Tourist Influx Helps Rural Lao PDR Thrive

Completion of the last overland link in the North-South Economic Corridor brings prosperity to poor provinces in the Lao PDR, a landlocked country that lies at the heart of the Greater Mekong Subregion.

When Noy Sae Lee was a young woman in northwest Lao People’s Democratic Republic (Lao PDR) in the 1970s, her small ethnic Lanten community subsisted on slash-and-burn cultivation, virtually isolated from the outside world, save for limited trade in opium and wildlife in this fabled “Golden Triangle” region of Southeast Asia. Even when her village of Nam Chang, in Bokeo Province, was officially established in 1985, the village remained largely shut off.

“It would take us 3 days walking to get to Luang Namtha,” she recalls, referring to the largest town in this corner of the Lao PDR.

Since the 2008 completion of the Route 3 highway, an all-weather road stretching from the Lao PDR’s northern border with the People’s Republic of China (PRC) to its southern border with Thailand, life for Lee, and families along the corridor, has changed for the better.

“In the past we just produced for survival. Today we produce for income,” says Lee.

Community-based tourism

For Nam Chang, a village of just 198 residents, the new road has brought an influx of tourists and a much better standard of living.

ADB provided $30 million to upgrade Route 3, the last overland link in the Greater Mekong Subregion (GMS) North-South Economic Corridor, stretching 1,800 kilometers from Kunming, PRC through the Lao PDR and down to Bangkok, Thailand. ADB provided an additional $10.9 million to enhance tourism in select parts of the Lao PDR, including the two provinces that the corridor traverses, Bokeo and Luang Namtha, which were amongst the country’s poorest.

In Nam Chang village, ADB and Fair Trade Laos provided a range of support to develop community-based tourism, including an access road connecting the village to the highway, and training in textile marketing and management.
“When the project started I didn’t know what marketing was,” says 27-year-old Mon Sae Lee, head of the village’s handicraft group, and manager of the village shop. “We’ve learned a lot about building a business, and now we know how to get customer feedback to design better products, which gets us even more customers.”

The Lanten ethnic group has long been admired for its high-quality indigo-dyed cotton clothes. The Lanten name is derived from Old Chinese referring to the indigo dye they use to make their textiles, a labor-intensive process that has been passed down for generations from mothers to daughters. Today the community is tapping this rich cultural heritage to bring greater prosperity to Nam Chang.

“Before we only made clothes for ourselves. We depended on rice farming and cattle for survival,” says Mon Sae Lee. “Now we make good income from our clothes, and we use the income to build stronger houses, send our children to school, and get better health care. It’s improved our lives a lot.”

Better health and education services

Noy Sae Lee, now a grandmother at 59, recalls that when the village was still isolated, every time she gave birth she largely had to fend for herself.

“I gave birth to my children alone, in the forest. Two of my six didn’t survive,” she says.

In large, rural provinces like Bokeo and Luang Namtha, roads are the crucial lifeline that gives families access to lifesaving services. As part of its support for the development of the economic corridor, ADB provided medical supplies and supported the training of health workers and birth attendants in 76 villages along the route.

“My daughters have been able to give birth with the help of a doctor, just a short ride down the highway, and their children are healthy,” says Ms. Lee.

All along the route the extraordinary benefits of an all-weather road can be seen in better health and education, and a better standard of living for families that had long been bound to a life of abject poverty simply because they were so isolated. Since the road’s completion, household earnings for families along the corridor are over 50% higher than other households’ earnings.

Tourists who visit this region of the Lao PDR are happy to contribute in some small way to these communities’ growing prosperity.

“I am very happy that they are using their benefits from this kind of tourism to get an education,” says Yui, a tourist from the Republic of Korea, while she looks at bags and blouses at a local handicraft shop. “It’s interesting to see ethnic villages. I think many tourists are coming here because they are interested in experiencing the culture of these ethnic groups, and now it’s easy to do this.”

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