the record' without the permission of their superiors, a process which would be impractical and would likely lead to a very limited interview. Instead, I was able to use my own personal connections and credibility to elicit information without the use of a recorder.

### *Data Analysis and Reporting*

The responses to the questions in the semi-structured interviews were summarised so as to provide common responses from each of the three types of stakeholders. Quantitative data, such as on labour requirements from the three Chinese companies, or the ethnicities of migrant workers was entered into Excel for analysis. Simple statistics were generated to prepare an interim report on Stage One, which was completed in September 2014. The key findings (results and discussion) of Stage One are presented separately in Chapter 4.

### 3.7 Methodological steps for Stage Two

This section outlines the processes of refining the target group, selecting the research partners, survey instruments and pilot testing, sampling procedures, data checking procedures and data analysis used to conduct Stage Two of the research. This stage was undertaken between March and June 2015, again as shown on the research timeline in Appendix 4.

#### *Defining the target population*

As presented in the Conceptual Framework (Figure 1), the objective of Stage One was to gather information that enabled the research problem and target group to be further refined, and so influenced the research design for Stage Two. Therefore it is necessary to provide some of the results of Stage One in this section in order to understand the methodologies chosen for Stage Two. Three criteria were adopted to select the population to be sampled, as follows.

Firstly, it was decided to focus on circular migrants in at least their second consecutive season tending banana plantations, rather than other categories of migrants, since they receive the greatest proportion of the banana income, and can accurately provide details of their lump sum (net) income/expenditure from the previous season. Secondly, it was decided to only include the Hmong ethnic group in the research, since Stage One determined that they made up 73% of those tending bananas. The selection of a single ethnic group would also eliminate the possibility that there would be differences in marginal spending behaviour due to ethnicity (as described by Kurien, 2008). Thirdly, it was noted during Stage One that there were some families tending bananas who lived in the camps even though they came from nearby villages. To prevent an arbitrary decision being made as to whether or not one was a migrant, all worker-couples resident within the surveyed district were excluded in Stage Two<sup>12</sup>.

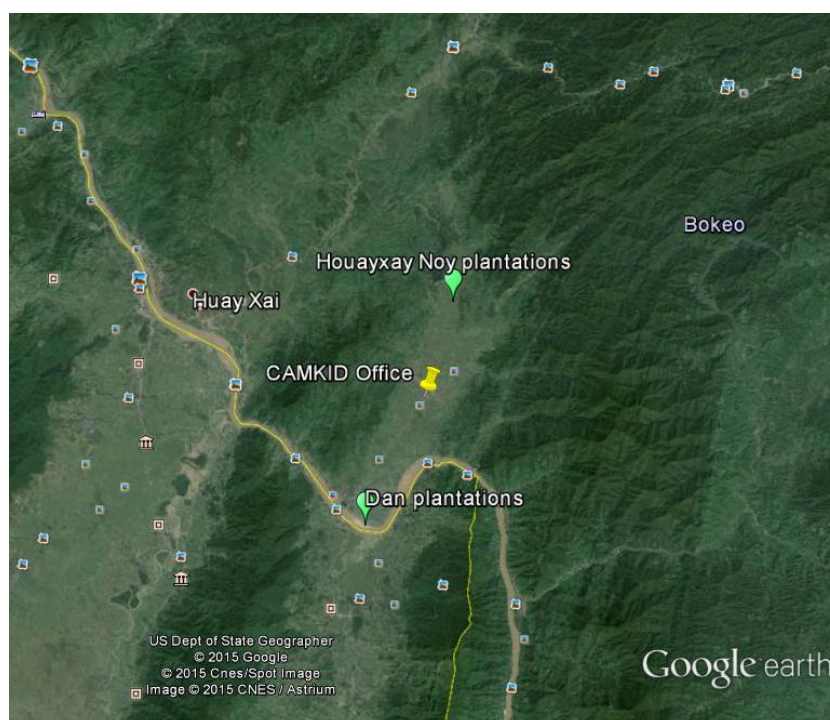
#### *Selecting research partners*

The decision to survey only Hmong migrants then raised the possibility of being misunderstood or not understood at all, were the interviews to be conducted in Lao language. This would be especially so in the case of women. Many worker-couples may have had to be excluded from the survey, thereby reducing sample size and compromising construct validity. To ensure both a sufficient number of respondents and quality information it was considered essential to conduct interviews in Hmong language. Doing so ensures that the cultural concerns identified by Ghauri & Grønhaug (2010) can be addressed. The use of Hmong interviewers was also seen as an 'icebreaker' that would build rapport and trust between the two parties and reduce the hierarchical imbalance between the educated researcher and the often illiterate respondents.

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<sup>12</sup> Phouxay et al. (2011) also defines a migrant as someone who moves from another district.

The Community Association for the Management of Knowledge In Development (CAMKID), a registered non-profit association based in Houayxay Noy village, was approached to partner with myself in undertaking the worker-couple interviews. CAMKID's mission is to support the development of ethnic minorities within Bokeo, and it has several Hmong staff who are fluent in both Hmong and Lao language. Their office is located between the Dan and Houayxay Noy plantations located about 30 km south-east of the provincial capital of Houayxay (Map 3).



Map 3: Location of CAMKID office relative to the two plantation areas surveyed

As was the case in Stage One, PAFO provided a project counterpart to inform local gatekeepers about the research and assist with the interviews.

#### *Survey instruments and pilot testing*

A structured questionnaire to gather the quantitative information necessary to answer Research Questions 2 and 3 was designed with the research partners (Appendix 6). Based on similar studies, (in particular Adams et al. 2008; Sisenglath, 2010), expenditure was divided into two broad categories, being consumption (food and consumer goods) or productive investments (education, housing and business). At the end of the questionnaire, the interviewers could record any quotes or other relevant qualitative information given by those interviewed. Four Hmong staff from CAMKID were trained in the use of the questionnaire and its associated ethical procedures in a half day session.

The draft questionnaire was then pilot tested on two Hmong families at a banana camp. A team feedback session after the pilot testing showed that the draft was too long and

needed simplification. For example, it was both confusing and time consuming to identify the ages (0-15, 15-60, and 60+) of family members who either did or did not migrate: this section was simplified to just define those capable of working or otherwise. Another modification was to include animal sacrifice as separate consumption item, due to its expected significance as a traditional animist practice during times of illness.

After improvement, each questionnaire took between 30 and 40 minutes to administer. The pilot test data was discarded. The final form used for the household questionnaire is given in Appendix 6.

*Sampling procedures: a) Specifying a sampling frame*

It was noted above that three criteria needed to be satisfied in order to be included in the sampling frame: being circular migrants, of Hmong ethnicity, and must be either migrating from another district (if within Bokeo)<sup>13</sup>, or from another province. With plantations scattered throughout five districts and a regular turnover of migrants, it was not possible to list all those meeting the three criteria in any case. Therefore, the sampling frame needed to be limited to one particular area for practical reasons.

*Sampling procedures: b) Specifying a sampling method*

Given the proximity of the CAMKID office to the plantations within the Dan and Houayxay Noy administration zones (Map 3), it was decided to focus within this region in the first instance. The Dan police unit, which had the greater plantation area of the two zones, had recorded 71 migrant Hmong families during Stage One (Section 4.5), although there was no data on how many of these were entering at least their second season.

The decision to focus on only two zones within one district of Bokeo means that the sampling process cannot be classified as random. This choice to not use random sampling has reduced the ability to generalise the results to the wider population (Cooksey and Macdonald, 2011).

To compensate for this limitation, it was intended, as far as practical, to interview all those meeting the three criteria within this one region. Since it was not known in advance how many migrant households would meet the three criteria, it was decided to proceed with one round of interviews in which every household that met the three criteria and was available would be surveyed. A minimum number of 30 interviews was initially specified, a figure which would likely result in the normal distribution needed for later statistical analysis (Saunders et al., 2012). This sampling method satisfies the definition of quota sampling, as described by Cooksey and McDonald (2011), in that the category for desired participants (meeting the three criteria) and the quota for the number of participants (all available within that region), were imposed in advance.

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<sup>13</sup> As Stage Two turned out, the sample excluded residents of Houayxay district.

*Sampling procedures: c) Data collection*

Eventually 30 different camps were identified and visited during the interview process (Appendix 7). At each camp, the team identified the numbers, number of seasons and ethnicity of each worker-couple, thereby calculating the sampling frame (the number meeting the criteria stated above). This data is presented in Table 3.

Table 3: Summary of banana camp characteristics.

Administ ration zone	No. camps visited	Total No. HH	Total No. Hmong HH	Total No. families meeting 3 criteria	No. interviewed Round 1	No. interviewed Round 2	Total No. interviewed
Dan	18	179	97	37	19	4	23
Houayxay Noy	12	75	54	14	10	0	10
<b>TOTAL</b>	<b>30</b>	<b>254</b>	<b>151</b>	<b>51</b>	<b>29</b>	<b>4</b>	<b>33</b>

Source: Interviews with those present at the camps, full details in Appendix 7.

Table 3 shows that 151/254 (or 59%) of families tending bananas within the two zones are Hmong, of whom 51/151 (34%) met the three interview criteria, and can therefore be considered to be to the sampling frame. There were no worker-couples who refused to be interviewed, which reflects the use of Hmong language in making the respondents feel comfortable. During the first round, a total of 29 families were interviewed.

*Sampling procedures: d) Determining the final sample size*

As noted in Table 3, the total number of families who ended up meeting the three criteria was relatively small, at only 51 households (or about 20% of the total of 254 households in the camps), and the first round had not yet reached the minimum number of 30. This difficulty in reaching the full sampling frame reflects the scattered nature of the camps and poor road conditions, and also because interviews were held during the day when people were working in their banana plots. After discussion, CAMKID agreed to revisit some camps in the evenings until the quota was reached. This second round yielded an additional four interviews, bringing the total to 33, which represents a response rate of 65% on the total sampling frame of 51 households.

*Data checking procedures*

The government counterpart and I were physically present during the first 29 of the 33 interviews. Although neither of us understood Hmong, we were able to look at the questionnaires as the information was being written down in Lao language, and so check to see that the procedures we had agreed upon with CAMKID were adhered to and that

information was complete. One example which arose and had to be adjudicated was a situation in which a household had repaid debt: it was agreed that for all interviews debt should be booked to whatever item it had originally been spent on, rather than just recording it as 'repaying debt'<sup>14</sup>. A second example was the treatment of money which had been lent, rather than given, to relatives: this was considered to be a form of savings and booked accordingly.

The interview sheets were rechecked each evening and the data was entered into a prepared Excel spreadsheet to ensure completeness and accuracy. This led to the identification of several minor errors which could be then checked the following day with the CAMKID team while their memory was still fresh. Corrections included: the household member numbers not being added up correctly, an 'other' expenditure item not being made specific, and not giving sufficient detail in the reasons for migration.

#### *Data analysis*

The data was analysed using Excel to develop simple descriptive statistics, including means, medians, standard deviations, maximums and minimums for each item of planned and actual expenditure. Where appropriate, these figures were plotted using histograms using the Excel software. The percentages spent on consumption and investments were computed.

### **3.8 Strengths and limitations of the chosen methodology**

#### *Key strengths*

The methodology chosen for this dissertation follows logically from my own position as a researcher based in Bokeo with a knowledge of the local context, Lao language and a local network of contacts. The positioning of the research team is advantaged through the use of both Lao and Hmong co-researchers to ensure that data is collected and analysed with due regard for different cultural perspectives as described by Ghauri and Grønhaug (2010). The fact that 100% of those available were willing to answer the Stage Two questionnaire is testament to the use of Hmong language and the ability of CAMKID staff to make those feel both comfortable and listened to. The use of Hmong language enhanced face validity by ensuring that all questions were understood clearly and reduced the possibility of non-genuine responses.

The research is designed to demonstrate contextual sensitivity by taking a multi-stakeholder approach by including perspectives from all stakeholders in the banana value chain, including the government, private sector, and the migrating households. The collection of multiple data types (quantitative data and qualitative data) is intended to add richness and texture to the research story as described by Cooksey and McDonald (2011).

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<sup>14</sup> As had been done by Sisenglath (2009).

Construct validity is enhanced by the ability to cross-check the results for income and expenditure for worker-couples. As explained in Section 1.3, the fact that they receive a lump sum payment at the end of their contract enables a reliable estimate of remittances to be made, and which can then be used to measure and balance the items of expenditure. This overcomes the limitations of other researchers (such as Adams, 2008; Sisenglath 2010), who noted difficulties in having farmers either distinguish in kind income (such as self-produced rice) or having to rely on memory for income which arrives irregularly in lumpy amounts.

The research is designed to demonstrate internal validity by limiting the sampling frame to include only circular migrants within the Hmong ethnic group. As Kurien (2008) has pointed out, there are significant socio-cultural differences between ethnic groups that lead to differences in spending patterns.

