



**Australian Government**  
**Australian Centre for  
International Agricultural Research**

# Final report

Small research and development activity

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*project* **Critical Factors for Self-Sustaining  
Farmer Organizations in Northern Laos**

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Fieldwork reported in this study was approved by James Cook University’s Human Ethics Research Committee: Approval H6050.

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## 1.1 Table of Acronyms

ACIAR	-----	Australian Centre for International Agricultural Research
AFD	-----	Agence Française de Développement
CPC	-----	Coffee Producers Cooperative
DAEC	-----	Department of Agricultural Extension and Cooperatives
DAFO	-----	District Agriculture and Forestry Office
DSA	-----	Daily Subsistence Allowance
EMS	-----	Extension Management System
FDI	-----	Foreign Direct Investment
FL	-----	Farmer technical learning
FO	-----	Farmer organizing
GOL	-----	Government of Laos
GSP	-----	Government service providers
JCU	-----	James Cook University
LPRP	-----	Lao People's Revolutionary Party
MAF	-----	Ministry of Agriculture and Forestry
ME	-----	Market engagement
NGO	-----	Non-governmental organization
NTFP	-----	Non-timber forest product
OD	-----	Organizational development
ODA	-----	Official Development Assistance
PAECS	-----	Provincial Agricultural Extension and Cooperatives Service
PAFO	-----	Provincial Agriculture and Forestry Office
PAR	-----	Participatory action research
PDR	-----	People's Democratic Republic
PIC	-----	Provincial Industry and Commerce
POHA	-----	Provincial Office of Home Affairs

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## 2 Executive summary

The SRA reported on here involved three groups of stakeholders—local farmers represented by their community-elected organizational leaders, government service providers represented by district and provincial extension agents and leaders, and a team of international researchers—collaborating in a participatory action research process designed to identify the challenges, opportunities, and critical role to be played by farmer organizations in improving the equity and sustainability of smallholder farming in Northern Laos. The study involved government extension service providers and farmers from over forty villages in each of two districts with two products—organic vegetables in Khoun District and forest coffee in Paek District, Xieng Khuang Province.

Looking critically at a range of successful but diverse farmer organizations throughout Laos, the farmer participants in this study distilled a set of lessons for developing their own organizations. The actions centred on replacing individual with group-based marketing and selling and coordinating production to enable this improved selling. The participants looked at the expected benefits farmers could gain through cooperation and built consensus around simple action plans that involved farmers taking their own actions—such as mobilizing committees from each village to engage in marketing, technical training, and production audits—and searching for support from private sector investors and government service providers.

Distilling the experience into a set of principles and lessons, the participants characterized the approach as follows: putting function over form, practicing representation to build participation, ensuring accountability through transparency, and building consensus around practical sales visions and coordinated production plans. Aligning with Government of Lao policy, the approach shows promise as a means of addressing the need to improve smallholder production and marketing efficiency to compete with other commercial forms. Incorporated within a district-wide extension management system, the approach to mobilizing farmer organizations around market opportunities can bring substantial benefit to smallholder farmers while adding to district economic performance through value chain development.

However, there remain challenges and the approach will not be applicable in all instances. Where markets are ill defined and market actors neither dependable nor trustworthy, farmers will seldom make the investments in time, energy, and resources to improve production and to collaborate. Where farmers are preoccupied with overcoming food insecurity, they may be unwilling and incapable of investing in improving commercial production. Similarly, they may not wish to devote the time necessary to collaborate on joint means of selling.

Furthermore, where DAFO offices are driven to meet formal targets and support structures and registration rather than functions and performance, they will likely not allow farmers to develop their own organizations at a pace that allows consensus building around productive visions and structures that work for farmers. In the right conditions, however, the approaches developed through this SRA have the potential to contribute significantly to a rural development strategy that supports a viable future for smallholder farmers.

To realize this potential will take more than a presentation of results. While the participatory action research (PAR) approach employed in this study built capacity and ‘champions’ within the participating farmers and government offices, the people with strong capacities and interest are neither sufficiently politically connected nor sufficiently numerous to generate the institutional changes necessary to ensure adoption and further development. While there are several key people, including leaders at Department of Agricultural Extension and Cooperatives (DAEC) and the Xieng Khuang Provincial Agricultural Extension and Cooperatives Service (PAECS), they will need further support to build the critical mass of momentum to move extension practices in this productive direction.

### 3 Background

Laos remains on the UN's list of least developed countries but the government is aggressively pursuing graduation from this characterization by 2020. Driven by recent annual GDP growth that exceeded seven percent for nearly a decade, the government may be on track to meet this goal. This GDP growth is due to a massive influx of Foreign Direct Investment (FDI) hailing primarily from neighbouring China but also from Vietnam and other nations.

The agriculture sector has experienced respectable, if less dramatic, annual growth hovering around four percent for the same period, driven, again, by FDI in industrial plantations and, recently, in contract farming. Give the relative isolation of most Lao farmers until the last decade—which has seen road, electricity, and commercial investment penetrate to the majority of the agriculture population—many isolated farming communities remain. The government's 'new economic mechanism' has entailed an opening up of the economy to private investment which, in turn, has promoted a dynamism within the agriculture sector that carries both opportunities and risks to Laos' smallholder farming population—which remains the livelihood of the majority of the population.

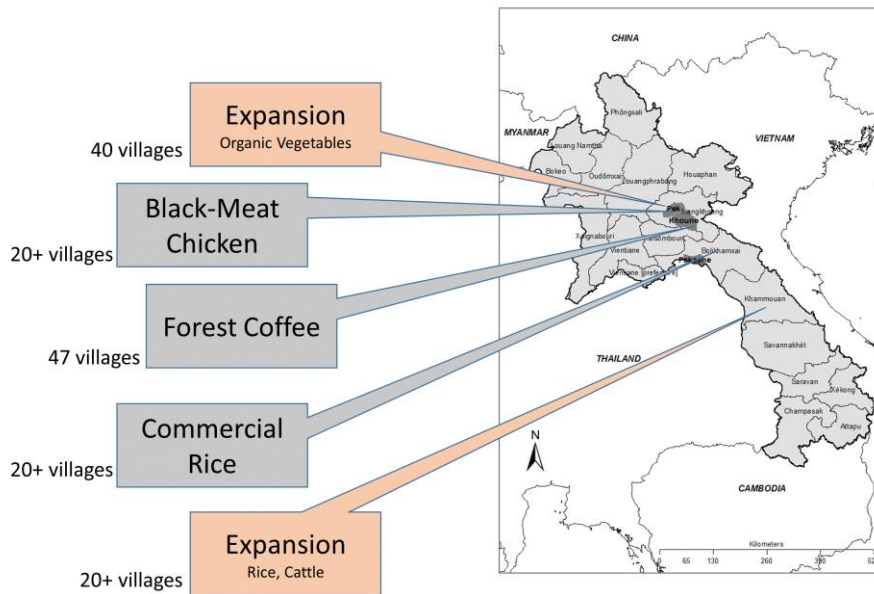
Heightening the magnitude of risks farmers face, and lessening their ability to realize opportunities, is their patent lack of commercial collaborating experience. While current government policy is to support the development of self-directed farmer organizations (FO), efforts to realize this will be substantially complicated by the Lao People's Revolutionary Party (LPRP)'s history with agriculture cooperatives. Martin Stuart-Fox has provided a detailed analysis of the approaches taken and the fundamental reasons for failure of the early efforts of the People's Democratic Republic (PDR) government (Stuart-Fox, 2002). Within the first three years of taking power, he notes, the government managed to: 1) push a collectivism that contradicted independent land-holding social values, 2) fail to turn the collectives into productive alternatives to private, independent land-holding, and, 3) create a lasting negative impression of government-supported collectivism.

Some of the same social forces that Stuart-Fox cited as critical to the failure of collectives in the late 1970's persist today: preference for individual control of land, disinclination to pool resources, poor familiarity with the kinds of formal cooperation required to effectively manage collective action. In the current regime's early history, farmers saw little benefit to forming cooperatives and expressed concern that the new organizations would merely expand government control (Stuart-Fox, 2002:166); today, as evidenced by official policy documents regulating the establishment of farmer production groups, associations, and cooperatives, official approaches, while couched in democratic language, establish systems for tight oversight and effective control of nominally independent organizations (Ministry of Agriculture and Forestry (MAF), undated a; undated b).

Lao farmers have until recently focused on subsistence production, producing a wide range of products for their own use, with small scale sale of surpluses. This naturally results in mixed grades, and small volumes disbursed overly widely scattered communities, hardly meeting commercial standards. Local and itinerant traders buy and consolidate, but only grade and sort with difficulty, resulting in poor quality product. This production systems remains a significant barrier to Lao farmers entering commercial markets.

Agents for change with Lao farmers have remained primarily the district agriculture technical staff based in the District Agriculture and Forestry Offices (DAFO). In the past these staff were technically focussed and even within that limited sphere still weak. The extension approaches were directive (befitting a command economy). Funding was non-existent or sporadic and so any programmatic approaches improving farmers' production over several seasons was not possible. With the advent of Official Development Assistance (ODA) a range of projects and non-governmental organizations (NGOs) have presented as change agents but these, too, have only until recently focussed on introducing technologies and have mostly worked through DAFO extension teams. A new mandate by the national extension agency DAEC, recently rearticulated extension to have a comprehensive approach, supporting farmer technical learning (FL), farmer organization (FO), and farmer market engagement (ME). While now articulated, the application of this comprehensive approach is limited, even with ODA projects.

ACIAR has supported a project, ASEM/2011/075, ‘Enhancing District Delivery and Management of Agriculture Extension in Lao PDR’, to support improved management and delivery of extension services in this context. It has largely succeeded in demonstrating a viable approach for DAFO and PAECS to work collaboratively to apply improved extension services across entire districts, thus leveraging support for distinctive economic results into ongoing Government support for extension services. While this project has demonstrated an effective vision for DAFO management of extension services, it was *not* designed to delve specifically into developing an approach to supporting farmer organization development. ASEM/2011/075 has worked in five districts through the middle of the country as depicted in the attached map.



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**Figure 1: Map of Laos highlighting areas covered by ASEM/2011/075**

The project supported extension work at first, in four districts on three products: Nong Hed—black-meat chicken, Khoun—forest coffee, Bolikhan and Tapabat—commercial rice. The project directly supported expanded application of the Extension Management System (EMS) to Paek District in Xieng Khuang Province which selected organic vegetable production. Project advisors and DAEC also supported expansion of the EMS to Khamouan Province which supported farmer production of rice and cattle.

Lao smallholder farmers’ have been isolated from commercial opportunities over the last forty-five years. Market demand only recently penetrated to much of the country, meaning farmers had few financial incentives to pooling resources for market-oriented actions. To this combination of factors can be added the dearth of commercially-active farmer organizations in any form in contemporary Laos. A recent study by the DAEC of reports from every province and district in the country list many farmer groups, but very few are active and formalized organizations (agriculture cooperatives, producer groups, or farmer associations) (DAEC, forthcoming).

We can thus see that Lao’s unique geography, political history, and economic development has led to a paucity of farmer organizing around economic opportunities. At the same time, several recent studies suggest the critically important role farmer organizations could play in helping smallholder farmers equitably engage in commercial opportunities (Castella and Bouahom 2014; Folkard and Connell et al. 2011; Jones, Phommathath, and Namvong 2012). This mirrors similar developments and expectations for farmer organizations in countries at a similar stage of agriculture commercialization (Chirwa et al. 2005; EASRD: Rural Development & Natural Resources; East Asia & Pacific Region 2006; Fforde 2008).