#### *Potential limitations of the method and how they were ameliorated*

This strong internal validity however, has meant compromising the external validity needed to generalise the results to the wider population in the positivistic paradigm. Firstly, the sampling frame for Stage Two is narrowly defined within a specific time period. The reliability of the results on the use of expenditure may be limited, for example, since most circular migrants are only in their second season of tending bananas, and their first-year spending priorities may be different compared to those who had several years of experience: this possibility will be ameliorated by asking migrants not just about their actual expenditure for the previous season, but also about their planned expenditure for the current season.

Secondly, the sampling frame is narrowly defined within a specific region for practical reasons and therefore quota sampling, rather than random sampling, was used to select the participants. Only 33 households were eventually surveyed: however, since this figure represents the *entire* population in the region surveyed (with the exception only of those absent), I argue that the sampled cohort is representative of the population.

In conclusion, and atypically in a study using the positivistic paradigm, these limitations mean this dissertation is not able to draw any statistical inferences to the wider population: instead (and as noted in Section 1.3), this research intends to convince the reader through the use of multiple methods to explore a new aspect of internal migration in Laos.

### **3.9 Chapter synthesis**

This dissertation is guided by the assumptions of the positivistic paradigm, in which a relationship between Hmong worker-couples (the independent variable) and the level of spending on investment (the dependant variable) has been tested by measuring quantifiable constructs. Within this paradigm, and consistent with the conceptual

framework, both quantitative and qualitative data have been collected using a sequential model in two stages. Stage One interviewed government officials and companies using semi-structured interviews to gather information on the nature and extent of the banana industry in Bokeo. Stage Two sampled 33 Hmong households who had migrated to the plantations on their level of remittances and the uses to which they were put using a structured questionnaire. The questionnaire was undertaken in Hmong language, which enhanced the reliability of the results by ensuring that all questions were clearly understood and that attention was paid to cultural sensitivity.

However, only the quantitative data has been rigorously analysed, which positions this research as taking a 'multiple data types' approach, rather than a true 'mixed method' approach. The collection of multiple data types, while adding to the complexity of the research, is intended to overcome one of the limitations of this research, which is that the strong internal validity gained through the selection of a specific research cohort (circular migrants, from an outside district and being ethnically Hmong) compromises the external validity.



## Chapter 4. Nature and Extent of Labour Migration to Banana Plantations

### 4.1 Introduction

This Chapter presents and discusses the results of Stage One, which was exploratory and seeks to answer Research Question 1.

*What is the nature and extent of labour migration to banana plantations in Bokeo?*

The fieldwork for Stage One was undertaken in March 2014, with data gathered from semi-structured interviews with government and the Chinese companies. The results presented below are both qualitative (nature of migration in Bokeo, purpose of migration to banana plantations, government policy) and quantitative (total area of bananas in Bokeo, their labour requirements, number of migrating worker-couples and their ethnicity, gender and origin).

### 4.2. Nature of migration in Bokeo

Cross-border migration to neighbouring Thailand for short term employment has been common practice for young people in Bokeo. The government department responsible for collating migration data is the provincial Labour and Social Welfare Office (LSWO), who recorded 752 people (57% women) who have migrated to Thailand from Bokeo as of February 2014 (Table 4).

Table 4: Recorded migration to Thailand from Bokeo

	Study 1 – Province LSWO		
District	Total	Women	%
<u>Undocumented</u> <sup>15</sup>			
Houayxay	252	176	70
Tonpheung	145	80	55
Paktha	158	91	58
Phaoudom	152	80	53
<i>Subtotal</i>	<i>707</i>	<i>427</i>	<i>60</i>
<u>Documented</u>			
Paktha and Phaoudom	45	0	0
<b>GRAND TOTAL</b>	<b>752</b>	<b>427</b>	<b>57</b>

*Source:* Provincial LSWO, February 2014

<sup>15</sup> This information in Table 4 was collated from information provided by village heads, who defined those leaving as migrants as either official (in that they had an employer organised through the LSWO), or unofficial and undocumented).

This number is likely to be underestimated, given that Southichack (2013:5) points out that over 300,000 Lao are estimated to be working in Thailand and that most of these come from border provinces such as Bokeo. The finding that only 6% of migrants are documented (45/752) validates the findings Southichack (2014:8), who report that only about 10% of migrants to Thailand are officially registered. Those working in Thailand unofficially (illegally) are considered to face a higher risk of labour exploitation (Huijsmans and Baker, 2012).

A second survey undertaken in early 2014 by the Houayxay District LSWO reported 187 people working in Thailand from just five villages, of whom 66% were women. The greater number of women migrants in both surveys is consistent with other researchers of Lao migration to Thailand cited in the literature review (Table 1).

In turn, thousands of Chinese migrants are moving to Bokeo to take up positions with Chinese companies in agriculture, casinos, mining and hydropower dams. Laos is therefore becoming both a sender and receiver of migrants, just as in Thailand (Phorphirol, 2012). In some Lao villages with widespread banana plantations, such as Houayxay Noy (where the CAMKID office is located), there are over 100 Chinese workers resident during the peak harvesting season (Ms Phonexay Manivongxay, personal communication, April 23<sup>rd</sup>, 2015). Reliable numbers of Chinese workers are difficult to estimate, since the government agencies reported that most do not register with the authorities, or overstay their work permits. This tendency for Chinese temporary migrants to end up as permanent migrants was also observed by Tan (2012), in her study of Chinese working in Laos.

The Provincial LSWO do not keep statistics on internal migration, such as the numbers of workers from Bokeo migrating to other provinces or those coming to work in Bokeo. However, they report that work opportunities in Bokeo for Lao people are increasing rapidly along with Chinese investment. They cite as an example the shortage of skilled rubber tappers, since rubber planted during the boom period between 2006 and 2009 has started to yield latex following its seven year maturation period<sup>16</sup>.

#### **4.3 Total area of bananas and its economic value**

In January 2014, the province established a Provincial Technical Committee for the Inspection of Banana Plantations, chaired by PAFO, with a mandate to assess existing plantations and recommend on their future management. The report was completed just prior to the Stage One fieldwork which took place in March 2014. Using a GPS, the Committee measured 2,961 ha of banana plantations divided amongst 16 companies across four districts of Bokeo (Table 5).

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<sup>16</sup> However, low rubber prices in 2014 and 2015 has meant that many farmers have chosen not to tap their rubber, while other farmers have removed it and leased the land to the Chinese for banana plantations.

It is important to note that this area of 2,961 hectare is the baseline figure for calculation of the other quantitative constructs measured during Stage One.

**Table 5: Total area of Chinese banana plantations in Bokeo at January 2014**

District	Actual Planted Area
Tonpheung	2,049
Houayxay	710
Phaoudom	159
Paktha	42
<b>TOTAL</b>	<b>2,961</b>

*Source:* PAFO(2014a)

The annual economic benefit (income) accruing to Bokeo, as calculated by this Committee, is given in Table 6.

**Table 6: Annual economic benefit (income) of Bokeo's plantations**

Item	Equivalent in THB (total)	Equivalent in USD <sup>17</sup> (total)	Proportion (%)
Land rental to farmers	89,428,790	2,769,610	27
Payments to Contract Labourers	165,678,656	5,131,068	49
Payments to Day Labourers	75,308,455	2,332,303	22
Government taxes	6,934,173	214,751	2
<b>TOTAL</b>	<b>337,350,073</b>	<b>10,447,732</b>	<b>100</b>

*Source:* PAFO (2014a)

Payments to worker-couples made up nearly half of the income accruing to Bokeo, while taxes from the Chinese companies totalled only 2%. Bokeo province reported that a total of 23,565 tonnes of bananas had been exported in the year 2012/2013, which had a value equivalent to 38,247,125USD (DPI, 2013). The disparity between export value and taxes collected led some officials to question during the interview whether the state is receiving sufficient revenue from the plantations.

#### *Expansion of plantation area since January 2014*

Since January 2014, PAFO has updated its figures to reflect new banana plantings undertaken over the following two years (and just prior to the submission of this dissertation). Table 7 shows that the area under bananas has nearly doubled over each of the previous two seasons. These figures suggests that bananas can be classified as a 'boom

<sup>17</sup> Based on THB/USD exchange rate on 22/4/2014.

crop' as defined by Hall (2011) since, firstly large areas of land are being converted to mono-crops, and secondly they have time horizons of more than one year.

Table 7: Trend in banana planting in Bokeo between January 2014 and September 2015

Period	Measured Area of bananas (ha.)	Percentage increase (year on year)	Total exports (tonnes) <sup>18</sup>
January 2014	2,961		23,565
September 2014	5,357	81%	55,970
September 2015	11,266	110%	

*Source: PAFO (2014a), PAFO (2014b), PAFO (2015)*

#### 4.4 Labour requirements of plantations and worker income

##### *Types of labourers employed and their income*

There are two types of labourers employed in banana plantations being:

1. Worker-couples and their families (with contracts): The typical worker-couple takes responsibility for about 5,000 stems, which equates to about 3 hectares, since bananas are planted at 1,680 stems/ha. This area may be increased by the companies if they bring other family members of working age to assist them. A contract lasts for one season, which is between seven and ten months, depending on whether the bananas are newly planted or already at least one season old (so that the new shoot is established when the bananas are cut). Each stem yields between 20 and 25 kg of bananas per season, or about 34 tonnes/ha.

The areas planted by each company and the number of worker-couples they actually employ is given in Table 8.

Table 8: Companies surveyed, area planted, and the number of worker-couples employed

No	Name	Location	Plant: Area (ha)	Total families	Area/ Family (ha.)
1	Lery Ling	Pakngao Houayxay	41	17	2.41
2	Li Hui	Donethat, Tonpheung	364	120	3.03
3	Singtaly	Simeuangngam, Tonpheung	178	40	4.45
	<b>TOTAL</b>		<b>583</b>	<b>177</b>	<b>3.29</b>

*Source: Banana Company interviews, March 2014*

<sup>18</sup> An estimate of yield here (tonnes/area) is not reasonable due to the fact that many plantations were yet to produce a crop. As noted in Section 4.4, the actual yield is about 34 tonnes/hectare.

Table 8 shows that 177 contracted worker-couples and their families are able to manage 583 hectares, which is 3.29 ha. per household. The whole plantation area of 2,961 hectares would therefore employ exactly 900 households<sup>19</sup>.

At March 2014, worker-couples earned between 1.1 and 1.2 THB/kg of crop harvested, which is the equivalent of about 42,500 THB /ha<sup>20</sup>, or 140,000 THB for the average area of 3.29 hectares (assuming all can be harvested). From this gross amount was deducted a monthly living allowance of 1 THB/stem/month (or about 5,500 THB), which leaves them, on average, with between 85,000 and 100,000 THB (depending on the length of the season). They are provided with basic camp accommodation with other families, with electricity and drinking water provided by the company.

The company's source worker-couples using local brokers, who receive a commission to find interested families. There were no banana plantations managed on a permanent basis by the Chinese companies. On some occasions worker-couples were asked to leave their blocks due to a dispute with the company (poor management or drug use were given as reasons), but then these blocks were allocated either to existing or new families to manage.

2. Day wage labourers (non- contract): Day labourers are paid wages to perform specific tasks which are not included in the standard tending contracts, such as nursery work, planting, portage and washing/packing.

Only the porters' job attracts seasonal and internal migrants, the majority of whom come during the dry season (December to April) when most bananas are fruiting and their own farms are not producing rice. They do not have contracts, typically stay less than one month, and also move frequently to different plantations. Many were reported to be ethnic Khmu from Pha-oudom district.

Table 9 summarises the amounts paid for each task, and their proportion of the total labour costs for Lao workers of the Chinese companies.

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<sup>19</sup> A figure which rises to 3,424 households based on the 11,266 hectares at September 2015 (Table 7).

<sup>20</sup> 1680 stems\*1.1 THB\*23kg. In 2015, this rate had increased to 1.5 THB/kg.

Table 9: Labour tasks in banana plantations for Lao workers and their rates of payment

Task	Labour type	Payment rates	Proportion of total labour costs	Comment
Nursery	Day	200 THB/day	0.7	Light work requiring patience typically undertaken by local women
Planting and install water system	Day	200 THB /day	3.2	Sometimes contracted out on a 'per hole' basis, and usually undertaken by local villagers
Tending plantation	Contract	90-105,000 THB/season	61.5	Season lasts between seven and ten months and undertaken mostly by migrants.
Portage (carry bananas from plantation to washing station)	Day	10 THB /bunch	25.5	About 5-600 THB/day seems typical, but strong workers can make 1,000 THB/day. Often attracts temporary migrants from neighbouring districts seeking casual labour. Sometimes undertaken by worker-couples <sup>21</sup>
Washing and packing	Day	300 THB /day	9.1	Work as a mixed Lao Chinese team on a piecework basis (paid by the truckload). Generally, the Lao wash the bananas and load trucks, while the Chinese are responsible for weighing, grading and packing. Most Lao are from local villages.
<b>TOTAL</b>			<b>100</b>	

Source: Interviews and labour forms completed with Chinese companies, March 2014,

Table 9 shows that at 61.5%, the majority of all income accruing to Lao workers goes to those tending plantations.