Distilling from the documents regarding Laos which reflect similar details in the international literature, we can find four main functions that FOs are expected or hoped to serve:

- Market rationalization (bringing efficiency to market transactions among many small actors)
- Supporting equitable engagement for smallholder farmers (helping them avoid indebtedness, loss of access to resources, and unfair terms of trade)
- Helping smallholder farmers access productive inputs on favourable terms
- Helping smallholder farmers apply improved production technologies.

This set of functions is not universally supported within the government and some aspects may be more a response to ODA pressure than coming from internal conviction. Most evidently regarding the second of these—yet applicable to all—only with significant self-direction and self-sustaining momentum will farmer organizations be capable of filling these functions for a meaningful period in Laos' development. There is thus a strong interest, if not outright need, for the development of farmer organizations in Laos at this moment in its social-economic development history. For reasons stated above explaining the lack of farmer organizations to date, there is unlikely to be a spontaneous appearance of farmer organizations at large scale across the country. That leaves the government, development assistance community, and agriculture research community with the task of defining viable paths to support the development of independent farmer organizations. Unfortunately, in Laos, there exists a singular lack of capacity to support the development of independent or self-directed and self-sustaining farmer organizations at any scale (DAEC, forthcoming).

Evolving from the National Agriculture and Forestry Extension Service (NAFES), DAEC was established as a full MAF department with a refocused mission to include support to farmer organizations and agriculture cooperatives. This affirmed the Government of Laos (GOL)'s intention to support farmer organizations and that these would have a specific role in carrying out the vision for agriculture development in the country. Subsequent to DAEC's establishment, MAF published two related prime-ministerial decrees, instructing the government to support agriculture cooperatives (Prime Minister of Lao PDR 2010) and agriculture production groups (Ministry of Agriculture and Forestry, Lao PDR 2014). These policy documents establish the need for independent and voluntary organizations, with a clear economic purpose of supporting smallholder farmers.

There are important exceptions wherein projects have supported the development of effective and self-sustaining farmer organizations that continue to perform a mix of the above functions (see, for example, Coffee Producers Cooperative (CPC) (formerly AGPC) the coffee producers' cooperative in Southern Laos). However, as exceptions, these raise directly the question of replicability, and specifically, whether and how the service providers that are already exigent throughout the country and charged with supporting FO development, namely the DAFO and their provincial support agency, PAECS, can effectively take on the role of supporting independent FOs.



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## 4 Objectives

Considering the background as described above and the critical role FOs can play in assuring equitable opportunities for smallholder farmers, the study worked to better understand the key challenges facing FOs. More specifically, it focussed on the critical factors necessary for successful FO development and sought to identify practical approaches that DAFO could use in advising smallholder farmers.

The overall aim of this SRA was to identify key operational arrangements for FOs that satisfy the needs of members so they would be able to make independent and effective plans while interacting with other stakeholders. This aim was met by addressing three research questions as follows:

- RQ 1: What internal dynamics (i.e., leadership, capacity for articulating objectives and action plans, establishing links to markets, etc.) enable emerging FOs to meet practical, farmer-identified needs?
- RQ 2: How do evolving FOs change the ways smallholders interact with outside actors, (in particular, the government and private sector), and what are the risks to their autonomy as they expand and formalize?
- RQ 3: What types of government support can enable FOs to improve smallholder market position and promote efficient production?

To investigate the research questions, the SRA set out in pursuit of two overall objectives, each with two sub-objectives. These objectives were designed to get the two main stakeholders in FO development (farmers and their primary service providers, DAFO) involved in implementing the research through direct action. Furthermore, the objectives were designed to fit within each stakeholders' own objectives—and in the case of farmers, to help them identify their own objectives; thus, the research would be conducted by facilitating the stakeholders in carrying out activities in line with their institutional and/or personal objectives. This proved key to the success of the research strategy, as the stakeholders were willingly engaged in the work and participated enthusiastically from the outset. The SRA objectives were as follows:

- Objective 1: Enable emerging FOs in Khoun District (coffee) and Paek District (organic vegetables) to evaluate and coordinate responses to the opportunities and threats they face as they enter more lucrative markets.
  - 1.1: Identify progressive stages of FO development and associated skills that allow them to fulfil higher market and internal coordination functions and coordination for member benefit.
  - 1.2: Enable FOs to (i) appreciate areas of internal strength on which they can build, and, (ii) identify weaknesses and areas where they need skill development and/or external support.
- Objective 2: Enable key service providers and other stakeholders to understand and better support the function of independent FOs in rationalizing production and marketing their products.
  - 2.1: Enable government service providers to recognize the range of FO functions related to markets and production, the skills and organizational capacity needed to fill these functions, and which services best support these.
  - 2.2: Enable government service providers to understand how important independent FOs are to market performance, and subsequently, to identify whether or not a specific intervention is necessary.

The SRA worked not simply to allow the stakeholders to pursue their pre-existing interests, but to help them further define and clarify these. The PAR research design and strategy succeeded in investing the participants in the research process, creating an effective collaborative inquiry partnership (Heron 1996; Heron & Reason 2001) to create co-owned knowledge and understanding.

## 5 Methodology

### 5.1 Where was the work done?

The research teams were based in Khoun and Paek Districts, Xieng Khuang Province. Planned for at least twenty coffee producing villages in the first and fourteen organic vegetable producing villages in the second, the participants quickly expanded to forty villages in each district.

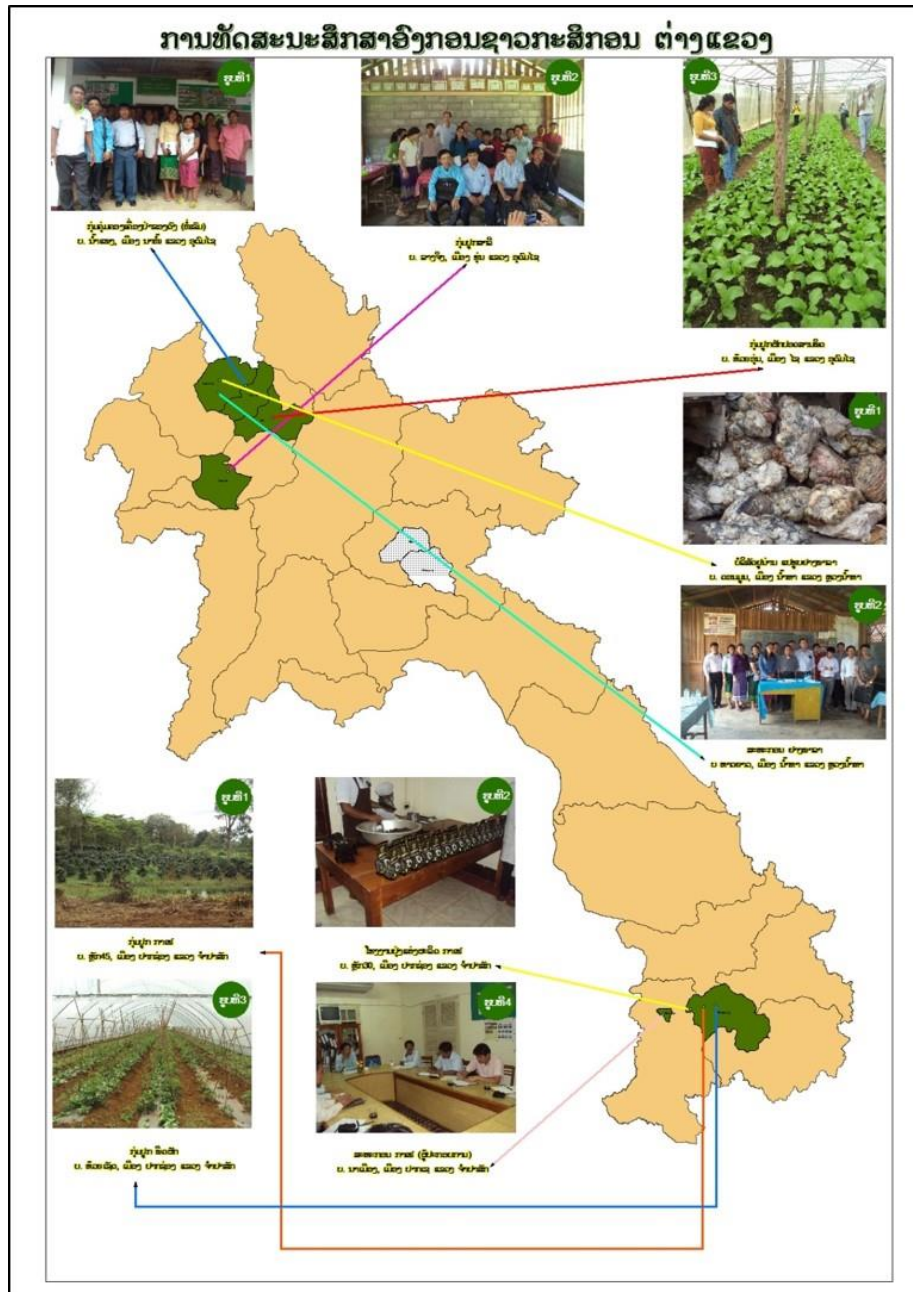


Figure 2: Map of study tour locations

During the course of the research, the participants visited existing exemplary farmer organizations in additional locations throughout Laos as listed in Table 1, below.

No.	Province	Group	Investigative Elements
1	Oudomxay	Maize Group Ban Lan Xing, Houn District	How village-level FO interacts with buyers, sources inputs, and coordinates production
2	Oudomxay	Vegetable Producers Group Ban Houn Ou, Xay District	Coordinating production to meet market demand, supporting improved production technology and access to inputs
3	Luang Namth	Ban Hat Nyow Rubber farmers association	Self-directed farmer organization supporting production, joint marketing, access to finance and technical advice, and negotiating
4	Oudomxay	Namor NTFP management group	Village-level management of access to bamboo forests and joint sale to traders
5	Champasak	CPC	Complex, formal organization serving coffee farmer needs ranging from technical production support and joint processing to finance and international marketing
6	Champasak	CPC-village-level cooperative member	Village-level unit of CPC: coordinating production, administering internal quality control, jointly processing product
7	Champasak	Organic vegetable producers group	Producing organic vegetables to order for export to Vientiane

**Table 1: List of FOs visited during the study tours**

## 5.2 Who was involved in the work?

Three primary stakeholder groups were involved in carrying out the research: farmers represented by community-selected study team participants, government service providers chosen by leaders within the government extension service at the provincial and district levels, and the three-person James Cook University (JCU) research team. Private sector actors were interviewed and engaged in discussions both formal and informal, but they were not active participants in designing the study or collecting data. In all, 736 farming households in Paek District and 691 coffee producing households in Khoun District participated. These farming households, starting at village-level meetings, chose a set of six people to form a study team from each district; it was the members of the study team who carried out the bulk of the study activities, reporting back to and mobilizing farmers from every village to participate in planning and implementing organizational development (OD) activities going forward. While the most active farmers and villages in each district were from the Lao Loum ethnic group (Tai Puan), members of the Hmong ethnic group participated in each of the districts, with a substantial number in Khoun District.