<sup>21</sup> Apparently this is not officially allowed, but may happen when worker-couples have either extra labourers or they porter for a neighbouring company.

### *Comparison of labour costs in Laos compared to China*

A comparison of labour costs between Laos and China is given in Table 10, and shows that those tending plantations in 2015 in Laos are paid 43% less than their Chinese equivalents were receiving in 2012. Lower wage costs are an additional incentive for Chinese companies to invest in Laos.

**Table 10: Comparison of labour costs in Laos and China for plantation activities**

<b>Task</b>	<b>China, 2012 (Yuan)</b>	<b>China, 2012 (THB) (1Yuan = 4.8 THB)<sup>22</sup></b>	<b>Bokeo, 2014 (THB)</b>	<b>Difference (%)</b>
Tend plantation	0.4 Yuan/kg	1.92 THB/kg	1.1 THB/kg	43
Porters	0.15 Yuan/kg	14.4 THB/20kg bunch	10 THB/20kg bunch	31
Packers	150 Yuan/day for a full day (large truck)	720 THB/day	450 THB/day (Lao labourers)	38

Source: Labour form completed by 3 Chinese companies, Farquhar (2012)

### **4.5 Number of migrating worker-couples**

The number of migrating worker-couples was calculated using data provided by the companies and by the local police stations. The Chinese companies did not keep written records of the number of migrating worker-couples, but they were able to estimate them during the interviews (Table 11).

**Table 11: Number of migrating worker-couples estimated by the Chinese companies**

<b>No</b>	<b>Name</b>	<b>Total households</b>	<b>Total migrant households</b>	<b>Percentage</b>
1	Lery Ling	17	14	82%
2	Li Hui	120	96 <sup>23</sup>	80%
3	Singtaly	40	12	30%
	<b>TOTAL</b>	<b>177</b>	<b>122</b>	<b>69%</b>

Source: Chinese company interviews, March 2014

In summary, the three company's estimate that 122/177 families, or 69%, are migrants, originating from either outside provinces or other districts of Bokeo (but excluding those came from within the district). Were this percentage to represent the entire plantation area

<sup>22</sup> At the 2012 exchange rate

<sup>23</sup> This figure is based on the Li Hui Company's estimate that 80% of those tending bananas are migrants.

of 2,961 hectares, then 619 worker-couples and their families have migrated to tend bananas in Bokeo at January 2014. This figure rises to 2,363 migrant households based on the September 2015 area of 11,266 ha. (Table 7).

In contrast to the companies, the three zone police stations maintained records of those that had registered as migrant workers in large notebooks. These figures were not typed these up as formal documents, and had to be collated during the interviews (Table 12).

Table 12: Number of migrant workers estimated by the local police

No	Police station	Total no. households migrating from other districts	Total no. migrants	No. of migrant Women (%)	No of children <15 years (%)	Average migrants/ household
1	Dan zone, Houayxay district	71	247	109 (44%)	94 (38%)	3.48
2	Donethat zone, Tonpheung district	68 <sup>24</sup>	240	109 <sup>25</sup> (45%)	84 (35%)	3.53
3	Simeuangngam zone, Tonpheung district	32	118	?	?	3.69
	<b>TOTAL</b>	<b>171</b>	<b>565</b>			<b>3.30</b>

*Source:* Collated data from Police Stations, March 2014.

The three police stations counted a total of 171 migrating households within their zones of jurisdiction. No clear figures were available as to how many hectares of bananas each zone covers, and so it was not possible to calculate the proportion of migrant households tending bananas (on the basis of one worker-couple per 3.29 ha.). Nor was it possible to know what proportion of the police figures represented contract labourers, and that for day labourers.

In any case, the police consider that their figures for migrant worker numbers are underestimated for several reasons, being:

1. For police recording purposes, migrant workers are classed as those people who are coming from different districts or from other provinces, even though many migrate from within the district.

<sup>24</sup> Only figures provided on total number of migrants (not number of households). Therefore this figure is pro-rata based on the average household size of those tending gardens in Dan and Simeuangngam police districts.

<sup>25</sup> It is a coincidence that there are 109 women migrants in both Dan and Donethat Police Stations.



2. The police charge migrant workers a monthly fee of between 5,000 and 15,000 LAK (equivalent to between 20 and 60 THB) for a temporary residence permit, which means that many try to avoid registration.
3. The police only count people who have stayed at least one month –many migrants, especially day labourers, stay in one place only for short periods and move regularly to ensure they have continuous work.

The figure for the average household size (3.3 persons/household), when combined with the company estimate of 2,363 migrating households (see above), suggests that about 7,800 people are estimated to have migrated from other districts or provinces to tend bananas. To my knowledge, there is no other rural area in Laos that is receiving internal migrants on such a scale. They represent a significant addition to Bokeo's estimated total population in 2012 of 173,962 (Lao Bureau of Statistics, 2015).

#### 4.6 Ethnicity and origin of migrant worker-couples

The data provided by the Police Stations and the Chinese companies suggest that the propensity to migrate is closely correlated to ethnic background. Accurate numbers were available from three sources, and these are collated in Table 13.

Table 13: Migrant worker-couples tending banana plantations by ethnicity

Ethnic Group	Number of migrant families	Percent
Hmong	87	73
Khmu	22	19
Mien	4	4
Lao-Tai	4	4
<b>TOTAL</b>	<b>117</b>	<b>100</b>

Source: Dan Police Station, Lery Ling Company, Simeung Ngam Police Station, March 2014

Overall 96% of those tending bananas are from ethnic minorities, with Hmong making up 73% of migrants<sup>26</sup>, despite making up only about 8% of the population of Laos in the 2005 Census. Even though a large proportion of the banana plantations are grown on land owned by the ethnic Lao-Tai majority, there were several reasons provided for the observation that ethnic Lao are not prepared to tend banana plantations. Firstly, those interviewed believe that since ethnic Lao-Tai already get a good income from renting their land, they don't need the extra money. Secondly, ethnic Lao-Tai are better educated and more wary about exposing themselves to dangerous chemicals. Thirdly, young ethnic Lao-Tai no longer like to do hard farming work, and prefer to go on to further studies upon finishing school or migrate to Thailand for factory and service work.

<sup>26</sup> This compares with a figure of 59% based on a sample of 254 households during Stage Two (Table 3).

The origin of migrant worker-couples was varied, with some companies sourcing labour from within Bokeo while others relied on labour from other provinces (Table 14).

Table 14: Migrant families by province of origin

Source Interviewed	Total no. migrating households	No. from other districts of Bokeo	No. from other provinces	Percent migrating from other provinces
Dan Police	71	21	50	70
Lery Ling Company	14	14	0	0
Simeuang Ngam Police	32	7	25	78
Singtaly Company	12	12	0	0
<b>Total</b>	<b>129</b>	<b>54</b>	<b>75</b>	<b>58</b>

*Source:* Police and company interviews, March 2014

Overall, 58% of migrating worker-couples come from other provinces, with many reported from northern Sayaboury (Khop, Xienghone and Ngern districts) and Luang Prabang (Nam Bak district). It was mentioned by all those interviewed that migrant families tend to congregate together in particular locations, with an initial migrant family encouraging their relatives to join them. The importance of social networks as a ‘pull factor’ corroborates with the findings of other migration researchers (Leepreecha 2013; Baird and Vue, 2015).

#### 4.7 Purpose of migration

Money is considered to be the main driving force (‘pull’ factor) by all those interviewed, since income opportunities in the plantations are higher than in the home villages of the migrants. An average worker-couple may earn 100,000 THB from maintaining the banana plantation, but can increase their income by taking on a bigger area to manage (provided that they can prove sufficient labour) and by supplementing their work with day labour at piecework rates. This view is consistent with that of Rigg (2007:169), who states that “the prevailing force driving mobility in Laos is economic.”

Poverty was cited as a migration ‘push’ factor, since ethnic minorities are poorer than the ethnic Lao, and because many ethnic minorities have been resettled from the mountains onto poor or insufficient agricultural land. One interviewee reported, “Many of the people [those tending bananas] have been resettled from the mountains and have no land for their livelihoods. Here the money is better.” Like Barney (2012:81), this statement concords with those who believe that government policies may play a role in migration, since “the extraction of resource rents by external actors and as a result of state policies can drive out-migration from the countryside.”

Not all worker-couples are poor however, as there are also migrant families who have handed over the management of their rice fields to their relatives, and driven to the plantations in their own trucks.

#### **4.8 Government policy related to labour migration to banana plantations**

The government encourages the production of cash crops such as bananas to China, as it is seen as a way to alleviate poverty, relieve rural underemployment and boost economic growth (Vientiane Times 2013a, Vientiane Times 2013b). With a value of USD38 million in 2012/2013, bananas represented about 5% of Bokeo's total GDP of USD231 million (DPI, 2013). This proportion is set to increase as plantations expand. Every province has GDP/capita targets established by the central government in order to eliminate poverty, and there is pressure to meet these targets.

Government agencies reported that citizens of Laos have the right to migrate temporarily for labour purposes, providing they have the correct identification. They considered that internal migration is preferable to international migration to Thailand due to the risks of exploitation, although they were pragmatic, with one district official noting that "young people want to go and work in Thailand, since it is easier work."

As the plantations expand, PAFO is concerned that provincial rice production will be reduced as water is taken for the irrigation of bananas rather than rice paddy, and also about improper chemical use which polluting waterways and risks the health of migrant workers. Expansion continues despite a moratorium on the approval of new plantations issued by the Provincial Governor in January 2014. It is difficult for governments to go against the wishes of the farmers if they are insistent on renting out their land to the Chinese.

Most companies do not provide contracts to their workers, which leads to disputes which the government finds hard to adjudicate. The workers themselves also find contracts unnecessary, since many are illiterate and prefer doing business on the basis of goodwill. Similar conclusions were drawn by Deshingkar (2006) who observes that ethnic minority migrants in Vietnam earn less than those of the Kinh majority and are less likely to have a work contract, while in Laos they are at greater risk of exploitation due to their limited knowledge of Lao.

The Chinese companies were accused by government interviewees of being deliberately evasive with their arrangements with farmers and workers, and the Chinese-Lao translators are seen as unhelpful since their salaries are paid by the companies. Reflecting the points made by Tan (2012), they pointed out that many of their Chinese workers are undocumented, having only arrived on tourist visas. The responsible government

departments proposed to employ Chinese speaking staff that can solve labour issues with the companies and enforce the Lao laws.

Government interviewees suggested that ideally, those who gain experience in looking after plantations as contract labourers should have the opportunity to develop their own plantations, and sell bananas to the Chinese companies under a contract farming arrangement. This would develop the skills of Lao people and contribute to development. However, accessing the Chinese market is complex: the companies (who grow the bananas) sell their crop upon harvest to Chinese agents (a type of middleman who ensures the bananas meet Chinese phytosanitary standards), who are in turn hired by the Chinese buyers (wholesalers and supermarkets) in China to supply bananas. These agents are physically on site to supervise quality control at the processing site, and only Chinese packing teams are entrusted with grading, weighing, fumigating, and vacuum packing the bananas prior to loading.

Concerns were also raised over the fact that many migrant families bring their children with them (Table 12), with those of school age being removed from their existing schools. Many are old enough to work and are therefore directly exposed to dangerous chemicals.

#### **4.9 Chapter synthesis**

Stage One was designed to uncover the nature and extent of migration to banana plantations in Bokeo (Research Question 1).

Some key findings were:

- The total area of bananas in Bokeo is 2,961 ha. at January 2014, which is the baseline area for Stage One. At September 2015, this figure has risen to 11,266 ha.
- Those tending the plantations on a contract basis take the highest percentage of total income earned by Lao workers (61.5%).
- One contract worker-couple manages on average 3.29 ha. of bananas, and potentially earns on average 140,000 THB gross income (85-100,000 THB net income).
- Company figures show that 69% of households tending bananas are migrants, which corresponds to 609 households for the January 2014 area of 2,961 ha. Based on the September 2015 area of 11,266 ha. There are 2,363 migrating households and some 7,800 migrants in total (including children).
- 96% of worker-couples are from ethnic minorities, with 73% of the total being Hmong.
- 58% of migrant worker-couples come from other provinces.
- The main driver for migration is economic, with a lack of farm income being a 'push' factor.
- While bananas contribute to the provincial GDP targets, there is a cost to worker health and the environment due to incorrect chemical use.