Two members of each district's DAFO staff actively facilitated the farmer engagement. A team of two people from the Xieng Khuang PAECS supported the process, with the deputy head of the Xieng Khuang PAECS advising on all research activities. DAEC leadership was involved in evaluating plans, reviewing and critiquing the process and contributing to lessons learned, but the department was not involved in day-to-day implementation. The JCU research team worked primarily as advisors to the government officers, but also provided direct support to the farmer study team, particularly regarding the development of concepts and building of understanding within the team about basic market-oriented FO functions. The international research team consisted of three people with responsibilities as listed below.

JCU's professor Peter Case, an organization studies specialist, was the principle investigator and oversaw the research planning, design and selection of methodologies applied. He provided specific advice on investigating issues internal and external to farmer organization development, investigating the capacity of farmers to collaborate on trade-offs between independence and collaboration, and also assisted with assessment and analysis of power and authority dynamics.

John Connell, adjunct senior research fellow at JCU was a second advisor. He provided (a) the process and guidelines for the study tour examining markets and exemplary farmer organizations; (b) engaged in the resulting farmer analysis, and identification of options for action; and, (c) conducted a baseline of GOL institutions perspectives on FOs.

Michael Jones, adjunct research fellow at JCU, was responsible for facilitating the majority of the SRA fieldwork. He guided the PAECS, DAFO, and FO participants in their investigation of FO development and supported them in designing the study tour, designed and built buy-in for the participatory approaches employed, facilitated preparation and learning of the study participants, facilitated the analysis and report preparation of the PAR participants, facilitated improved interaction among the FO and private sector, collected empirical data and documented the research process.

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### 5.3 What approach and methodology was applied in the research?

#### *Participatory Action Research*

PAR was the chosen approach to organizing the research for the following reasons: to ensure the findings were rooted in the genuine *experience of the stakeholders* who would be the ultimate end-users of any findings; to leverage significant participation from the stakeholders; to conduct the research around a set of objectives that were shaped by the participants themselves; and to test the validity of the research approach itself within the unique Northern Lao socio-political environment.

Numerous local stakeholders participated in the investigations of the research questions, looking at professional and economic import for the stakeholder groups (government service providers (GSPs) and FOs and their members), organizing field activities from early 2015 to mid-2016 around which empirical data were collected. While participatory approaches have become the accepted norm in organizing development assistance activities (Chambers 2012; Bradbury 2015), a significant body of literature questions the efficacy of these approaches in achieving their purported aims. The essence of this debate is captured by Christens and Speer (2006): do participatory approaches deliver the transformation purported by advocates, or are these approaches merely masking yet another iteration of the imposition of external priorities? Christens and Speer summarize the position put forward by advocates of PAR: 'They claimed that utilizing their participatory methods made the development process more empowering, democratic, just and effective' (2006, no page number). Juxtaposed with this is a set of strong critiques: 'One concern is that the development agencies are implementing participatory practices in ways that serve their own agendas. A more sweeping critique sees the idea of participatory development as flawed, idealistic or naïve' (*ibid*, no page number).

Freire (2000), Chambers (2012) and others have argued that participatory approaches—by virtue of the fact that they confer some decision-making authority on local communities—build on local knowledge, can improve the results of development practice and thus ensure that more benefit accrues to poor and underrepresented communities. Cooke (2003; 2004) suggests that, to the contrary, the set of practices that come under the rubric are merely a façade over the same top-down, authoritarian, or wealthy country dictating to developing country practices that have dominated development practice since the colonial period. The crux of Cooke's argument comes down to this: participatory approaches do not, in and of themselves, change the power dynamics in any economic development interaction, leaving in place the privilege and hegemonic authority of established institutions and asymmetrical power relations. In relation to the research reported here, however, the critical issue is: there is no claim made that participatory approaches cannot be part of an overall approach applied as part of a larger effort to shift decision-making authority to be more equitable within a specific context. This is one of the points made by Hickey and Mohan (2005) as they work

out a conception of participation situated in a larger development effort at shifting power and addressing political inequities.

Bergold and Thomas (2013) provide an important cautionary view on the opportunities for participatory research likely to be found in Laos: ‘In contrast to nomothetic research, which can be carried out under almost any social conditions, participatory research requires a democratic social and political context’ (2013: 4). Götsch et al. (2012) clarify the application of democracy theory as applied: ‘...participatory research can only reach its full potential if one applies for example insights of democracy theory to it.... We see the essential indicator for participatory research of high quality in its capability to question power relations and power distributions within the social arena’ (n.p., online).

Within Laos’ constrained socio-political context, the degree of full participation of underrepresented groups within research may be attenuated. The research needs to be involving farmers as investigators to increase their access to knowledge and decision-making; involving government offices to bring direct access to and generate learning of their own limitations within authority holders. Underlying the effort is the conception, as explored by Fals-Borda and Rahman, of creating knowledge as a way to build power:

This experiential methodology implies the acquisition of serious and reliable knowledge upon which to construct power, or countervailing power, for the poor, oppressed and exploited groups and social classes—the grassroots—and for their authentic organizations and movements. (Fals-Borda & Rahman, 1991: 3)

This perspective was taken seriously, with the JCU research team devising ways of building the knowledge of the participants—both government and farmer—to better understand the issues and questions at stake and carry out the investigations to generate knowledge of their own. This facilitation involved substantial use of *graphic facilitation*, the use of diagrams, maps, images, and depictions to represent concepts and enable greater discussion of the issues. This has come under fire from Cooke (2004, p. 42-53) for being a mere convenience for local language-illiterate facilitators. However, the team found the use of diagrams and images empowering beyond the use of words (which were also included). The facilitation team was not limited from using written language and still found the use of maps, diagrams, and images helpful in cogitating new market and organizational ideas. The practice was even taken up by participating DAFO officers in work outside of the PAR, to illustrate ways of organizing participants in market studies and organizational development activities. Appendix 1 contains several examples of the kind of graphic facilitation used within the PAR.

#### *Empirical data collection and analysis*

The JCU research team collected data on interactions. Most semi-structured interviews were audio recorded and notes simultaneously taken. Reflective note taking documented group discussions and most of these were based around graphic facilitation so these images were recorded. The findings presented in this report are based principally on interpretative thematic analysis of data (Boyatzis 1998; Guest 2012). In addition, research data from this study will inform subsequent analysis and reporting to be written up in additional academic papers for submission in peer review journals. All data were collected with the informed verbal consent of participants, in accordance with the ethical protocols stipulated by the JCU Human Research Ethics Committee.

Sector	Group	Number	Details
Focus Group Discussions			
Farmers	Organic Vegetables	3	One each of advanced and recently inaugurated
Farmers	Coffee	4	2 high-performing, 2 recently initiated
Farmers	Organic Vegetables	1	Final retrospective look at changes in relationships
Farmers	Coffee	1	Final retrospective look at changes in relationships
Farmers	Rice	2	Discussion of selected issues for comparison with Coffee and Veg groups
Interviews			
Farmers	Organic Vegetables	2	Association leaders
Farmers	Organic Vegetables	2	Village-group leaders (those who were selected by members as representatives to the study)
Farmers	Coffee	1	Designated association leader
Farmers	Coffee	3	Village-group leaders (those who were selected by members as representatives for the participatory study)
Farmers	Rice	2	Interviews of rice group leaders in two districts in Bolikhamsay to contrast results w/out involvement of international facilitator
GOL	DAFO officers	4	2 each in Khoun and Paek
GOL	DAFO leaders	2	1 each in Khoun and Paek
GOL	Provincial administration	2	Provincial Interior Office Provincial Industry and Commerce Office
GOL	PAECS officers	1	Dpty Head of PAECS
GOL	PAFO Leader	1	Head of PAFO
Private Sector	Coffee Investor	1	Buyer for this year
Private Sector	Org. Veg. Investor	1	Investor in market place, potential bulk buyer.

**Table 2: List of focus group discussions and interviews**

Note: names, gender, and other identifiers have been with-held to protect identities.

This was very much an engaged, participatory research effort as opposed to a more observational ethnographic endeavour to record objective events. The researchers led or facilitated discussion. The research partners collectively designed and carried out the implementation with ongoing support and advice from the JCU research team.

The advantages and risks associated with participative observation are well explored in the anthropological literature, including by such authors as Moeran (2006, 2009) and Geertz (1999), both of whom engaged extensively with the subjects of their study. One well-known quote from Geertz captures well the act of balancing required: 'It is a question of living a multiplex life: sailing at once in several seas' ("Participant Observation: Key Concepts In Ethnography - Credo Reference" 2016). The JCU research team facilitated discussion and investigation to guide the participants towards



discovery of an expanded set of practical ideas, and designing field trips and community meetings to enable the exchange of ideas, develop the sense of representation and accountability, and initiate discussions that would lead to greater collaboration and mobilization of joint effort. Writing on the positioning of ethnographers within, and even hired by, corporations (Sedgwick, n.d.) has explored potential conflicts of interest and suggests coping strategies. In this report the authors acknowledge that their express role and purpose was to conduct *research for development*.

PAR was used as a tool to create the space for people (smallholder farmers) with otherwise diminished agency—in the tradition of Paulo Freire (2000)—to learn and engage in planning development activities. The default position of the farmers in the development equation is one without the authority to act (Case, Connell, and Jones 2016). The PAR was designed to create an ongoing opportunity for them to participate and generate their own authority for collective economic action.

This creates a unique outlook and lens on observations: while an observational anthropology may report on the lack of trust as an obstacle to endogenous group formation, an engaged ethnographer may see in the same situation, a nascent level of trust on which continuing, facilitated collective experience may build a common understanding and, through practice, the level of trust needed for joint activity. Thus, in the work reported here, the researchers facilitated participant identification of various challenges related to fulfilling their own-defined goals and helped them build a rough vision for how to address these and plan basic actions for initiating the organizational change needed to position themselves to be able to undertake needed action.

#### *Step-wise research process*

The SRA proceeded as a participatory, cooperative effort featuring a mix of local professional and international research advisors defining the objectives, designing the process, carrying out the research action plans, and drafting the research findings.

The SRA research progressed through an iterative process involving the stakeholders in reviewing the design, revising the research approach, and then carrying out the investigation into farmer organizational development opportunities. The participants adjusted the planned steps slightly, implementing a research agenda as described below. Each step is briefly described here (more detailed description and diagrams for each step as used by the study team are found in Appendix 1).

1. **Baseline.** This involved the two primary stakeholder groups (farmer organizations/members and DAFO/PAECS) discussing their current organization-level approaches to extension and market challenges and listing their expectations for future development.  
Conducted between February and April 2015
2. **Study team formation.** This involved an extensive effort to identify issues of interest to farmers in all forty villages in each district, to discuss these collectively in a district-wide meeting, and then to select representatives from each collection of villages (*khumban*) to carry out and report on an in-depth study of the identified issues.  
Completed in May and June 2015
3. **Study.** This was undertaken in three parts: 1) the study facilitators led investigation, through discussion of participant experience and examples from actual cases in Laos, of the basic concepts of organizing farmer groups to respond to market opportunities; 2) the groups undertook a study tour (split into two mixed groups 50/50 formed with three representatives from each district) of seven exemplary and diverse farmer organizations throughout the country; and, 3) analysis of the findings and preparation of reports back to the commissioning farmers. The report of findings included a proposed course of action for developing each organization.  
Undertaken from 22/09/2015 through 07/10/2015
4. **Reporting and Planning.** This was done in three steps: 1) reporting to the original set of village representatives (approximately forty for each district) in a district-wide meeting; 2) reporting back by the study team members (farmers) to each village and building consensus around proposed actions; and, 3) a final meeting among study team members to

compile responses from the farmers and plan the details of the agreed-upon actions.  
08/10/2015 through 20/11/2015

5. **Implementation.** The study teams were asked by the farmer representatives to take responsibility for implementing the agreed actions. These actions were for short-term organization-building activities that included reviewing joint selling, structures for supporting production, and improving the organizational structures for representation and marketing. Implementation was partly financed by funds committed to the DAFO through ACIAR project ASEM/2011/075 and partly under ongoing grants from other organizations. Given the substantial geographic coverage to which each group aspired, funds could only cover some of the actions. The coffee producers group in Khoun built a partnership with a company based locally (but selling coffee internationally) through which they accessed additional funds for more inputs and also received technical advisory services in support of their goals of improving production quality, quantity and the extent of cultivation. The Paek organic vegetable producers approached a potential investor with similar intentions and managed support only for a location for joint selling of organic produce.  
November 2015 through June 2016
6. **Consolidation of lessons.** The study teams presented their consolidated study findings and organizational development plans to leaders from the province and DAEC. The response from the central and provincial GOL leadership was consistently positive and supportive. This experience was then reviewed by representatives of the groups and written up as a ‘Lessons Learned’ report (made available in both Lao and English language versions). Much of this report focused on how the groups organized to study market-approaches of FOs around the country and in how they used this study process to build representative structures.  
June to November 2016

Concurrent with the SRA was an effort within the government to promote a coffee association with the Khoun coffee farmers. This was undertaken independently by the PAECS in response to instructions from higher-levels of the province to promote formal farmer organizations. While it involved many of the same actors, it was initiated prior to any lessons coming from the SRA and thus provided an excellent set of observation points contrasting initial conceptions of support to FO development with those informed by subsequent lessons from the SRA.



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## 6 Achievements against outputs and milestones

### *Deliverables*

In describing the achievements of the SRA, this report follows the originally proposed list of deliverables. The research team has delivered on all seven points as follows.

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### 6.1 Consolidated reporting summary

*Reporting on the initial perspectives and positions (baselines) on FO functions and support needed, with appropriate contributions from each of the stakeholders*

The baseline was derived from a series of data points and activities combined to gain insight into the entry positions of the stakeholders before they engaged with the PAR activities. The researchers triangulated, using semi-structured interviews, focus group discussions, observations during agriculture extension and other activities and general interactions among farmers, government officers, and private sector actors, results of planning sessions, and observations from ASEM/2011/075. The key issues investigated included each of the following (only investigated for relevant stakeholder groups):

- Roles for FO—what should FOs do, with special focus on market roles if any?
- Support—which agencies should provide what kind of support to FOs?
- FO leadership—who selects leaders and what are their roles and responsibilities?
- Source of authority for FO leaders—from where to FO leaders gain their authority to make decisions? How do they involve members?
- Membership roles/responsibilities—do members have responsibilities? Can new members join?
- Benefits to membership in FO—why would farmers want to be members of the FO?
- Structure—what form should FOs take and who should determine this?

Below is a summary of the key positions observed within each of the stakeholder groups. It is not comprehensive, but the positions reflect mutually-reinforcing observations. Against these observations were compared, later, the positions arrived at by the DAFO/PAECS and farmer participants in the participatory study to gauge the changes in outlooks.

#### **Stakeholder groups**

**Farmers** evidenced a diverse range of outlooks on two key issues for FOs, but suggested FOs should have a legitimate role on more issues and have more independence in carrying it out than did government respondents. They were not overly critical of their own leadership, and tended to conflate leadership with authority granted from the state. Perhaps linked to this was a common expression of the specific role for leaders being to liaise with government, communicating member interests. They were not consistent or clear on responsibilities for members, even within the organic vegetable association, although for this, they did say that any member selling in the organic marketplace would need to be faithful to the organic standards. Benefits to members, similarly, were not clearly expressed, but most centred around accessing information and potentially receiving support for inputs either at discount or free. Most farmer members had few comments on organizational structure.

**Farmer leaders** differed from their members in their ability to discuss, in more detail, ideas related to roles for all stakeholders and roles for FOs in general. Even before the PAR, leaders were grappling with how to better relate to market opportunities and negotiate with buyers, although with less sophistication than they were able to at the end of the PAR. They were split on the source of authority, with some agreeing with members that it came from the government and others suggesting members were the source. They agreed that if members selected leadership, they could mobilize people better than if the government picked them. They looked to government for support on technical issues some, but more for dealing with market issues. Organizational structure issues were vague, as were member benefits and responsibilities.

**Extension officers** expressed a strong preference for organizations that were quite responsive to the government and, while they usually said that FOs should be independent and select their own leadership, in practice, they tended to be more controlling and promoted select leaders. Assistance they did provide centred around technical assistance and introducing specific traders to farmers rather than facilitating broader market study and promoting good decision-making. While some officers had been involved in other projects through which they did facilitate farmer market analysis and encouraged farmer choice of market actors, this was not consistent. Authority was viewed as more linked to government than farmers.,

**DAFO leaders** were surprisingly unclear about the role of extension in supporting FOs and the role of these in markets. While they are in charge of the offices most directly responsible for promoting FO development, they did not express a consistent theory of how or why to support FOs, and did not provide consistent direction to their teams. Through participation in meetings related to this study and others, they were exposed to farmers able to present clear visions of FO market roles and how this could change the sector. While nominally expressing support for FO independence, in practice, DAFO leaders favoured exercising far more influence over decision-making within the FO. They did not suggest members provide authority to the FO leaders.

**Other government decision-makers (district and province)**—such as the deputy directors or section leaders within Provincial Industry and Commerce (PIC) or Provincial Office of Home Affairs (POHA)—had a diverse set of opinions on all the issues, expressing little consistency about what FOs should do, which line ministry was responsible to support them and which to regulate, how support should be offered, and the structure and accountability within the FOs. POHA and their district offices are, as a function of their mandate, focused on controlling social functions. As such, their actions during the research included repeated police interviews of the families of leaders proposed for the formal coffee association, collecting life histories of all leaders, and suggesting that only their line ministry could authorize formal FOs. PIC and related district offices were far more interested in how markets would work. Their actions were not consistently supportive of FO engagement or independence, but their position suggested an opening to viewing FOs as a legitimate market actor, albeit one that needed to be regulated more closely than private companies.

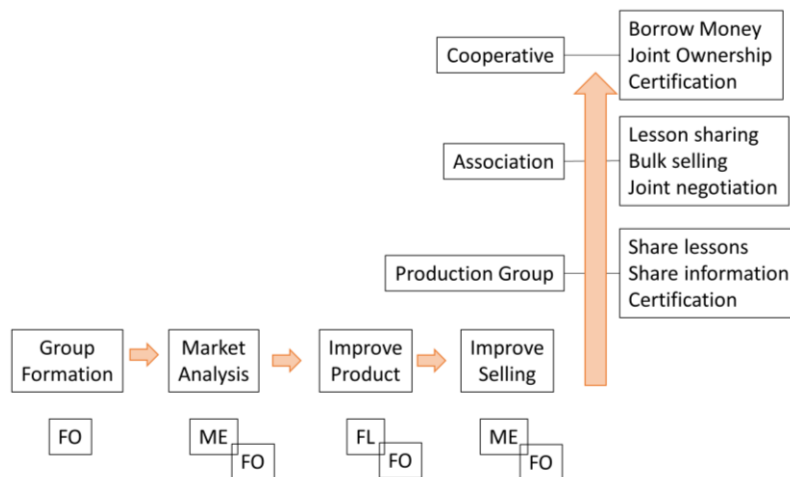
**Private sector actors** also expressed a diversity of opinions on farmer organizations and the role of farmers in general. At least one supportive of greater farmer empowerment through their FOs, suggesting that this would make procuring product easier and effectively pursuing an equal partnership with the coffee FO. Others were less engaged or vague in their appraisal of FOs. At least one private sector actor worked actively, and ultimately successfully, against the interests of one of the FOs, managing to gain a concession of 170 hectares of prime productive land in the midst of FO members' production area. This same actor proposed long-term contractual agreements and did not live up to proposed buying arrangements. One actor expressed great satisfaction that the FO leaders could more effectively negotiate after the PAR than before.

### ***Supporting material***

Appendix 2: FO and ME Baseline, GOL Agencies

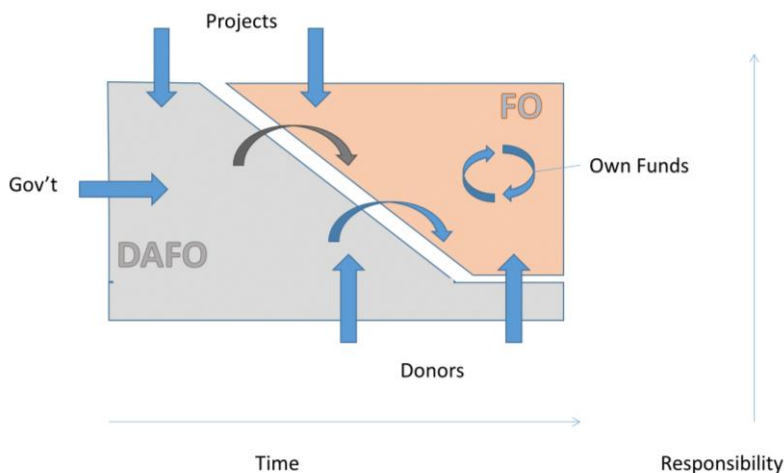
Appendix 3: Summary of Retrospective Interviews

## 6.2 FO development mapping



**Figure 3: FO Functions and Form**

Figure 3 presents a mapping of form and function used effectively by DAFO officers to better discuss, understand, and plan for the progression of FOs through time as they pick up additional complexity and functions. The horizontal axis suggests a minimal focus on form and structure, allowing farmers and the DAFO officers supporting them to engage fully in the functions. Functions include participatory market analysis, aligning production to meet the demands of the markets as analysed in the first step, and improving the ways of selling. These functions require only minimal organizations structure. By delaying the development of organizational complexity till it may be needed for more difficult-to-manage tasks later on, they can focus on undertaking actions that benefit farmers, building interest and commitment to the organization. As done within the PAR and captured within the lessons learned report, if undertaken with an eye towards open participation, they will also be building the base of experience on which more complex participatory FOs can be built.



**Figure 4: Extension support for FOs through time**

Figure 4 illustrates how the supportive relationship of DAFO towards FO members needs to evolve through time. At the beginning, DAFO officers deliver almost all support, conducting trainings, organizing meetings, sourcing funds, etc. Quite quickly, though, FO leaders can take on some functions such as organizing attendance at meetings, supporting training sessions, and carrying out data collection. Eventually, the FO will take on almost all extension activities, with DAFO left to provide backstopping support when needed and perhaps maintaining a regulatory presence.