## Chapter 5. Extent and Use of Remittances

### 5.1 Introduction

This Chapter presents and discusses the results of Stage Two, which seeks to answer Research Questions 2 and 3.

2. What is the net income (remittance) of households migrating to tend bananas in Bokeo?
3. To what extent are these remittances spent on productive investments?

It presents an analysis of the data collected from an April 2015 questionnaire of 33 migrant worker-couples. The quantitative constructs measured include the characteristics of the worker-couple households, their purpose of migration, net household income (remittance), actual expenditure from the previous season, and planned expenditure for the current season.

### 5.2 Refining Stage Two approach based on the findings of Stage One

The first step in Stage Two was to refine the target population for sampling. The three criteria for selecting the sampling frame described below have previously been detailed in Section 3.7, as a precursor to presenting the methodology for Stage Two. These were firstly that circular migrants who tend banana plantations were included, rather than other categories of migrants (such as day wage labourers), since these receive the greatest proportion of the banana income (Table 9). Secondly, only the Hmong ethnic group was included, since they made up the majority of those tending bananas (Table 13). Thirdly, to prevent an arbitrary decision being made as to whether or not one was a migrant, only worker-couples normally resident in a district other than the surveyed district (in this case Houayxay) were included.

### 5.3 Gender of those interviewed

Of the 33 worker-couples surveyed, 15 interviews were done with men only, 12 with women only, and 8 were joint interviews with both men and women. The timing of most interviews, which took place during the day when husbands were out working and women were looking after young children in the camps, meant that there was a higher than expected number of female only responses – where the husband was present, it was observed that either he gave the interview alone or did so with his wife. The number of females that were able to be interviewed also reflects the use of Hmong language, since most female Hmong from rural areas do not understand Lao (Section 1.3).

#### 5.4 Characteristics of worker-couple households

##### *Number of seasons completed tending bananas*

The number of seasons (each of which takes between seven and ten months) fully completed<sup>27</sup> tending plantations by the interviewed households is presented in Table 15.

Table 15: Number of seasons fully completed tending plantations

Number of seasons completed	Number of households (N=33)
One	26
Two	5
Three	2
<b>TOTAL</b>	<b>33</b>

*Source:* Household questionnaire, May 2015.

The average number of seasons fully completed by the households was 1.27. This low figure is to be expected given the newness of banana plantations in Bokeo, but may also reflect the concerns that some farmers informally expressed during the survey about their health and their treatment by the Chinese companies (Section 5.9).

##### *Origin of migrants*

Table 16 summarises the origin of worker-couples by province and district.

Table 16: Origin provinces of the worker-couples

Province	District	Number of households (N=33)	Percent
Bokeo	Paktha	6	From within Bokeo = 36%
	Phaoudom	6	
Luang Prabang	Nambak	11	From other provinces = 62%
	Chomphet	2	
	Ngoy	1	
	Pak Ou	1	
Oudomxay	Xai	1	
Xayaboury	Hongsa	1	
	Khop	2	
Vientiane	Meun	2	
<b>Total</b>		<b>33</b>	<b>100</b>

*Source:* Household questionnaire, May 2015.

<sup>27</sup> Fully completed means excluding the current season.

Like the majority of Hmong in Laos, all 33 households came from rural villages, with 21 coming from outside Bokeo (62%)<sup>28</sup>, and nearly half overall making the 350 kilometre journey from Luang Prabang province (Map 1). Of these 15 families, the breakdown by origin village shows that 11 came from only three villages (Pha Luang, Pha Noy and Nam Thuam) in Nam Bak district, a figure which confirms the importance of social networks as a determinant of migration as reported in the literature and in Stage One. Similarly, there were five families from Xayoudom village in Pha-oudom District, Bokeo, which is located about 45 km from the Dan plantations.

#### *Family composition and migration*

Table 17 breaks down each worker-couple's household by number migrating, ability to work (the questionnaire classified as a worker as at least 15 years old<sup>29</sup>) and gender.

Of the 33 households, 19 translocated completely to the banana plantations, while the remainder maintained split households with some family members remaining in their home village. Just over half migrated only as husband and wife, while the rest sent additional workers, who were usually older children (>15 years) or unmarried siblings.

Average household size was 8.00, which is larger than the average household size in Laos of 5.9 (Lao Statistics Bureau, 2005). There are an average of 5.67 migrants/household, which combined the estimate of 2,363 migrant households made during Stage One (Section 4.5), corresponds to a total of 13,400 migrants. This figure is much higher than the estimate of 7,800 migrants made following Stage One, which was based on an average household size of 3.3 (Section 4.5). Apart from the higher than average family size of Hmong households, the reasons for a higher household size within the household sample may occur since: firstly, the police include day labourers in their figures (who come without families); secondly, there is a tendency for households to underreport the number of labourers to avoid paying taxes (Section 4.5), and thirdly, because of the small sample size of 33 households. In any case, the earlier figure of 7,800 worker couples and their families migrating to tend banana plantations in Bokeo should be considered to be a conservative estimate.

Also noteworthy from Table 17 is the fact that while those of working age make up 54% of households, 71% of all workers actually migrated, suggesting that most of those 'left behind' are either too young or too old to work. This finding concurs with Rigg (2007:172), who notes that "Labour shortages have a generational quality in Laos, as they do in Thailand. It is not just labour in general that is short, but that young people, in particular, are absent." It raises the question as to whether the 'left behind' in Hmong villages are able to maintain their existing fields, or whether they become reliant on remittances for their livelihoods.

<sup>28</sup> This compares to the Stage One figure of 58% of workers coming from outside Bokeo (Table 14).

<sup>29</sup> It was reported that children as young as ten helped their parents with physical work in the plantations.

Table 17: Family Composition

Category/Item	Value
<b>1. Numbers migrating</b>	
Total number of households interviewed (a)	33
Number households all family members migrate (b)	19
Number maintain split households	14
% households fully migrating (b/a)	58%
Number households migrate as a nuclear family of two workers (husband and wife) (c)	17
Number households migrate with additional workers	16
% households migrate as a nuclear family (c/a)	52%
Average number of member per household (d)	8.00
Average number migrated to bananas (e)	5.67
% household members migrated (e/d)	71%
<b>2. Ability to work and migration</b>	
Average number of household members capable of working (f)	4.36
% capable of working (f/d)	54%
Average number household workers migrated to bananas (g)	3.12
Average number of non-working dependents migrated to bananas	2.55
% workers migrated (g/f)	72%
<b>3. Gender and migration</b>	
Average number of female migrant workers (h)	1.61
% female migrant workers (h/g)	51%

Source: Household questionnaire, May 2015.

An average of 2.55 dependents (not capable of working) joined each worker-couple in the plantation, and during the household interviews, we were surrounded by children. While many could speak Lao, having been to school in their home villages, they now spent their time or helping their parents or caring for younger siblings. It would be interesting to explore further how social costs such as needing to withdraw children from school affect the decision making of parents in choosing whether or not to migrate.

Fifty-three out of 103 (51%) of migrant workers were women. As in China, this even distribution reflects the stated desire of the companies to target families for worker stability



over the season, and contrasts to other countries sending circular migrants such as Nepal, where rural-rural seasonal migration is regarded as a purely male phenomenon (Gill, 2003).

#### *Wealth ranking*

Twenty-two of the 33 households reported during the survey that they were 'poorer than average' in their home villages, while 11 said that they were about average. This finding, when combined with the knowledge that all migrant households came from rural villages, suggests that the remittance income is benefitting poor, rural households. McKay and Deshingkar (2014:3) would concur here, since their figures show that "internal remittances flow to a larger number of receiving households, mainly in poor rural areas."

### **5.5 Reasons for migration**

Each household was asked an open question which asked for up to three reasons why they chose to migrate to the banana plantations (Table 18). CAMKID emphasized to each participant that they were seeking the underlying causes of migration, rather than just a desire to earn money (which was the automatic response of most of those interviewed).

Table 18 indicates that land issues represent the most important group of responses, with 39% of households reporting that they either had no land or that their existing land was too small, a figure which included all four families who reported being newly resettled. In this study, the underlying causes of the land shortage were not examined, and it is not possible to speculate whether there is a correlation between migration and the loss of livelihoods due to resettlement, as some researchers have suggested (Evrard and Goudineau, 2004; Barney 2012) or whether it is simply a lack of suitable land for household farm expansion which forces some siblings to seek alternative livelihoods off farm. A shortage of land was also cited by Haberfield et al. (1999) as a key 'push' factor for ethnic minorities in India.

As predicted from the literature (Leepracha, 2013; Baird and Vue, 2015) and Stage One findings, the importance of social networks as a 'pull factor' in migration is confirmed in the next highest group of reasons (14 responses). Social networks would appear to play a facilitating role once somebody has already decided to migrate for other reasons.

Missing from Table 18, perhaps for obvious reasons given their working location, is a desire to see modernity, which is a determining factor in international migration to Thailand or rural-urban migration to Vientiane (Rigg, 2007; Sisaleumsak, 2012). However, as will be demonstrated later, there is a desire for modernity through the purchase of consumption goods (Table 23).

Table 18: Reasons for migrating to banana plantations

Reasons by category	No. responses (N=33)	%
<b>1. Land</b>		
doesn't own agriculture production land	9	15.3
newly resettled in village	4	6.8
agricultural production land too small	6	10.2
existing land is poor quality	1	1.7
existing village land has no road access	1	1.7
no place to raise animals	1	1.7
want to buy land closer to the village	1	1.7
<b>Subtotal</b>	<b>23</b>	<b>39.0</b>
<b>2. Social networks</b>		
persuaded by friends to join them	1	1.7
already had relatives working in bananas	4	6.8
heard bananas pay well	9	15.3
<b>Subtotal</b>	<b>14</b>	<b>23.7</b>
<b>3. Productive investment goal</b>		
had to pay for children's education	3	5.1
wanted to build a house	4	6.8
no money to buy agricultural inputs	3	5.1
<b>Subtotal</b>	<b>10</b>	<b>16.9</b>
<b>4. General lack of income</b>		
agriculture prices in village are low	1	1.7
parents are very poor	2	3.4
no income options in their village	3	5.1
had expensive health costs	1	1.7
need money for getting married	1	1.7
<b>Subtotal</b>	<b>8</b>	<b>13.6</b>
<b>5. Other</b>		
cheated by others in village	1	1.7
parents wanted them to go	1	1.7
poor weather led to rice shortages	1	1.7
wife died	1	1.7
<b>Subtotal</b>	<b>4</b>	<b>6.8</b>
<b>GRAND TOTAL</b>	<b>59</b>	<b>100.0</b>

Source: Household questionnaire, May 2015.

## 5.6 Net Income from tending bananas during the previous season

This section directly addresses Research Question 2, on the net income (remittance) earned by those migrating to tend bananas.

### *Household net income*

Descriptive statistics for the mean income per household are given in Table 19. As noted in Section 1.3, net income received from tending bananas is clearly remembered by those interviewed since it was made in a single payment by the banana companies at the end of their contract.

Table 19: Descriptive statistics for household net income (THB)

Category	Mean (N=33)	SD	Proportion	Minimum	Maximum	Median
Net Income tending bananas (excluding living allowance)	67,182	37,475	93%	0	173,000	52,000
Income other plantation tasks	4,909	10,760	7%	0	54,000	3,000
<b>TOTAL</b>	<b>72,091</b>	<b>37,084</b>	<b>100%</b>	<b>0</b>	<b>173,000</b>	<b>64,000</b>

*Source:* Household questionnaire, May 2015.

The mean net income from tending bananas was 67,182 THB, which is lower than the Stage One estimate of between 85,000 and 100,000 THB, which was provided by the companies (Table 9). The lower figure reported by individual households suggests a degree of optimism on the part of the companies that all stems will reach their expected yield of 23kg. In practice, this is not the case, with losses from storm damage for example being reported by several families during the survey, including two who had their plots virtually wiped out.

The interviewees' memories were less certain about the amount of additional income from doing other tasks, such as carrying bananas, since it was accumulated on a daily basis. Overall, the figure of 4,909 THB represents only 7% of average total net income, and so is not significant overall. However, there were four families for whom it represented greater than 30% (hence the high SD figure), with these families reporting that they had surplus labour for tending their plantations and so were able to take on additional tasks.

The distribution of net income can be expressed using a frequency histogram (Figure 2), based on intervals of 20,000 THB (0-20,000 THB, 20,001-40,000, etc.).