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### 6.3 Incorporating lessons into the EMS

The relationship among participants in ASEM/2011/075 and ASEM/2014/102 was tight but also fluid. In most instances, the DAFO and PAECS officers were the same people. This allowed for immediate uptake of lessons gained in the second project into work within the first. The EMS has now fully integrated comprehensive extension (FL/FO/ME) as a concept within the regular practices of the participants and has more fully embedded this within the discussions and planning for extension support at the central level. The communications events as described in Section 8.4 provided additional opportunities to incorporate lessons from the SRA into the regular extension practice. The EMS tools include a manual on supporting comprehensive extension and this has incorporated elements of lessons generated by the SRA. The SRA also has an additional lessons learned report.

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### 6.4 Recommended actions

The lessons learned report captures the comprehensive set of recommendations on how DAFO can more effectively support FO development. It is included as Appendix 1 and has been forwarded to decision-makers within DAEC in a Lao language version. The government participants within the SRA have been active in developing the lessons learned report and were vocal advocates for completing this as they would then have a tool for their own use. They indicated it would be valuable both for reference when working on similar initiatives and for relating the approaches to others within their departments.

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### 6.5 Final report

This report serves as the final report of research findings.

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### 6.6 Presentation at international conference

The research team presented two papers at two international conferences (Jones 2016; Jones, Case, & Connell 2016). The first paper (Jones 2016), 'Farmer-driven network or official association: farmer agency, legitimacy, control, accountability, and efficacy in the smallholder coffee sector of Northern Laos,' was delivered at International Union of Anthropological and Ethnological, 4-9 May 2016, Dubrovnik, Croatia. The second paper (Jones et al. 2016), 'Farmer organizations in Laos: essentially contested concepts or opportunities for productive collaboration,' was delivered at the Fifth International Conference on Lao Studies, 8-10 July 2016, Bangkok, Thailand. Each paper generated lively discussion and questions from participants at the sessions and may form the basis for development of papers for submission to peer review journals by the research team.

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### 6.7 Peer review journal article

The research team developed and successfully submitted for publication one journal article to the peer-reviewed journal, *Leadership* (Sage) as listed below. The article explores the theoretical conception of leadership as applied in an international, cross-cultural setting, and builds substantially on the field experiences gained through the SRA. Specific questions on leadership were explored during the semi-structured interviews and additional informal discussion was engaged by the research team with various participant groups.

Case, P., Connell, J.G. and Jones, M.J (2016) The language of leadership in Laos. *Leadership*, July. doi:10.1177/1742715016658214.

## 7 Key results and discussion

### 7.1 Research findings: Addressing the research questions.

The overall aim of this SRA was to identify key operational arrangements for FOs that satisfy the needs of members so they are able to make independent and effective plans while interacting with other stakeholders. This aim was met by addressing the three research questions and a brief discussion of the answer to each question is provided below.

**RQ 1:** What internal dynamics (i.e., leadership, capacity for articulating objectives and action plans, establishing links to markets, etc.) enable emerging FOs to meet practical, farmer-identified needs?

Comparing the performance of the two object FOs involved in the study allowed significant insight into the interaction of these forces. Each will be briefly discussed below.

*Leadership:* the research investigators produced a paper, published in *Leadership* (Case, Connell, and Jones 2016) on the topic of the language of leadership as used in the rural development context. Key findings reported were that the use of language is highly shaped by the possibilities for the development of leadership.

Recognizing tensions in leadership allows development assistance, particularly that aimed at supporting the development of farmer organizations, to better target support. For instance, rather than accepting appointed leaders, development projects can apply mechanisms to allow communities to promote their own leaders. The PAR practiced this by asking over forty villages from each district to select representatives, and then asking these forty representatives to select six representatives to be part of the study team. While one of the selected twelve representatives was also a village leader (one of the few women village leaders in Laos), it was clear the communities selected people they thought of as leaders.

In contrast to this participatory process, the parallel government-sponsored process for establishing a coffee producers' association selected—through appointment by government extension officers in consultation with only village leadership—a different set of seven farmers to form and promote the association. These leaders were, however, thoroughly vetted by the district police, had their family histories checked by authorities in the home affairs line ministry, had clear party-line credentials, and did take their responsibilities seriously.

#### *Articulating objectives and building consensus*

The usefulness of an organizational vision based directly on farmers' expressed interests as a mobilizing tool became quite apparent by noting the change in farmer participation during the year-long PAR. At the start, in both districts, there was not more than thirty active farmers engaged in production and joint selling of their products (coffee in Khoun and organic vegetables in Paek). By the completion of the PAR, farmer leaders from each district were reporting substantially increased interest and engagement of farmers. In Khoun, the number of villages with farmers active in producing coffee reached forty, exceeding the DAFO target of thirty-six. In Paek, the leaders were regularly taking calls from farmers interested in joining the group, with constraints relating to market opportunity and internal control system capacities rather than farmer interest.

While farmers had already been active in each district, and indeed, the organic vegetable producers group in Paek had already formed an official association with a formal structure, neither had developed a firm vision for joint selling, the benefits they could realize, and the organizational capacity that was needed to realize this. Over the course of the PAR, a core group of farmer leaders within each group was thus seen to develop a refined vision, based on the interests expressed by the farmers who had essentially commissioned the study, and—concurrent to developing the vision—gaining the understanding about the concepts that would allow them to communicate and build consensus around the visions. The visions themselves were simple enough, involving joint selling through staging points and coordinating production over the entire area involved to ensure meeting market standards, but the enunciation of clear benefits to expect from this cooperation and what was

needed in terms of coordination activities and structure was a new element that clearly generated interest from many farmers. The organic vegetable producer association believed they could realistically increase the active (joint selling) membership from twenty-eight farmers to 166. The coffee producers group felt they could expand to over 900 farmers from the currently active group of less than 700. It should be noted that included in the list of 700 were many farmers who had only just taken up coffee cultivation (through the organizing surrounding the PAR, the concurrent ACIAR project ASEM/2011/075, and several other small grant-funded activities) and that the study team anticipated substantial work to integrate these new farmers into a well-coordinated set of independent farmers working on joint selling and perhaps joint processing.

#### *Links to markets*

The formative role that markets play in motivating and shaping the two participating FOs as self-sustaining farmer organizations is hard to overstate. Market dynamics—a mix of interest from traders in consistent quality, higher quantity, efficiently-accessed, and reliable product—all favour a group of farmers able to coordinate production and sell jointly over uncoordinated (meaning producing to mixed and uneven standards) farmers selling individually, at least for coffee and organic vegetables in Xieng Khuang. During the PAR, farmers came to see this opportunity as the central reason to form an organization (for coffee) or expand and refocus their organization (for organic vegetables). The study teams analysed closely market advantage to be had from selling together and the needs for coordinating production and based their organizational development planning around these functions. *This became the defining element of the organizational development approach for both FOs: defining functions to meet market demand and designing the organization to meet those functions.*

**RQ 2:** How do evolving FOs change the ways smallholders interact with outside actors, (in particular the government and private sector), and what are the risks to their autonomy as they expand and formalize?

Throughout the PAR, the researchers observed, first hand, interactions among representatives for the two FOs and various private sector actors. A number of discrete empirical observations record a mixed, but definitive trend.

**Observation point 1.** At the beginning of the PAR, the coffee farmers were represented to a local buyer with international market outlets by a self-appointed, very active coffee farmer. He represented his village and another in negotiations on price, quality, and timing, and followed up energetically with the buyer to ensure sales went as smoothly as possible. He gained benefit for concerned farmers buy negotiating a favourable price (4,000 kip per KG of red cherry and 18,000 kip per KG of parchment coffee) and convincing the buyer to take red cherry as well as parchment coffee. He did not, however, push the buyer into new villages, expand the scope of production, support new villagers to participate, and did not maintain regular communication with all farmers selling to the buyer.

**Observation point 2.** At the conclusion of the buying season, after the study team completed their study tour and analysis and started implementing a farmer-approved plan, representatives from forty villages met with the buyer for an open discussion reviewing the just-completed buying season and anticipating arrangements for the next buying season. This was open to participation from all village representatives, transparent in that information was also shared back to farmers in all villages, and led by a committee of farmers (the study team) rather than one person. A comment from the buyer in question related his pleasure to have been negotiating with informed and well-reasoned partners, allowing them to reach an agreement that seemed a win-win for both parties.

**Observation point 3.** After the PAR, another international development project took up support for the coffee sector in Xieng Khuang. They have settled on supporting a demonstration processing plant in one village as a first action, investing funds in equipment and training. This is located in the village of the original self-appointed farmer representative and managed by this person. To the knowledge of the researchers at the time of writing, there is no surety of allocating benefit equitably throughout the coffee producing areas.

**Observation point 4.** Before the PAR, the organic vegetable producers' association had approved more than seventy farmers to sell organic produce at a joint market, but less than thirty members regularly sold. The association leadership had not approved new members for selling (a process

involving several line-agencies and regular audits) in over a year. After the PAR, they made a plan to approve up to another 166 members for selling and redesigned the selling approach to allow bulking product to be sold by village representatives rather than needing each producer to sell his or her own produce. Leaders expressed a new-found confidence in participatory approaches that empowered a geographically-dispersed membership to participate in decisions.

**Observation point 5.** By the time of the consolidation meeting (December 2016) it was clear the organic vegetable producers' association would not reach their own expansion goal; in fact, they were far from it, having accepted only another fifteen members for selling. Discussions with potential new members showed strong interest from many farmers in joining and selling (in fact, many people trained by the association were already producing organic vegetables but selling only in the conventional market places and so selling at normal non-organic prices). However, interviews with the leadership and district advisors suggested that there remained a lack of confidence in market demand; they were concerned that if production doubled or trebled, the local market would be saturated and the existing members and new members alike would not be able to sell all their product.

**Observation point 6.** Discussion among association leadership and a local investor suggested a way through the sticking point: the investor would purchase the excess produce and ship it to markets in other Lao cities. While this generated substantial excitement, the market was not clearly identified and, ultimately, a deal for production was not reached. The association did not expand production with added members. This remains an unrealized opportunity.

These six observation points provide us with unique insight into how developing farmer organizations change the way farmers interact with private sector actors and how these changes affect benefits to farmers. First, we see that while farmers are attempting to negotiate better terms of trade with buyers, it is only when they organized effectively that they achieved gains for a large, multi-village set of farmers. In the case of coffee farmers, they did not just get higher prices, they also helped farmers gain consistent prices (across all the membership), and reduced selling time commitments. These improvements were gained not solely through improved bargaining power, but were realized because representatives were bargaining on behalf of farmers with a higher quantity product, promising more consistent quality that met a rigorous set of standards, and could simplify delivery arrangements. Thus, the farmer organization was offering a service to the buyer which, in turn, offered higher prices that benefited farmer members.

Second, we see how farmer organizations, leveraging the benefits of selling together, could dramatically expand their membership. While only the coffee group grew during the course of the SRA, both groups built tremendous farmer interest through the analysis of opportunities and the sharing of an organizational vision of joint selling and coordinated production. This, in turn, attracted the attention both of more traders and of government supporters. In both districts, the farmer organizations gained substantial attention and support from government officials.

Third, looking behind these observation points, we see another important aspect of FO engagement with market opportunities: creating brand recognition and identification. High quality, specialty, shade-grown, organic coffee sold under 'fair trade' arrangements can command a higher price on international markets and farmers organizing production to meet these standards and selling together make it practical to access those higher prices. Similarly, organic vegetables from Xieng Khuang have gained a nation-wide reputation. This further heightens the negotiating position of the farmer group, offering a more valuable product to buyers.