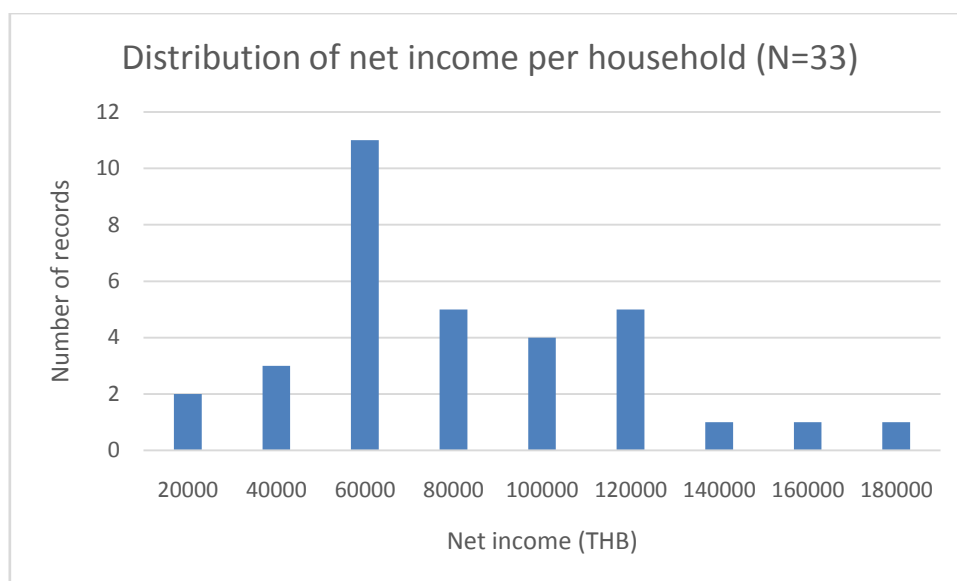


Figure 2: Household net income

Figure 2 shows that while many migrate hoping to earn good money ('heard bananas pay well'), the reality is that household income is highly variable, and may even be subject to a great deal of luck (if storms don't strike or the family stays healthy). One household earned 173,000 THB after taking on a large area with 6 labourers, while the next highest was 156,000 THB.

Two households had zero net income: one reported that their bananas did not meet the Chinese standard and so were rejected, while the other that they had nothing left after the Company had to hire extra labour to tend their plantation during the season, which was then cut off from their final payment. In other words, 31/33, or 94% of households were able to save money as a remittance from their stint as internal migrants. This percentage compares favourably with the 85 percent who saved from international migration to Thailand (Sisenglath, 2009:12), or the 40 percent who saved from rural-urban migration to Vientiane (Phouxay and Tollefsen, 2011:428). The final 'lump-sum' payment method used by the Chinese companies ensures that almost all families are able to take home a remittance.

#### *Worker net income*

A better indication of the viability of migrating to banana plantations compared to taking on other work or staying at home is given by net income per worker for 103 migrating workers (Table 20).

Table 20: Descriptive statistics for worker net income (THB)

Mean/season (N=103)	SD	Minimum	Maximum	Median	Mean/month (10 month season)	Mean/month (7 month season) <sup>30</sup>
23,097	14,680	0	61,500	20,000	2,310	3,300

*Source:* Household questionnaire, May 2015.

A mean net income/worker of 23,097 THB corresponds to mean monthly earnings of 2,310 THB over a ten month season, or 3,300 THB over a seven month season. When the monthly living allowance of 1,772 THB/labourer paid to each household is factored in<sup>31</sup>, total income rises to between 4,082 and 5,072 THB/month. This compares favourably to the minimum wage in Laos, which was increased in April 2015 to 900,000 kip/month, or 3,630 THB (Bangkok Post, 2015).

Figure 3 presents the distribution of net income per worker as a frequency histogram (0-10,000 THB, 10,001-20,000 etc.). It shows that 78 of the 103 workers (about three quarters) earn less than 30,000 THB over the ten month banana season.

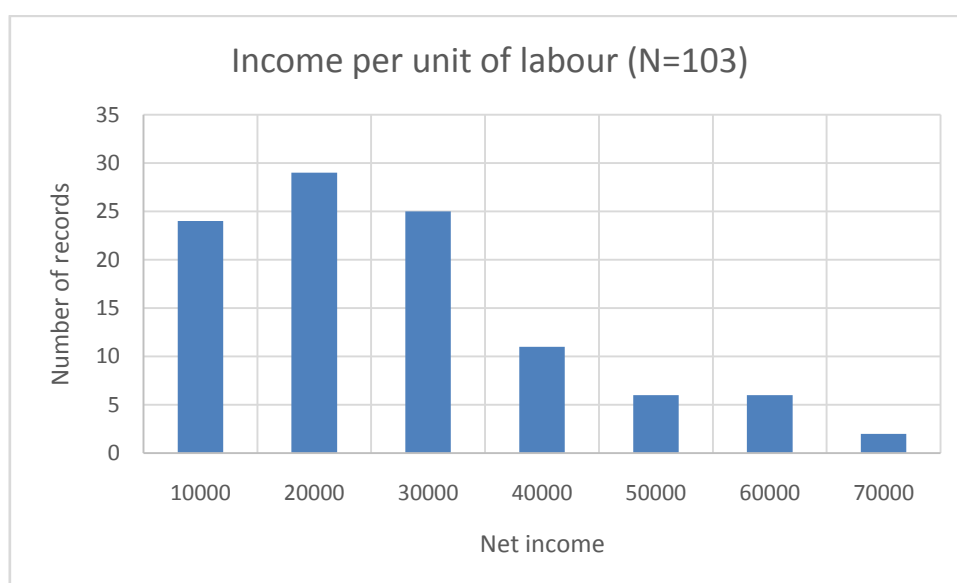


Figure 3: Net income (remittance) per worker

<sup>30</sup> The length of banana season varies between 7 and 10 months, depending on whether a crop is newly established or already at least one season old (see Section 4.4). Presumably, most circular migrants with at least one season's experience would be attempting to maximise their returns by choosing to tend plantations requiring a shorter season, but the duration of the previous season was not surveyed.

<sup>31</sup> Each household was typically paid 1 THB/stem/month by the Chinese companies, or the equivalent of 5,527 THB/household/month (assuming an average of 3.29 ha./household – Table 8), which is about 1,772 THB/worker (assuming 3.12 workers – Table 17).

### *Comparison with other remittance studies of Lao workers*

As previously stated, this dissertation uses the assumption that net income is equivalent to a remittance, since this figure is exclusive of subsistence costs. It is possible to compare this amount with other remittance amounts calculated by Lao migration researchers, as presented in Table 21.

The average sum of 23,106 THB per person/season is equivalent to \$689 USD/annum<sup>32</sup>

**Table 21: Comparison of remittance amounts for Lao migrants as calculated by different researchers**

<b>Study</b>	<b>% women</b>	<b>% Lao Tai in survey</b>	<b>Average remittance /annum (USD)<sup>33</sup></b>
1. Sisenglath (2009)	72	? <sup>34</sup>	\$827
2. Barney (2012)	76	100	\$185 <sup>35</sup>
3. Southichack, (2014)	52 <sup>36</sup>	?	\$325-\$409
4. Manivong et al (2014)	?	100	\$1,070
5. <i>This dissertation (2015)</i>	51	0	\$689

Source: Collated from the authors (1-4), and the household questionnaire (5)

Table 21 shows that the figure of \$689/year is comparable with the remittance amounts of the previous studies of Lao migrants to Thailand. Since the literature reports that international migrants save more on average than internal migrants (McKay and Deshingkar, 2014), then what are the factors that enable this to occur? Possible reasons, which would need to be confirmed with additional studies, are: firstly that the lump sum at the end of their contract forces migrants to save; secondly, many international migrants go to experience modernity, and therefore consume a larger proportion of their income within Thailand (Rigg, 2007); and thirdly, it is younger and unskilled migrants which dominate international migration to Thailand, who tend to have lower paid jobs than older migrants (Southichack, 2013).

<sup>32</sup> Based on the THB/USD exchange rate of May 15, 2015 (oanda.com), and assuming that they do not take additional work in the bananas for the remainder of the year.

<sup>33</sup> The USD/THB exchange rate varies over time meaning these figures are best estimates.

<sup>34</sup> Some of those interviewed were non Lao-Tai, but exact figures are not provided.

<sup>35</sup> For women, who comprise the majority of migrants.

<sup>36</sup> This figure represents those officially registered with the Thai government. Chantavisouk (2006) and Southichack (2014) report that only about 10% of migrants are officially registered.

## 5.7 Contribution of bananas to overall household income

Table 22 presents the proportion of total household income (including income earned in their home villages), that is earned from the banana plantations.

Table 22: Contribution of bananas to overall household income

Answer	Response (N=33)	Percent
All	22	67
Most	10	30
Less than half	1	3
<b>Total</b>	<b>33</b>	<b>100</b>

*Source:* Household questionnaire, May 2015.

This finding that 97% of respondents earn either all or most of their household income in the banana plantations confirms the results given in Table 17, in which it is mostly those of non-working age which stay home, while those of working age migrate. The fact that only one household (representing 3% of those sampled), earns most household income through migration contrasts sharply with the findings of both Manivong et al., whose household survey found that over 75% of those sending migrants to Thailand maintained farming activities as an important component of a household's total livelihood and Sisenglath (2009), who reported that only 2.5% of households reported that remittances was their major source of income.

This suggests that the existing Hmong farms are relatively unproductive in terms of cash income, which is a reasonable conclusion given that many households have only upland fields in remote areas, have newly resettled or have insufficient land for inheritance. By contrast, the cohort surveyed by the other two papers were relatively wealthy paddy rice farmers with good access to markets and with labour shortages. In any case further research is needed to determine if there is a correlation between migration and unviable livelihoods within their home villages.

## 5.8. Actual expenditure for the previous season

This section examines Research Question 3, on the extent to which increased income is spent on productive investments. As noted previously, only worker-couples who were in at least their second season tending bananas (circular migrants) were interviewed, so that they could accurately report on their expenditure from the previous season.

Table 23 provides a breakdown by category (consumption versus investment)<sup>37</sup> of actual expenditure for all 33 households. It does so firstly on the basis of mean expenditure, and secondly by counting the number of households who spent money on a particular category.

Overall, 55.7% of actual expenditure is used for consumption, with the number one item being motorcycles, both in terms of total amount (23.5% of all remittance income) and number of respondents (55%).

Coming second in terms of numbers was the 48% of households who needed to purchase additional food, since their living allowance, which is capped by the Chinese at 1 THB/stem, was insufficient to cover their basic needs. The CAMKID interviewers reported that many families, used to living in a subsistence manner by growing or gathering their own food, were shocked by food prices in Bokeo, which are relatively high due to its developed economy on the Thai border. Some had been expecting to hunt, fish or gather mushrooms and bamboo shoots to save on food costs, but their camp location in the middle of a banana monoculture in which high amounts of chemicals were used precluded this option.

Health expenses, which affected one-third of families, were not predicted, and their cost was compounded by the need to buy animals for sacrifice (itemised under consumption), which is practiced by animist Hmong when family members get sick. One family reported during the interview: “Tending bananas is not worth it. My son got a leg infection after swimming in the local dam where there is a lot of chemical runoff. We spent 16,000 THB in hospital expenses but he still died.”

Most investments, which totalled 20.2% overall, were made in housing, which is consistent with the responses given as reasons to migrate (Table 18). There were no actual investments in cropping or livestock, and only one household purchased agricultural machinery, although it is possible that land purchase is a precondition to making an agricultural investment<sup>38</sup>. In any case, and with only 3 families buying land, this lack of investment in land raises an inconsistency in the responses: if the major reason for migration was given as having either none, insufficient or poor quality agriculture land (15/33 households), why don't more worker-couples want to invest in agricultural land with their remittances?

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<sup>37</sup> Refer to Section 3.7 for a definition of consumption and investment expenditure.

<sup>38</sup> The type of land purchased was not asked of those interviewed: in hindsight, this was a weakness in the questionnaire design.



Table 23: Breakdown of actual household expenditure by amount and count, and percentage distributions

Category and Item	Mean Expenditure. (THB), N=33	% Total	No. who reported item	% Total
<i>Consumption</i>				
rice and other food	5,727	7.9	16	48
daily needs	2,091	2.9	10	30
hire farm workers	-	0.0	0	-
wedding/funeral	7,424	10.3	9	27
household durables	2,061	2.9	10	30
motorcycle	16,909	23.5	18	55
car	-	0.0	0	-
give to relatives	2,909	4.0	6	18
taxes	91	0.1	1	3
Transport/vehicle repair	1,758	2.4	7	21
Animal sacrifice	1,152	1.6	4	12
<b>TOTAL CONSUMPTION</b>	<b>40,121</b>	<b>55.7</b>		
<i>Investment</i>				
improve/build house	3,424	4.7	4	12
buy land	6,727	9.3	3	9
truck/car (for ag. business)	-	0.0	0	-
agriculture machinery	1,515	2.1	1	3
crop investment	-	0.0	0	-
livestock investment	-	0.0	0	-
business (shop, restaurant)	848	1.2	1	3
education	2,030	2.8	5	15
<b>TOTAL INVESTMENT</b>	<b>14,545</b>	<b>20.2</b>		
<b>TOTAL HEALTH</b>	<b>4,970</b>	<b>6.9</b>	<b>11</b>	<b>33</b>
<i>Savings</i>				
cash	5,212	7.2	7	21
bank	5,212	7.2	3	9
gold	-	0.0	0	-
lend to relatives	2,030	2.8	1	3
<b>TOTAL SAVINGS</b>	<b>12,455</b>	<b>17.3</b>		
<b>GRAND TOTAL</b>	<b>72,091</b>	<b>100</b>		

*Source:* Household questionnaire, May 2015.

The questionnaire was not designed to provide specific reasons for expenditure on any one particular item, but one of the CAMKID interviewers (on 19<sup>th</sup> August, 2015) gave the following account of why motorcycles were so popular as a consumption item among those interviewed.

“The Hmong come to work in bananas because they are poor, and in their home villages they don’t have a chance to earn money. For most of those interviewed the previous season was their first time in bananas and the first time in their lives that they had earned a significant amount. It was important for them to be not only like their peers, but also convenient for them to have a motorbike during their second season so that they could easily go the markets and buy food.”

This statement has multiple elements, including the assertion that the concept of relative deprivation (Stark and Taylor, 1989) may play a role in determining the purchase of a motorcycle.

#### *Comparison with similar studies*

In terms of actual expenditure, the only comparable study for Lao migrants which provides a breakdown of actual expenditure by percentage is Sisenglath (2009), who interviewed 101 returning migrants from Thailand. Table 24 makes a comparison of the two studies by matching the items used in this dissertation with those used by Sisenglath.

Given the different measurement methods, populations and the small number of observations in some categories it is not possible to draw statistical comparisons. Both studies however, show that consumption is larger than investments, with Hmong migrants to bananas spending more on land, weddings/funerals and transport, and saving more, than their ethnic Lao compatriots migrating to Thailand.

Both studies have identified a low level of investment in agriculture activities, which contrasts with the conclusions of Manivong et al. (2014), who reported that remittances from Thailand enable rice production in Champassak to be mechanised in response to rising wage costs. Given the generally similar context (ethnicity, farm type and location) between the Manivong et al. and Sisenglath studies, it is somewhat surprising that they draw different conclusions: perhaps there is a link to the timing of the studies which were undertaken several years apart. As pointed out in Section 5.7, contextual differences between the different studies mean that drawing any conclusions about the reasons for low agricultural investment is difficult without additional research.

Table 24: Comparison between results of Sisenglath (2009) and this dissertation

Item (Sisenglath, 2009)	Corresponding Item (this dissertation, 2015)	Mean % (Sisenglath) N=101	Mean % (Dissertation) N=33
<i>Consumption</i>			
Daily household needs	rice and other food, daily needs, give to relatives, Animal sacrifice	32.1	16.5
Means of transport (cars, motorbikes, bicycles)	Motorcycle, car, Transport/vehicle repair	12.1	25.9
Household durables (TV, fridge)	Household durables	3.7	2.9
Weddings, funerals	wedding/funeral	0	10.3
<b>TOTAL CONSUMPTION</b>		<b>47.9</b>	<b>55.6</b>
<i>Investment</i>			
Housing	improve/build house	18.9	4.7
Buying land	buy land	1.8	9.3
Education	education	5.6	2.8
Buy tools/machines for production (durable goods)	truck (for ag. business), agriculture machinery	3.7	2.1
Investment in business, income generating activities	Business (shop, restaurant)	0.8	1.2
Investment in agriculture, livestock	hire farm workers, crop investment, livestock investment	1.9	0
<b>TOTAL INVESTMENT</b>		<b>32.7</b>	<b>20.1</b>
Health	health	8.0	6.9
Savings	Cash, bank, gold, lend to relatives	4.3	17.3
Other	na	0.7	0
Paying debt	na	2.9	0
<b>TOTAL</b>		<b>100</b>	<b>100</b>

*Source:* Household questionnaire, May 2015 and Sisenglath (2009).

### 5.9 Planned expenditure for income earned during the current season

Table 25 uses the same categories to itemise planned expenditure for the money to be earned from this season's bananas. It shows the situation almost exactly reversed compared to Table 23, with 55.7% of remittances for the current season being planned for investments compared to only 20.0% for consumption. The major planned spending items here are housing, which represented over one-third of all planned expenditure and was

prioritised by 20/33 respondents (61%), followed by combined savings (42%) and land purchase (21%).

Table 25: Planned expenditure for income earned this season

Item	Planned Expenditure			
	Mean	% Total	Count	% Count
<i>Consumption</i>				
rice and other food	5,667	7.8	12	36.4
daily needs	1,152	1.6	5	15.2
hire farm workers	-	0.0	-	-
wedding/funeral	4,727	6.5	5	15.2
household durables	212	0.3	1	3.0
motorcycle	2,121	2.9	4	12.1
car	-	0.0	-	-
give to relatives	-	0.0	-	-
taxes	-	0.0	-	-
Transport/vehicle repair	455	0.6	2	6.1
Animal sacrifice	152	0.2	1	3.0
<b>TOTAL CONSUMPTION</b>	<b>14,485</b>	<b>20.0</b>		
<i>Investment</i>				
improve/build house	25,879	35.8	20	60.6
buy land	9,273	12.8	7	21.2
truck/car (for ag. business)	-	0.0	-	-
agriculture machinery	303	0.4	1	3.0
crop investment	455	0.6	1	3.0
livestock investment	1,273	1.8	2	6.1
business (shop, restaurant)	424	0.6	1	3.0
education	2,727	3.8	2	6.1
<b>TOTAL INVESTMENT</b>	<b>40,333</b>	<b>55.7</b>		
<b>TOTAL HEALTH</b>	<b>2,727</b>	<b>3.8</b>	<b>2</b>	<b>6.1</b>
<i>Savings</i>				
cash	9,515	13.1	12	36.4
bank	4,818	6.7	1	3.0
gold	-	0.0	-	-
lend to relatives	485	0.7	1	3.0
<b>TOTAL SAVINGS</b>	<b>14,818</b>	<b>20.5</b>		
<b>GRAND TOTAL</b>	<b>72,364</b>	<b>100.0</b>		

*Source:* Household questionnaire, May 2015.

As was the case with actual spending, planned investment in cropping, livestock or agricultural machinery was low at only 2.8% (4/33 respondents), although, as before, land purchase could be added if it was a precondition of an agricultural investment.

The question may then be asked – is the low spending on agriculture for two consecutive seasons a sign that migrating households consider that their existing assets can maintain a subsistence agriculture lifestyle in their home villages, or is it a step towards a strategy of livelihood diversification based on increasing their reliance on non-farm income? Such a diversified strategy, in which the farm is maintained by the senior married couple to meet subsistence needs, while younger household members migrate to earn money is documented in more developed parts of Laos (Manivong et al., 2014), as well as Thailand and many other countries (eg Mills, 1997).

#### *Comparison of actual versus planned expenditure*

Figure 4 takes the data from Tables 23 and 25 and compares them in graphical format.

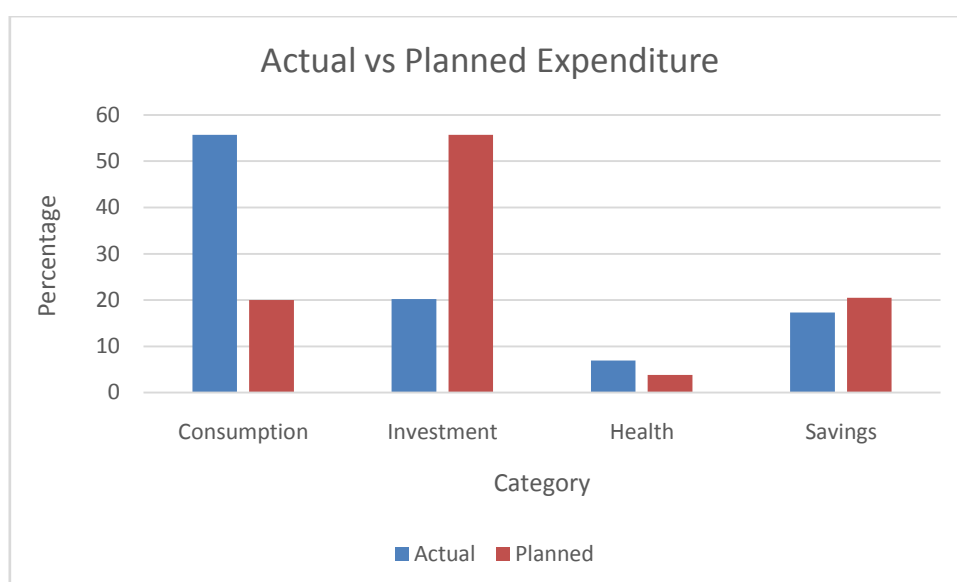


Figure 4: Comparison of actual versus planned expenditure

Figure 4 could be interpreted in two ways. One interpretation could be that as circular migrants, they obtain a few perceived necessities in their first year (such as motorcycles), before starting to secure their livelihoods with investments in housing and land during subsequent seasons. However, this suggestion is not really supported by the responses to the final question, which asked each household if they intended to continue tending bananas for the following season (Table 26).

Table 26: Stated intention to continue tending bananas for the following season

Answer	Response (N=33)	Percent
No	19	57
Yes	12	36
Undecided	2	7
<b>TOTAL</b>	<b>33</b>	<b>100</b>

Source: Household questionnaire, May 2015

Most families said no. Reasons provided for not continuing included: their goals (such as having enough money to build a house) would be met, health concerns over the high use of chemicals, and that the working conditions were unfair. Conversely, the main reason for continuing was to save enough for building a house, after which they would then leave.

Given that most households are not planning to continue tending bananas, then a second interpretation, which could only be confirmed by detailed social research, is possible. That is, that the reality for many relatively poor migrants is that the additional income earned in the plantations also brings with it a greater temptation to consume, perhaps to spend on a cleverly marketed motorcycle, or boost one's social standing through an expensive wedding. The concept of relative deprivation (Stark and Taylor, 1989), in which there is a great pressure to maintain one's social status relative to the local community appears to play a role here. In summary, while one's dream is to invest for the future, the reality is to spend on the present.

## 5.10 Chapter Synthesis

Stage Two was designed to determine the level of income of migrating households and the uses to which it is put (Research Questions 2 and 3).

Some key findings were:

- It is predominantly younger people of working age who migrate to tend bananas, and older people and children who remain on the farm.
- An average of 5.67 household members migrate to the plantations, which corresponds to a total of 13,400 people (with migrants classified as those moving from either another district within Bokeo or another province altogether).
- While the 'pull' factor is to earn money, inadequate agricultural land is an underlying driver of migration, with social networks playing an important facilitating role once the decision to migrate has been made.
- Household net annual income (equivalent to the remittance) from migrating to tend bananas was 72,091 THB over the seven to ten month banana season.

- Worker net annual remittance was 23,097 THB (about \$689 USD). With the monthly living allowance factored in, monthly income is between 4,082 and 5,072 THB which is higher than the official minimum wage in Laos.
- Income from tending bananas makes up the majority of total household income for almost all migrating worker-couples.
- 55.7% of all net income (remittance) was actually spent on consumption for the previous season, with the number one item being motorcycles. This reliance on consumption is a similar finding to the only other study undertaken on the use of remittances (by amount) for Lao migrants (Sisenglath, 2009).
- By contrast, migrants planned to spend only 20.0% of this season's income on consumption, and 55.7% (coincidentally) on investments. It would appear that while one's dream is to save for the future, the reality is to spend on the present.

## Chapter 6. Conclusions

This dissertation has researched one small aspect of the banana boom in Bokeo, by gathering information on the use of remittances from a sample of the thousands of Hmong households (worker-couples) who have migrated to tend the plantations. Three research questions were addressed, being:

1. What is the nature and extent of labour migration to banana plantations in Bokeo?
2. What is the net income (remittance) of households migrating to tend bananas in Bokeo?
3. To what extent are these remittances spent on productive investments?

### *Positioning of the research methodology*

The literature review identified that most migration research in Laos has focussed on the young, single and ethnic Lao-Tai cohort, which has either gone to Thailand (international migration) or to Vientiane (rural-urban migration). By contrast, this paper studies older, married, and ethnic Hmong households: this cohort represents internal, circular and rural-rural migrants, all of which are considered to be underrepresented in the migration literature.