These three aspects of FO interaction with markets illustrate how smallholder farmers, coordinating production and marketing their product together, perform 'market rationalization' functions which improve the quality and value of their exchanges with private sector actors.

Interactions with GSPs are improved as well. Not only are extension officers able to reach far more farmers when farmers are organized than they would be otherwise, but when farmers are working in a self-directing organization, they form a far more effective partnership in development. Before viewing farmers as self-directing, DAFO officers often thought to make decisions—selecting the best trader, setting prices, choosing leadership even choosing commercial crops—on behalf of farmers. When the farmers working together in the emerging FO in Khoun became capable of presenting a convincing vision of how their organization would improve market interactions and



increase commercial production for the whole district, driving economic growth for the villages, they gained respect from all levels of government: the DAFO officers working with them responded by searching for funds for the farmers to use, the PAECS officers adjusted dramatically their approach, giving the farmers themselves far more authority over their organization's trajectory, a key central level representative complimented the group saying it was, despite having just begun and lacking official registration, one of the most capable organizations he had seen in Laos.

The SRA did not generate any direct evidence suggesting that more effective farmer organizations, as long as that effectiveness is focused on improved production and marketing, would suffer any greater risks to their autonomy. While there are plenty of questions as to whether each organization will sustain and continue to grow to realize both geographic and economic potential, there was no indication that progress would hinge on external factors more than internal factors.

**RQ 3: What types of government support can enable FOs to improve smallholder market position and promote efficient production?**

The PAR was led by local DAFO officers. While the international researchers played roles in helping the participants develop concepts about market and production functions and organizational responses to these, and in encouraging the practice of participation in the study, DAFO officers provided the day-to-day support for the farmers. DAFO officers encouraged the farmers to take the lead in the study tour; they encouraged the farmers to take responsibility for organizing other farmers; they helped set up meetings among farmers and traders but did not run these meetings; and they encouraged transparency and accountability within the groups. The DAFO staff demonstrated capacity to facilitate farmer organization development that would allow these FOs to perform effectively.

The DAFO teams were very comfortable orienting farmers towards productive activities and market engagement, even though their understanding of market dynamics, contract negotiation, and market standards remained limited, they did facilitate productive exchange among farmers and private sector actors.

In line with international efforts to reform agriculture extension services (Davis and Sulaiman 2014; Swanson and Rajalahti 2010), Laos has worked to incorporate new concepts of pluralism and comprehensive services (more support for farmer organizing and market engagement rather than exclusive focus on technical learning) into its national extension system. A central change within this is for extension officers to fill a facilitating rather than training role, connecting farmers to new opportunities, information, and helping farmers work together. What this PAR has done is to offer greater practical detail on how DAFO officers can work to support FO development. More details are provided in Appendix 1, but here we list the basic lessons learned, as explained by participating DAFO officers:

- *Evolve DAFO support through time.* Initial support may focus on basic actions of analysing market opportunities but then move towards more technical details of contract negotiation and transparency among leadership and members.
- *Support farmers to focus on function-first, rather than form.* This focus will help DAFO officers engage in discussion and study of what members of FOs will do together, rather than registration and rules which can come later in response to defined performance needs.
- *Allow FOs to make their own plans* with DAFO officers supporting at key times, rather than trying to perform all activities.
- *Connect FOs together through short-term exchanges or long-term networks* to enable farmers to learn from each other's experiences. This allows the DAFO officers to not be experts but to be people who ask questions and know where to find answers. This holds true on market engagement as much as farmer organizational development and technical production issues.
- *Put market engagement activities central to extension activities,* allowing the incentive for engagement to develop among farmers before trying to encourage better production practices

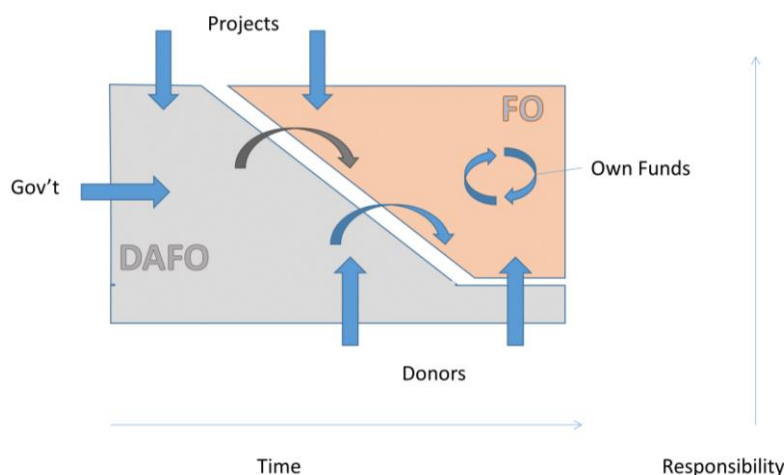


or even farmer collaboration. At the same time, practice, from the outset, simple FO principles such as transparency and participation.

DAFO offices have been the front-line providers of services to farmers since the inception of extension services in Laos. They have provided training and worked directly with farmers. The development of FOs provides an opportunity to add dynamism and efficiency to the system, offering the prospect of reaching far more farmers than the GOL has to date. This is exemplified by the experience in Khoun with coffee. At the start of the SRA, the DAFO team had already been involved, through ASEM/2011/075, in striving to get farmers in thirty-five villages to take up coffee production. However, they were realizing that their approach—involving DAFO-led technical training followed by a village-level introduction to market opportunities—would not allow the limited team with limited funds (approximately 3,000 USD/year) to reach their targets. By the middle of the SRA, they realized they were going to exceed all their targets for participation because they were working through the farmer leaders, allowing them to mobilize and support new farmers in new villages. Thus they *discovered their new role as facilitators rather than trainers*.

Simultaneous to changing conceptions of personal roles in service delivery, these same DAFO officers realized they would have to provide funds to farmer leaders to carry out basic activities. It first started with providing funds for phone cards, then progressed to funding fuel for motorcycle trips between villages and, by the end of the SRA, involved DAFO providing funds for Daily Subsistence Allowance and covering the costs of elements of the FOs development plan. The team thus charted a course creating a partnership in service delivery for the coffee sector in their district.

This evolving relationship is depicted in the Figure 1. One implication of this evolution is that, in time, the FO may generate sufficient funds internally to pay for its own activities. For example, the Ban Hat Nyow Rubber Association (one of the FOs visited on the study tour), raised sufficient funds to pay for bringing in their own technical advice and securing their own collective inputs. It should be noted that this was driven by the members' strong interest in building an economically viable value chain.



**Figure 5: Dynamic partnership**

The process depicted in Figure 5 is essential for both FOs and DAFO to realize their full potential. The FOs need the opportunity to be self-determined, to realize the equity and sustainability gains and the DAFO can only rely on an independent FO to be self-motivated, potentially self-funded, and effective at rationalizing market interactions.

## 7.2 Key limitations

Building farmer organization development around responding to market opportunities identified through PAR proved powerful in mobilizing farmer commitment. However, it is not applicable in all

situations and may be undermined by poor implementation. There are several limitations that became clear through the SRA that we detail below.

#### *Poor or unclear market demand*

Building an organization to help farmers respond to market opportunities will only work where there is market demand for the product they can produce and when that market demand can be fairly easily assessed by farmers. Specialty coffee fits that profile well. There are several Lao-based buyers willing to pay a premium price for quality coffee grown in Northern Laos. These buyers are approachable—they welcome visiting farmers and they engage openly with farmers interested in discussing standards, prices, quantities, and technologies. These buyers have also proven willing to help farmers improve production by investing in inputs, training, and technologies. This engagement encouraged farmers to make their own investments in both time to coordinate and time, capital, and land to produce more coffee. This led to the dramatic increases in area planted in coffee in a short time and the likely substantial increases in coffee production within three to five years.

A different story evolved around organic vegetables. While demand for organic vegetables is strong in Phonsavanh, the market into which the organic vegetable farmers' association sells its produce, the size and strength of the market is not clear. There may be demand for substantially more product: restaurants, particularly *phoe* (local noodle) shops, may be interested in buying organic produce, more local consumers may buy organic produce if it is sold more frequently in more accessible locations, regional (Vientiane, Luang Phrabang, even Thailand) markets may be an outlet for organic produce from Xieng Khuang which has a reputation for fresher, tastier produce due to the cooler environment. However, these markets are not yet developed and demand is unclear. Entrepreneurs with whom the study participants discussed possible partnership were interested but non-comittal to future collaboration. Study participants understood clearly that to pursue these market opportunities they would need to change the way they sold and marketed their produce. However, they did not have high confidence that even if they changed their ways of selling they would be able to sell significantly more produce. They were therefore hesitant to expand membership with selling rights for fear of undermining the good market position of the existing selling membership. Without the clarity of market demand, the FO did not develop dynamically the way it would have with clear market demand.

#### *Food insecurity*

Even if market demand was strong for commercial crops, in areas where farmers were not oriented towards commercial production—which is common in areas of Laos facing food insecurity—it proved difficult for them to respond to market opportunities. While farmers may be willing to increase production of food crops, adjust quality, increase the area planted, or bulk and sell together, they may not be ready to take advantage of the most lucrative opportunities. For example, while many farmers in Khoun are ready to increase production of coffee now, ten years ago they may have been less enthusiastic. Even if the market exists and is accessible, if the farmers are not sufficiently confident in their food production, they may not be ready to make a shift.

#### *Quality investors*

*Market demand* is not equivalent to quality connections to the markets. The coffee farmers benefited tremendously from a buyer committed to the long-term development of Xieng Khuang as a recognized source of high quality, equitably-produced coffee. His commitment to working with farmers generated good will and confidence among farmers, increasing their commitment in turn. Absent such an investor, farmers can and in some instances have made connections. However, it takes more confidence and investment from the farmers. In Laos, farmers tend to be far more sceptical of market opportunities, taking a wait and see approach before committing substantial resources in new ventures (even more conservative than farmers in neighbouring Thailand and Vietnam). They may not develop market opportunities without a clear commitment from an interested investor. While the participatory market evaluation can help farmers overcome hesitations, it helps to have an investor who has shown his or her own investment.

On the flip side, abusive, opportunistic investors can undermine the growth potential of value chains. This has happened in livestock, tea, vegetables, rice and other products in Laos. Failure of buyers to

purchase product as agreed, failure to deliver inputs on time, or a rigid or unfaithful application of standards has convinced farmers to shift back to subsistence crops or other crops. This will be particularly true for niche market crops that have potential to generate the highest returns for farmers but may not have an outlet if a specific buyer fails to live up to his or her commitment.