Using the positivistic paradigm, this study took a multiple methods approach in two distinct stages to answer the Research Questions. Stage One gathered information on the extent of labour migration data from a sample of government and company stakeholders associated with the banana industry in Bokeo (Research Question 1). This data, along with the identified niche in the literature outlined above, defined the sampling frame for Stage Two as meeting three criteria, being: of Hmong ethnicity, circular migrants in at least their second season tending bananas, and migrating from outside the district of employment. An additional criteria, which was imposed to overcome the resource and time constraints of a minor dissertation, required those surveyed to be tending plantations within a defined area of two administration zones located about 30km south of the provincial capital Houayxay.

Stage Two, which answered Research Questions 2 and 3, used a questionnaire to measure the level and use of remittances for 33 Hmong households out of a possible sampling frame of 51. This represents a total response rate of 65%, with those not responding being considered unreachable. Given the small size of the sample, it is not intended to generate statistical inferences with this paper, although it is hoped that comparisons can be made with other migration studies in Laos.

Overall, this research may be considered as a profiling study that explores a new dimension to internal migration in Laos. The use of multiple methods, while increasing complexity, has enabled some social factors influencing the research question to be understood and added to the overall convincingness of this paper.



### *Responses to the Research Questions*

#### Research Question 1: Nature and extent of labour migration to banana plantations in Bokeo

Labour migrants to banana plantations may be classed into two types. The first is worker-couples and their families, who are contracted to tend an area of about 3 hectares for season lasting between seven and ten months. The second is daily wage labourers, who carry bananas on a piecework basis. At 61.5%, worker-couples took the greatest proportion of all income earned from plantations by Lao workers.

Based on the January 2014 figures used as a baseline for Stage One, 2,961 hectares of bananas in Bokeo province employed about 609 migrant worker-couples and their families. By September 2015, bananas covered 11,266 hectares and employed 2,363 migrant households, a figure which represents somewhere between 7,800 and 13,400 people. Of these, about 96% came from ethnic minorities (non Lao-Tai), with the clear majority being Hmong.

#### Research Question 2: Net income (remittance) earned by migrating households

The sample of 33 worker-couple households found that each was able to earn, on average, 72,091 THB per year. This figure is considered reliable because the Chinese companies pay a 'lump sum' at the end of the season which is easily remembered by farmers. This is in contrast to other studies which rely on a farmer's memory to calculate his/her irregular sources of income, and/or experience problems with the calculation of 'in-kind' income.

A more meaningful comparison can be made with the literature when this figure is divided by the number of household labourers to arrive at the remittance per worker figure. This amount of 23,097 THB (689 USD), is comparable to the amounts saved by international labour migrants to Thailand. Since the literature suggests that international migrants remit more on average than internal migrants (McKay and Deshingkar, 2014), it may be that older, married Hmong migrants, who clearly migrate for economic reasons, are able to save just as much as younger, single Lao-Tai migrants who often migrate to experience modernity. The opportunities to save for the worker-couples are enhanced by the final 'lump-sum' payment which ensures that the temptation to spend can be resisted.

#### Research Question 3: Extent to which remittances are spent on productive investments

The household survey found that only 20.2% of the remittance income for the past season had been used for investments, compared to 55.7% being used for consumption. The most common consumption item purchased (both in terms of amount and in the percentage of households) was a motorcycle, which represents a form of modernity to those who have previously survived largely on subsistence agriculture. There was little interest in investing in agriculture, despite the fact that a lack of or insufficient land was a driving factor in the decision to migrate. Overall, the consumption/investment ratio is consistent with those undertaken by other migration researchers in a range of countries, including in

Laos (Sisenglath, 2009). Therefore, there is insufficient evidence to accept the hypotheses to be tested, which was that

*Hmong 'worker-couples' and their families who migrate to work in banana plantations will spend a higher proportion of their income on productive investments compared to other Lao migrants*

A distinguishing feature of this dissertation, compared to other studies, was the opportunity to assess planned expenditure for the current banana season. Here the ratio for consumption and investment was almost exactly reversed, with 20.0% planned for consumption against 55.7% for investment. Housing and land represented the largest planned investments, with again only a limited investment intended to improve agricultural productivity: this suggests that worker-couples and their families are not intending to rely full time to farming for their future livelihoods, and that migration is part of a diversified livelihood strategy.

#### *Limitations of this study*

Given the pace of economic development in Laos this study only provides a snapshot in time of circular migration by a particular ethnic group (the Hmong). The internal validity gained by the selection of such a specific survey frame, means that the external validity of this research is compromised. This dissertation also relies on a sample size of only 33 households for Stage Two, although the research design attempted to overcome this limitation by attempting a 100% sample within a selected area. Overall, additional research would be required were we wanting to fully generalise the findings to other contexts.

Similarly, the reliability of the results on the use of expenditure may be limited since most circular migrants are only in their second season of tending bananas, and their spending priorities may be different compared to those who had several years of experience. This is borne out by the opposite findings for actual versus planned spending priorities, and suggests that additional research on the correlation between investments and the number of years of tending bananas is required to fully understand expenditure decisions.

#### *Implications*

This study has implications for researchers and policy makers. In the broadest sense, it adds to the literature describing the rapid socio-economic changes taking place in the rural areas of Laos in response to Chinese investment in agriculture, and the opportunities and challenges that this brings. With somewhere between 7,800 and 13,400 migrants tending plantations on a fulltime basis in 2015 (and an unknown number of temporary labourers), there is no other rural area within Laos that is currently receiving internal migrants on a scale comparable to the banana plantations in Bokeo. Within the migration literature, this paper is significant because it takes an underrepresented minority group, the Hmong, and

through their own language, portrays their experiences of internal, circular and rural-rural migration.

Some policy-makers may regard migration to banana plantations as evidence of policy failure within the source locations, since people are forced to leave due to a lack of local income opportunities. On the contrary, this dissertation has reinforced the view of most migration researchers (Skeldon, 2012; McKay and Deshingkar 2014) that temporary migration should be recognized and supported for its contribution to increasing rural incomes: the results of this research show that relatively low farm productivity in the source villages, combined with the greater income expectations of modern living, have combined to render any attempt to keep people at home simply to boost local farm output as misguided. In any case, the study showed that worker-couples themselves are investing in consumer goods and housing rather than investing in agriculture, and are perhaps only one or two generations away from leaving the farm altogether. This dissertation therefore reinforces the evidence elsewhere in Laos that agrarian transition is occurring, and that off-farm income is rapidly becoming a significant part of the livelihood strategy of rural people in Laos to keep pace with modern lifestyles and spread the growing risks of competing in market oriented agriculture (Rigg, 2007; Manivong et al. 2014). The findings are thus in accordance with the 'new economic theory of migration'.

Other researchers may point to the low level of investment by worker-couples in productive enterprise as evidence of policy failure: Ping and Shaohua (2008), for example, recommend that investing in rural services and credit would encourage the effective use of remittances. However, this paper only confirms the importance of social networks in Hmong society, and these would be preferred as a means to gain investment capital rather than formal institutions (Baird and Vue, 2015). In any case, as pointed out by Kurien (2008), migrant families will spend their money according to their distinctive ethnic and community norms.

The research has also identified some related policy issues which should be addressed to support worker-couples in the receiving locations. Most importantly, given the sheer numbers of migrants, there should be a mechanism in place (possibly even a migrant resource centre) that is capable of providing services to migrants in their own language: this would include ensuring fair and reasonable contracts, arbitrating disputes when they arise (such as having a minimum level of protection in the event of storm damage) and ensuring that safe and sanitary working conditions are provided to workers by the Chinese companies.

#### *Future research possibilities*

The sections above have identified several areas for future research in both the positivist and interpretivist paradigms. Firstly, it would be necessary to confirm these results by repeating this research both spatially (with different ethnic groups) and temporally (with

farmers who have more years of experience as circular migrants). A larger sample than employed by this study would enable the use of empirical testing of both quantitative and qualitative data. The contrast between actual and planned spending (Research Question 3) appears to show that “While one’s dream is to invest for the future, the reality is to spend on the present”: this assertion needs to be tested using the experience of researchers in the social sciences.

Secondly, there is an opportunity for further research on the ‘push’ and ‘pull’ factors driving migration to the plantations. Why are Hmong proportionally overrepresented in the migration statistics? Is this migration part of a process of agrarian change (as suggested by the low investment in agriculture), or a means for families to stay on the farm? Is there, as some researchers have suggested, a correlation between migration and a loss of livelihoods in their home villages, or is it more simply a case of needing to earn money to keep up with a modern lifestyle in a cash based economy.

Thirdly, one could look at the ‘left-behind’. Are they able to maintain their existing fields, or do they become reliant on remittances? Conducting a matched survey, with the migrants themselves and those household members left behind, would be able to reconcile differing viewpoints to produce a convincing analysis.

Finally, there is the livelihoods question which is increasingly being asked by migration researchers: for instance, how do migrants weigh up the economic benefits of migration compared to its social costs - in this case to their own health and to their children’s education?

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## Appendix 2: Research approval notice from UNE Human Research Ethics Committee



Ethics Office  
Research Development & Integrity  
Research Division  
Armidale NSW 2351  
Australia  
Phone 02 6773 3449  
Fax 02 6773 3543  
jo-ann.sozou@une.edu.au  
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### HUMAN RESEARCH ETHICS COMMITTEE

**MEMORANDUM TO:** A/Prof Renato Villano, Mr Stuart Ling & Mr Alounsak Vongchanh

**UNE Business School**

This is to advise you that the Human Research Ethics Committee has approved the following:

<b>PROJECT TITLE:</b>	The impact on livelihoods of seasonal labour migration to banana plantations in Bokeo, Lao PDR
<b>APPROVAL No.:</b>	HE14-034
<b>COMMENCEMENT DATE:</b>	20 March, 2014
<b>APPROVAL VALID TO:</b>	20 September, 2015
<b>COMMENTS:</b>	Nil. Conditions met in full

The Human Research Ethics Committee may grant approval for up to a maximum of three years. For approval periods greater than 12 months, researchers are required to submit an application for renewal at each twelve-month period. All researchers are required to submit a Final Report at the completion of their project. The Progress/Final Report Form is available at the following web address:  
<http://www.une.edu.au/research/research-services/rdi/ethics/hre/hrec-forms>

The NHMRC National Statement on Ethical Conduct in Research Involving Humans requires that researchers must report immediately to the Human Research Ethics Committee anything that might affect ethical acceptance of the protocol. This includes adverse reactions of participants, proposed changes in the protocol, and any other unforeseen events that might affect the continued ethical acceptability of the project.

In issuing this approval number, it is required that all data and consent forms are stored in a secure location for a minimum period of five years. These documents may be required for compliance audit processes during that time. If the location at which data and documentation are retained is changed within that five year period, the Research Ethics Officer should be advised of the new location.

A handwritten signature in black ink, appearing to read 'Jo-Ann Sozou'.

Jo-Ann Sozou  
Secretary/Research Ethics Officer

### Appendix 3: Participant Information Sheet and Consent Form

#### Participant information sheet

**Project title:** The impact on livelihoods of seasonal migration to banana plantations in Bokeo, Laos

#### Background

This sheet provides background information about the research being carried out to examine the impact on livelihoods of seasonal migration to banana plantations in Bokeo, Laos.

The research is being conducted by Stuart Ling, a Masters student at the University of New England, with the cooperation of the Provincial Agriculture and Forestry Office (PAFO). The research questions to be answered are:

1. What is the nature and extent of seasonal labour migration to banana plantations in Bokeo?
2. What is the effect of this migration on the incomes of labour sending households?
3. To what extent is increased income spent on productive investments?

#### Research methods and intended participants

The research will be undertaken in two stages as follows:

Stage	Participants	Survey Method	Location
1a	Government staff	Semi-structured interview	Province and district staff
1b	Chinese companies	Semi-structured interview,	Houayxay, Tonpheung
2	Labour sending households	Household survey	Phaoudom district

Each interview is expected to take about forty-five minutes.

#### Data storage and reporting

The names of individuals will not be collected or used in any reports. All survey forms will be securely stored in a locked bag in the field and in a locked drawer later in the office.

The data will be used for this research project, possible future publications, and future research projects. A research summary will also be prepared in Lao language for wider sharing in Laos.

#### Voluntary participation

Participation in this study is completely voluntary. If a participant agrees to participate, s/he will be asked to formally consent to the interview, either in writing or orally. Even after agreeing to participate, the participant is still able to decline to answer any questions and

withdraw from the interview at any point. He/she can also ask to withdraw her/his comments without any negative consequences.

Please note that there will be no payments to the participants in this research.

### Contact for further information

If you have any queries and concerns about the research, you can contact the following people

<u>Student Researcher</u>	<u>Supervisor</u>	<u>Local contact person</u>
Stuart Ling PO Box 261, Houayxay, Bokeo Phone: (020) 55336934 Email: stuart.ling@y7mail.com	Mr Rene Villano University of New England Armidale, NSW, Australia T: +62 (0) 251 8622 622 Email: rvillan@une.edu.au	To be appointed

### Ethics committee clearance

The ethical aspects of this research have been approved by the UNE Human Research Ethics Committee.

### Human Ethics Manager

UNE Human Research Ethics Officer

Research

TC

University

Armidale NSW 2351

Phone: 02 6773 3449

Email: [ethics@une.edu.au](mailto:ethics@une.edu.au)

Lamble

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Building

England

## Consent form

**Project title:** The impact on livelihoods of seasonal migration to banana plantations in Bokeo, Lao PDR

### Written Consent

Literate participants will be asked if they are comfortable with giving written consent. If they agree, a written consent will be taken in the following format:

I, ....., agree to be interviewed by Stuart Ling about my knowledge and experience in relation to banana plantations in Bokeo.

I have read the information sheet and understand that:

1. My participation in the research is voluntary, and that I can decline to answer any questions or withdraw my participation at any time without any negative consequences.
2. Notes will be taken of the interview by the research team
3. Information I provide in this interview will be used only for the purpose it is intended for, and that I will not be disadvantaged in any way because of the information I provide.
4. I will not be identified in any reports and publications, except if I choose to be identified.

.....  
Signature

.....  
Date

### Oral consent

Oral consent will be taken from those who are illiterate or those who are not willing to give written consent. For these participants, the background information of the research including its purpose and the idea of the consent (as given in the participant information sheet) will first be explained. Then, they will be asked if they are interested to participate in the research. If they answer 'yes', the researcher will ask if they understand and agree to each of the consent points given above.

If the participant answers 'yes' to understanding and agreeing to each of the consent points, the researcher will note that s/he has given oral consent. If they do not agree to any of the points, the interview will not proceed.

#### Appendix 4: Research Timeline

Activity	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
Review grey literature, draft literature review								
Revise methodology and questionnaire for Stage One								
Apply for and receive ethical approval from University Ethics Committee								
Seek approval from government gatekeeper (PAFO) and have government counterpart allocated								
Stage One (context and demographic data collection)								
Write up Stage One report								
Update literature review								
Finalise household questionnaire for Stage Two (amount of and use of remittances), train field assistants and counterpart, pilot test and revise								
Stage Two (household surveys)								
Computer entry and analysis								
Draft results and discussion								
Update literature review								
Bring dissertation together as a first draft								
Submit first draft to supervisor for feedback								
Present results to PAFO with counterpart and receive feedback								
Revise based on feedback								
Submit final dissertation								

## Appendix 5: Semi-structured Interview Guide for Stage One stakeholder interviews

### a): Interview Guide for Government on Contextual and Policy Aspects

1. Any figures on migration to Thailand, Vientiane, seasonal migration?
2. What are the driving forces/factors causing migration in Bokeo both external/internal
3. What is the local government policy with regards to managing external/internal migration in Bokeo?
4. What are the trends in seasonal labour migration in Bokeo? Crops -Rubber, bananas?
5. Is there any evidence of mixed migration (i.e. relatively well-off, educated people migrating out for opportunities in the service sector, while relatively poor, uneducated people migrate in to undertake hard agricultural labour)
6. What are the opportunities for provincial development with internal seasonal migration to work on banana plantations? How can they be realised?
7. What are the constraints for provincial development with internal seasonal migration to work on banana plantations? How can they be avoided?
8. What are specific labour issues associated with the banana plantations in Bokeo? How can they be solved?

### b) : Interview Guide for Chinese Plantation Companies

For each task, complete the following table on an area basis or other convenient unit for the company/labour manager (then calculate on a per hectare basis).

Main task	Lao or Chinese	Month undertaken	No labourers needed/day	No days to complete task	Total labour days	Payment method (wage/piecework)	Total paid



## Appendix 6: Questionnaire for Stage Two interviews of Worker couples

Name of Interviewers:

Date:

Interviewee(s):.....

☐ Female

☐ Male

☐ Male and female

Number of seasons worked in banana plantations.....

### 1. Location

Village working in now

Name of Company

Village of Origin

District

Province

Ethnicity:

### 2. Family makeup

Total Family Members			Migrants to banana plantations in Bokeo	
	M	F	M	F
Capable of labour				
Not capable of labour				
<b>TOTAL</b>				

### 3. Wealth ranking

Compared to other households in your village, do you believe that you are:

☐ wealthier

☐ average

☐ poorer

### 4. Underlying causes for migrating to work in banana plantations (emphasise not just to earn money) –

in order of priority

1. ....
2. ....
3. ....

Examples

Not enough land to be sufficient in rice, Poor weather/natural disaster, Low rubber prices,  
Have spare labour available/relatives can look after, Want to start new business in village,  
Want to leave village for personal reasons, resettlement

5. Amount received and saved working in banana plantations last season (THB)

a). Number of months worked last season

= .....months

b) Income tending bananas (THB)

Number of stems tended.....

.....

Equivalent to.....THB

c) Additional income from plantations (THB)

	Task	Number of days	Income/day	Total income (THB)
Person 1				
Person 2				
Person 3				
<b>TOTAL</b>				

Grand Total: Person 1 + Person 2 + Person 3 =.....THB

d) Subsistence deducted by Company

= Number of times subsistence provided.....\* Amount /month.....THB

.....THB

e) Net Income

b + c - d =.....THB

6. Actual use of income last season (THB)

General category	Specific category (eg)	Actual Amount (if known)	Guess % (if not known)
Consumption	<ul style="list-style-type: none"> <li>- rice and other food</li> <li>- daily needs (clothes)</li> <li>- hire farm workers</li> <li>- wedding/funeral</li> <li>- household durables (TV, fridge, phone)</li> <li>- repair house</li> <li>- health</li> <li>- motorcycle</li> <li>- truck/car (convenience)</li> <li>- give to relatives</li> <li>- other (specify)</li> </ul>		
Investment	<ul style="list-style-type: none"> <li>- improve/build house (add value)</li> <li>- truck/car (for agriculture, business)</li> <li>- buy land</li> <li>- education</li> <li>- agriculture machinery (eg tractor)</li> <li>- crop investment (including seeds, fertilizer)</li> <li>- livestock investment (including animals, fencing)</li> <li>- business (shop, restaurant)</li> <li>- other (specify)</li> </ul>		
Saving	<ul style="list-style-type: none"> <li>- cash</li> <li>- bank</li> <li>- gold</li> </ul>		
For loan repayment to a third Party	<ul style="list-style-type: none"> <li>- repay loan to bank</li> <li>- repay loan to money lender</li> <li>- repay loan to relatives</li> </ul>		
	<b>TOTAL (e)</b>		

7. *Planned use of income for this season (THB)*

Estimated Net Income.....THB

General category	Specific category (eg)	Planned Amount
Consumption	<ul style="list-style-type: none"> <li>- rice and other food</li> <li>- daily needs (clothes)</li> <li>- hire farm workers</li> <li>- wedding/funeral</li> <li>- household durables (TV, fridge, phone)</li> <li>- repair house</li> <li>- health</li> <li>- motorcycle</li> <li>- truck/car (convenience)</li> <li>- give to relatives</li> <li>- other (specify)</li> </ul>	
Investment	<ul style="list-style-type: none"> <li>- improve/build house (add value)</li> <li>- truck/car (for agriculture, business)</li> <li>- buy land</li> <li>- education</li> <li>- agriculture machinery (eg tractor)</li> <li>- crop investment (including seeds, fertilizer)</li> <li>- livestock investment (including animals, fencing)</li> <li>- business (shop, restaurant)</li> <li>- other (specify)</li> </ul>	
Saving	<ul style="list-style-type: none"> <li>- cash</li> <li>- gold</li> </ul>	
For loan repayment to a third Party	<ul style="list-style-type: none"> <li>- repay loan to bank</li> <li>- repay loan to money lender</li> <li>- repay loan to relatives</li> </ul>	
	<b>TOTAL</b>	

*8. Contribution of bananas to total income*

Describe the contribution of bananas to your total household income for the previous season

- ☐ bananas provide all our household income
- ☐ bananas provide more than half of our household income
- ☐ bananas provide less than half of our household income

*9. Will you continue to work in banana plantations in the future?*

- ☐ Won't continue
- ☐ Continue for about ..... years
- ☐ No limit
- ☐ Continue only if the price increases

*10. Comments from the interviewee*

**Appendix 7: Details of banana camps visited during Stage Two**

No.	Survey Date (Round 1)	Administration zone	Company	Village	Camp Name	Total No. families	Total No Hmong families	Total No. Hmong meet criteria	Total No. Hmong interviewed	Comment
<b>1. Camps where detailed household data was collected</b>										
1	21/04/2015	Houayxay Noy	Tui Somxay	Houayxay Noy	Nong Pa Tek	16	16	6	5	
2	21/04/2015	Houayxay Noy	Tui Somxay	Donesavanh	OK	5	5	3	3	
3	21/04/2015	Houayxay Noy	Tui Somxay	Donesavanh	Donesavanh village	5	5	1	0	
4	23/04/2015	Dan	Singthaly	Dan	Nongpa Bounxay 1	11	11	1	0	
5	23/04/2015	Dan	Jingyuan	Dan	Camp 2	10	5	5	3	
6	23/04/2015	Dan	Singthaly	Dan	Camp 11	7	5	1	1	
7	23/04/2015	Dan	Jingyuan	Dan	Most Hmong	11	7	7	4	
8	23/04/2015	Dan	Singtaly	Dan	Camp 2	9	2	2	1	
9	23/04/2015	Dan	Singtaly	Dan	Camp 1	10	10	7	4	
10	23/04/2015	Dan	Jingyuan	Dan	Most Khmu	10	0	0	0	
11	6/05/2015	Dan	Singtaly	Dan	Camp 3	11	4	2	1	
12	6/05/2015	Dan	Singtaly	Dan	Camp 5	14	0	0	0	
13	6/05/2015	Dan	Singtaly	Dan	Camp 6	12	11	4	4	reinterview on 12/5/15 (Round 2)
14	6/05/2015	Dan	Singtaly	Dan	Camp 8	12	6	1	1	
15	6/05/2015	Dan	Singtaly	Dan	Camp 7	6	3	0	0	
16	6/05/2015	Dan	Singtaly	Dan	Camp 10	12	1	0	0	
17	11/05/2015	Dan	Cha Yu	Dan	Houay Namtin 1	17	15	4	3	
18	11/05/2015	Dan	Cha Yu	Dan	Houay Namtin 2	6	1	0	0	
19	11/05/2015	Dan	Singthaly	Dan	Camp 12	9	8	2	1	
20	11/05/2015	Dan	Singthaly	Dan	Camp 4	12	8	1	0	

The Use of Remittances by Circular Hmong Migrants to Chinese Banana Plantations in Bokeo, Lao PDR

No.	Survey Date (Round 1)	Administration zone	Company	Village	Camp	Total No. families	Total No Hmong families	Total No. Hmong meet criteria	Total No. Hmong interviewed	Comment
21	11/05/2015	Houayxay Noy	Terng Chong Yong	Nam Phuk	Small	2	1	0	0	
22	11/05/2015	Houayxay Noy	Terng Chong Yong	Nam Phuk	Large (main camp)	12	5	0	0	
23	11/05/2015	Houayxay Noy	Terng Chong Yong	Nam Phuk	North	7	0	0	0	
24	11/05/2015	Houayxay Noy	Sivanh	Phouvanh Tai	Main camp	3	3	1	1	
25	11/05/2015	Houayxay Noy	Sivanh	Phouvanh Tai	north main camp	8	8	0	0	
26	11/05/2015	Houayxay Noy	Sivanh	Phouvanh Tai	south main camp	7	5	1	1	
27	11/05/2015	Houayxay Noy	Sivanh	Phouvanh Tai	below village	5	1	0	0	
28	11/05/2015	Houayxay Noy	Mai Oun	Nam Samok Tai	Main camp	5	5	2	0	
	<b>TOTAL</b>					<b>254</b>	<b>151</b>	<b>51</b>	<b>33</b>	

Hmong%	59.4
Frame Interviewed%	64.7

	Survey Date (Round 1)	Administration Zone	Company	Village	Camp	Total No. families	Total No Hmong families	Total No. Hmong meet criteria	Total No. Hmong interviewed	Comment
<b>2. Camps where detailed household data was not collected</b>										
29	6/05/2015	Dan	Singtaly	Dan	Camp 9	6	unknown	0	0	nobody present
30	11/05/2015	Houayxay Noy	Terng Chong Yong	Nam Phuk	Mountain	6	unknown	0	0	nobody present
	<b>TOTAL</b>					<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	