#### *Target-driven support*

DAFO officers in the two districts participating in the SRA were patient with the FOs and, as has been discussed above, a GOL-driven effort was abandoned when it became clear that allowing the farmers to develop their own FO at their own pace held more promise. Where the government drives a formulaic, structure-oriented approach, there may be less time for the farmers to find their own leadership and to build consensus around a motivating vision with market-oriented opportunities. While it did not take an unreasonably high level of skill among DAFO officers to implement this approach, it did involve long-term engagement with the farmers to help them investigate in-depth market and organizational questions and apply the right mix of participatory approaches. This facilitative skill was complemented by a patient or 'hands-off' approach which allowed the farmers to develop their own organization in response to perceived opportunities. This combination of DAFO skill development and patience may not emerge independently in very many locations, perhaps requiring facilitated exchange of lessons learned and best practices. Observations on PAR

The SRA research came at a fortuitous time insofar as the district and provincial GSPs were working simultaneously to organize farmers into a coffee growers' association, but without the kinds of broad PAR elements that were built into the SRA design. This concurrence afforded multiple opportunities to gather original empirical data allowing comparison of the two approaches and to gain insight into whether one or the other is more supportive of institutional adaptation. It also allowed comparison between the default or initial positions held by government officers and those the same people arrived at through participation in the facilitated study. Specific insight was gained into a set of contrasting positions on conceptions of: representation and authority; leadership and membership; and accountability and control.

#### **Figure 6: Parallel Interventions, Contrasting Outlooks**

A valuable finding is that through participation in the PAR, proponents of the government-sponsored association shifted their positions on critical issues, and eventually favoured the more participatory processes for mobilizing farmers to develop their own organizations. While they expressed concerns over costs and the capacity of local actors effectively to facilitate participatory studies, they firmly approved of the results. Leaders from DAEC expressed satisfaction with farmer commitment to their own organizations and admired their ability to discuss key concepts related to joint selling and coordinated production. Provincial authorities complimented farmers and expressed enthusiasm for continuing to support the organizations.

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## 8 Impacts

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### 8.1 Scientific impacts now and in five years

Although it is difficult to make scientific impacts within the time limits of a SRA, there are two areas of science which the project may prospectively have an impact: first, on the debate concerning the methodology of PAR and its efficacy; and, second, regarding the proposition that a post-socialist, single-party regime can support independent farmer organizations through application of good basic agriculture extension approaches, particularly of the comprehensive nature as detailed in Swanson and Rajalahti (2010). Here we take each in turn. The academic debate concerning whether participatory approaches are empowering devices within international research and development, as proposed by practitioners such as Robert Chambers (see for example, Chambers 2003), or a mere perpetuation of colonial power structures as argued by Cooke (Bill Cooke 2003) and others has significant import for development research and practice. The thesis tested by the SRA research was that a PAR approach could empower local actors, including both farmers and their GSPs, improving the equity of interactions among the stakeholders. The community impacts sub-section will discuss the extent to which the intervention had such an impact: the JCU team discovered evidence that the research effort has in fact been empowering of smallholder farmers in their interactions with both government and private sector actors. However, it must be acknowledged that some of the key turning points creating opportunities for the farmer participants were managed by international researchers, not local government advisors. Nonetheless, the conclusion by the research team is that such equitable results are a possible outcome of the use of PAR but not a necessary outcome. In this respect, the SRA contributes to a thesis as developed by Hickey and Mohan (2004) proposing that a number of conditions can be consciously cultivated to create a transformative impact from the use of PAR. Our research contributes to this, but the specific supporting conditions differ from those described by Hickey and Mohan. We have included discussion of these conclusions within a conference paper presented at the International Union of Anthropological and Ethnological Studies Inter Congress in Dubrovnik (Jones 2016) and in the Lao Studies Conference in Bangkok (Jones, Case, and Connell 2016) and plan to develop the thesis in more detail in subsequent submissions for publication. The scientific impact of this research, to date has been minimal, with the conference audiences very small, but one can anticipate possibility of greater impact through additional peer review publications.

Within the SRA, the JCU research team observed a slow evolution of attitudes among the DAFO officers. Predating the SRA, within actions supported by ASEM/2011/075, the officers adopted the common stance towards the farmers, taking responsibility to call meetings, determine activities, make decisions and direct farmer actions. We can pull such observations from all five districts working within the ASEM/2011/075 project, not only the two collaborating with the SRA. The most common approach among the DAFO officers was to act as the organizer and convener of events and most events involved DAFO-provided technical training and market instructions. Even before the start of the SRA, all districts began to shift more towards facilitation—especially by supporting farmer-to-farmer training—although only partially and inconsistently.

During the SRA, the DAFO officers within the two participating districts began to take a different stance towards the farmers, allowing far more farmer-directed action and decision-making. For instance, rather than making all the phone calls to organize attendance at a meeting, the DAFO officers would discuss the meeting objectives with farmer representatives, help shape a clear agenda, support the farmers in dividing responsibilities for meeting facilitation, and then provide funds to the farmers to make phone calls to all invited farmer participants. The farmers even took responsibility to invite DAFO leadership to chair the meetings and signed letters inviting participants (for the appropriate meetings) from the district governor's private sector and other offices. This shift occurred along with the growing capacity and understanding among the farmer representatives as they completed the study tour and analysis together. When the DAFO officers could see that the farmer representatives took their responsibilities seriously, demonstrated capacity to carry out activities, and developed objectives in line with the government's development priorities (expanded production, improved quality, etc.), they were able to step away from basic organizing actions.

This was more than a simple capacity issue: it was a shift from a top-down role to a partnership role. This can be further exemplified by the example of DAFO officers stepping back from the usual practice of making market decisions for the farmers in favour of farmers negotiating their own terms of trade and selecting their own trade partners. This became true for all five districts, in fact, not only the districts participating in the SRA. While it certainly was not the case at the outset of 075, it was consistently observed by the conclusion of the project that the DAFO would not try to make marketing decisions for the farmers and can be at least partially attributed to the repeated sharing opportunities among the DAFO and discussion about the risks and benefits of facilitation versus top-down approaches. A similar shift in wording within instructions provided by DAEC and PAECS leadership was observed: predating both projects, a consistent theme in communications was that farmers needed to be guided in market interactions and it was appropriate for DAFO to negotiate and set terms of trade for farmers—in the best interests of the farmers. By the conclusion of the projects, the same leaders were consistently instructing DAFO officers to facilitate farmer decision-making with good information and helpful analysis but allowing negotiations to proceed between farmer representatives and their own choice of trading partners.

These observations suggest that with experience, support, and exchange of best practices as they develop, GSPs can provide the kinds of subtle support needed to allow self-directing farmer organizations to develop and grow. However, this is all contextualized by the observation that FOs and their representatives were engaged in activities explicitly in line with government development objectives, strategies, and plans. The FO objectives of improving sales and increasing production of commercial products evidently in support of GOL socio-economic development plans. The DAFO officers expressed little compulsion to redirect or divert farmer actions. Should farmer interests diverge from the GOL objectives, there could be a different reaction. Thus FO independence is constrained by the degree to which farmer goals remain consistent with explicit GOL development goals (see Jones, et al. 2016).

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## 8.2 Capacity impacts now and in five years

In review sessions, participants from both government and farmers repeatedly commented that participation in the PAR provided them with new understanding and capacity to do their work. The four DAFO officers directly involved built up a refined approach to delivering on a key work objective held by DAFO for years: to develop a network of village extension volunteers to support smallholder farmers. In the past, efforts centred on DAFO officers personally recruiting exemplary farmers in each village and training this farmer to support other farmers with technical advice. Any network of such farmers was tenuous, relying on exemplary farmers to volunteer their own time and receive compensation only in the form of opportunities for new training and delivery of subsidized production inputs. Establishing such networks was seldom-obtained but constant objective for DAFO. Working to support market-oriented farmer organizations and then facilitating members to select their own representatives and technical trainers fundamentally alters the implementation of farmer support networks, building incentive for farmers to dedicate their own time and for other farmers to subsidize their work (as described above in the answer to RQ1 above). The key new skill for the DAFO has been combining existing approaches to facilitating participatory market studies with intentional support for simple organizational development to respond to opportunities discovered through the market studies. DAFO activities supporting FO development centre around establishing structures for farmers to support their production to market standards and to sell jointly. This approach was developed by the participating GOL officers, and thus has an in-built check for acceptability as well as an effective peer training team. The lessons learned report captures a set of recommended approaches that provide both specific activities for facilitating participatory learning and allowing exercise of good judgment and adaptation to unique circumstances by applying basic key principles for each step. While the sharing workshops discussed in Sub-Section 8.4 have afforded opportunities to expose a broader set of actors and decision-makers, the capacity to replicate this approach in new places would be limited to a few truncated subsets of the approach.

Two officers from the Xieng Khuang PAECS were directly engaged in the PAR. The deputy director of the PAECS was heavily involved, jointly facilitating most sessions and investing time in consolidating the lessons learned report. He is now in a position to apply the improved approaches

to supporting FO development with additional DAFO offices. Within DAEC, engagement was minimal. The leadership within DAEC, on the other hand, was attentive to the PAR, complimentary to both the DAFO officers and farmers involved, and committed to continuing to find ways of applying the lessons.

Expectations of expansion of these lessons, however, need to be modest. Best practices, to expand within institutions, especially within a single-party state, need substantial momentum before official adoption. Having applied the PAR approach has more certainly secured the interests of participants to take forward the lessons and apply these in their work. However, the opportunity for DAFO officers and a deputy PAECS director to determine the use of specific extension approaches is modest. They will need to argue and justify its use in challenging settings dominated by established authority figures. The advantage is that the improved approach to supporting FO development comports with GOL development interests and existing strategies, meaning it will likely have a sympathetic ear among decision-makers.

## 8.3 Community impacts now and in five years

### 8.3.1 Economic impacts

#### *Coffee*

Economic impacts arise from the expansion of production and improved selling processes adopted by the two FOs in response to opportunities identified through the PAR. Coffee takes three years from crop establishment to initial (low) production and so increased production here has yet to yield benefits. Because the SRA was part of a larger effort to promote expanded coffee production, it is difficult to factor out the specific production impact of the SRA. Production was expanded from an original three villages to over forty, from an initial twenty active families to over five hundred. If each new family realizes only modest income from their coffee plantations, they could be looking at 5- to 10-million kip annual income increase per family. Because coffee is a crop that requires commitment of effort at times when rice production requires little labour, income from coffee will not entail decreased rice production. If we project economic impacts following the plans described by the farmer leaders, we create a scenario as in Table 3 below.

	Baseline	End of SRA	Projected 5 years
<b>Households</b>	20	691	910
<b>Villages</b>	3	40	50
<b>Area planted</b>	20	211	1,365
<b>Total product (tons) (Parchment)</b>	8	4.5	541
<b>Estimated Sales (millions of kip)</b>	144	81	9,738

**Table 3: FO projected economic impact of coffee production**

The economic impact would be substantial, at nearly 10 billion kip per year for the district. This is probably overly ambitious, given the long lag time between planting and full production, but the FO leaders are anticipating that their group members will reach this level of productivity within a reasonable amount of time. Their current buyer anticipates that he will not be able to handle all the product, and the FO leaders are in negotiations with other buyers. It should be noted that the decrease over the baseline (figures before ASEM/2011/075 was operating) is due entirely to two successive bad frost years. While we can expect a bounce in production on the third year from the pruning impact of the frost, there was also plant demise of roughly forty percent among some village coffee plantations. The continued expansion of the sector rests on continued confidence of the farmers and continued commitment to coffee production and processing. This depends on production yields and marketing opportunities. The current buyer has tapped into high quality markets and has negotiated



in good faith, offering premium prices to farmers that produce high quality beans. The FO is working with this buyer on reaching his quality requirements. This interaction raises interest among farmers as they see a commitment to the sector from an international investor. In the absence of such an opportunity, farmers can sell to local traders selling into the Vietnamese market, but the low quality market offers fifty percent lower prices and the farmers would likely produce far less coffee.

There is a new ODA project supporting the coffee sector in Xieng Khuang, funded by French Development Assistance (AFD). This likely will help maintain enthusiasm among coffee farmers, but they will need to have several frost-free years and a harvest that generates significant revenues in the near future if they are to generate the commitment to expand as projected. One factor comes from a new investor. He has already secured a grant of over 100 hectares within existing coffee-growing areas for a resort and he has announced plans to buy coffee from farmers for a new processing plant. Should he follow the current buyer's model and develop a high quality, niche market, that could be a boon to the district's coffee growers. Should he pursue the lower quality Vietnamese or Chinese coffee market, he would lose the price premium and thus the capacity to build on Khoun's uniqueness.

### *Organic vegetables*

The economic impact of the organic vegetable producers' association development is less clear. While many 'new' farmers have expressed interest in and begun producing organically, only fifteen have been admitted into the 'selling' club. As discussed above, the market strength is questionable and thus the likelihood of dramatic expansion is lower than it is with coffee production. With the groups' own estimated increases, we can anticipate a scenario as depicted in Table 4 below.

	Baseline	Projected 5 years
<b>Households (selling)</b>	28	166
<b>Villages</b>	3	20 plus
<b>Area planted (ha)</b>	20 +	160 +
<b>Total product (tons)</b>	23	136 +
<b>Rough Sales (millions of kip)</b>	229	1,361

**Table 4: FO projected economic impact of organic vegetable production**

The PAR study, with participation of representatives of 'new' villages (those trained in organic techniques, but not yet approved for selling in the organic market), generated substantial interest among farmers as the potential market advantages of selling certified product and the potential to sell jointly for efficiency became clear to many more farmers. However, the uncertain market has already dampened some enthusiasm. Unless there is a market breakthrough, and the group leadership is searching for new opportunities, there will likely be no major increase beyond that already realized.

### **8.3.2 Social impacts**

The main advantages to come from joint negotiation and selling of output, identified by the study teams participating in the PAR included consistent price for all sellers, improved efficiency of selling, and access to better prices. These three advantages contribute directly to more equitable markets for all farmers involved. Furthermore, with the increased awareness that more producers selling together creates better market leverage (at least for coffee), these advantages are open to more farmers. The coffee group leaders anticipate over 900 farmers will be selling together within a few years; this translates directly to at least 900 farmers more equitably engaging in markets than previously. Even farmers not selling within the group will likely realize tangential benefits to an improved market atmosphere, greater awareness of the 'brand name' of Xieng Khuang coffee, and more awareness by farmers of effective negotiating strategies.

Similarly, with robust organizational practices applied during the PAR—transparency, accountability, representation, and participation—farmer members and potential members in both

districts expressed a sense of ownership over the FOs. While the organic vegetable association has an established board and has received training and support for many years, the director's principle comment during the lessons learned review workshop was that she had learned to practice participation through the way the PAR was conducted, adding participation from new villages and new members and existing members into decision-making through the representative structures used within the PAR. Similarly, with the coffee producers' group, the old self-appointed leadership was augmented (not just replaced) by leaders elected by the members and potential members themselves, and charged with reporting back and representing all the memberships' interest, not just the interests of one or two villages.

We have already seen farmers gain from their new-found negotiating skills, insisting on contracts that leave their options open—not agreeing to long-term contracts that would lock them into poor details in exchange for minimum inputs. Environmental impacts

Both the coffee and organic vegetables are produced applying environmentally-sensitive technologies. Coffee is produced under natural shade and, to meet the high quality, specialty market demands, no pesticides or chemical fertilizers are used. By connecting the practice with added market advantages, *the PAR has increased the farmer appreciation and commitment to these practices*. While there will be opportunities to sell their product to non-organic-conscious buyers, the premium prices offered for organic (even though not certified) will prejudice farmers towards organic production. If all the 900 plus farmers continue to follow organic standards, this will have a long-lasting positive impact on the environment.

The organic vegetable farmers association has, as is evident in its name, pursued organic farming from its inception in 2011. The association promotes building healthy soils through mixed farming and intensive composting, complementary plantings to reduce pests, the making and use of bio-pesticides to avoid use of chemical pesticides, and is beginning to use greenhouses to further increase productivity without the addition of chemicals. All of these practices decrease the use of chemicals. This is particularly important for farming communities without access to training and information that would allow safe use of appropriate chemicals. The members have pursued training additional farmers in organic techniques and promoting organic lifestyle choices with a movement-like zeal. However, their impact was limited to converting farmers to organic production for home consumption. However, *the PAR added a new element of identifying unique market opportunities for organic production*. If the association is able to expand the market, they will have the tools in place to expand organic production to match, exponentially increasing the positive environmental impact that comes with organic farming.

## 8.4 Communication and dissemination activities

The SRA sponsored three distinct opportunities for discussion and dissemination of the PAR findings and to discuss the approaches applied. These were co-supported with ASEM/2011/075 funds, allowing for greater participation.

Event	Location	Date	Details
DAEC leadership study tour	Khoun & Paek districts and Phonsavanh	09-10 February 2016	Key decision-makers from DAEC toured project areas, met and discussed with study teams, and met with Provincial Agriculture and Forestry Office (PAFO) representatives
Provincial Round Table Meeting	Phonsavanh	22 April 2016	Provincial and district decision-makers from relevant line ministries met to discuss the importance of FOs, to hear about the lessons learned from the PAR, to hear the plans from the FO leaders, and to discuss future support
Lessons learned sharing workshop	Vientiane	05 July 2016	DAFO officers from all five districts met and presented progress and results of extension work; key elements included support to FOs

**Table 5: Information dissemination events**



Building on the strengths of the PAR approach, the SRA supported the study participants to present and discuss their findings to audiences that included the decision-makers key to determining future financial and programmatic support to the FOs as well as the approaches to be used in supporting FOs. The first event built the legitimacy of the FO support approaches being pursued. Before this meeting, there remained a question among the study participants as to whether a ‘function over form’ approach was appropriate. The leadership team repeatedly expressed appreciation for the progress made with supporting the FOs and encouraged continued work to develop the markets and production in line with market demands. The clear message from these leaders was that supporting farmer-led FO development (as practiced through the PAR), a function-first approach, and an orientation to markets were all appropriate and worth further development.

During the provincial round table meeting, the participants were impressed with the clarity of reporting and presentation from the farmer representatives. They particularly commented on the capacity of the representatives to discuss marketing strategies and organizational responses to market opportunities. They were generally supportive of the FOs but were not forthcoming with any commitment of funds or personnel. There was no concern expressed at the independence displayed by the farmer organizations. There was only one concern discussed: that *the coffee producers had presented production targets that exceeded those set by the government*. Once the DAFO officers reiterated that these were figures coming from the farmers themselves, not ones developed by the GOL officers, there was general acceptance. Among PAFO not directly involved in the SRA, there was appreciation for the impressive work, but little in the way of commitment to applying the approaches.

During the lessons learned workshop, exchange involved key representatives from the several relevant DAEC divisions as well as representatives from all five districts participating in ASEM/2011/075 and key people from each province. The discussion of recommendations on supporting farmer organization development was not as thorough as it was in the other two events. However, the overall message was one that supported the direction of extension within DAEC, to accept the need for comprehensive services that encompass technical production learning (FL), market engagement (ME), and development of farmer organization (FO). Comprehensive extension was a key outcome within ASEM/2011/075 and the lessons learned from ASEM/2014/102 directly complement those, providing a clear approach to supporting farmer organization development.

The reaction was consistent within all these meetings: the approaches were appreciated and the progress building farmer commitment to increased and improved commercial production was impressive. The capacity of farmer representatives to convincingly present their visions and plans and authoritatively discuss their ongoing challenges and strategies was recognized as a major improvement over the usual farmer presentations (this advancement can be attributed to many factors, including the intensity of learning within the PAR, the farmer-led selection of representatives which identified capable individuals, and the dynamism of the producers of those particular products). However, none of the participants in any meeting was ready to step up and commit to taking up the tools and approaches as discussed. There was a common statement that selection of approaches was the domain of the donor or specific project manager and that the best they could do was to apply some lessons.

This is the central strength of the PAR approach: regardless of whether the tools and recommendations are officially adopted and applied, the individuals involved have the capacities and understanding to insert elements of these within their ongoing work.

## 9 Conclusions and recommendations

### 9.1 Conclusions

Smallholder farmers, while recognized as essential to development goals to support equity and sustainability for a majority of the population, are challenged to perform economically and maintain their own viability as the country pushes to commercialize the agriculture sector. The government and ODA have supported a strong role for farmer organizations as a way to rationalize the sector (to perform similar to a series of large commercial holdings). However, given the recent history of minimal support for farmer organizing towards markets at the multi-village-level, there exist few established effective practices for supporting farmer organizing, and collaborative capacities among farmers are undeveloped. This SRA studied the internal dynamics shaping farmer organizations, the support approaches enabling these organizations, and the way changes in both of these conditions are shaping interactions with farmers and private sector actors.

Demonstrated in this report is that PAR involving farmers and GSPs helped both sides with developments that can see them adapt to the changing economy and service demands. The farmers, through a representative structure, analysed opportunities to better orient their production to market needs and mobilized around a vision of improved market dynamics and coordinated production. The government extension officers who participated outlined and tested an approach to supporting FO development that would provide them with a new partner in developing the district agriculture sector.

Key to both the farmers' efforts to organize and the DAFO design for supporting FOs were new approaches to markets. All the FOs visited by the study teams engaged in some form of improved, joint selling and a level of organization sufficient to realize this. The improved selling involved bulking, sorting and grading, pre-harvest planning allowing sales planning and pre-negotiation, and feedback systems to help coordinate production. Production coordination mostly centred around helping farmers produce what the market valued: the right variety, consistent (if not the highest) quality, accurate forecasts and planning. These two issues—improved, joint selling and coordinated production—formed the core set of functions around which FOs are oriented.

With functions becoming the prime focus, registration and formal structures—which nonetheless remain a default set of activities for DAFO support to FOs—became less critical and urgent. Decisions about forming cooperatives or associations became less important than whether the group should produce organic or 'clean' product or similar issues central to the value chain strategy.

Putting this 'function before form' approach to use, both FOs built a consensus towards an improved way of marketing their product. The coffee group, with representatives from over forty villages, agreed a consensus plan to sell organic, red cherries, to continue negotiating an agreement annually with likely buyers, and to support each other in coffee production. They have insufficient fund-raising potential for the short-term and thus rely on financial support from DAFO and/or other projects. They agreed to set up a multi-level organization to support their improved plans: a committee of three—to support: 1) production improvements, 2) market engagement, 3) and standards auditing. The committee would be replicated with each village selecting its people, and each *khumban* selecting from the village representatives. Indications are that the six-person study team is well represented on the farmer organization. The organic vegetable association, though it started out as a strong organization with a leadership/management committee and a history of implementing other ODA projects, did not progress as far or as quickly. The organic vegetable groups' hesitancy in the face of uncertain market opportunities, and internal reticence to risk their current members comfortable market, serves to highlight the importance of the market 'pull' to prompt FO growth and development.

In addition to the market pull, internal mechanisms were seen as equally critical. Leadership, though perceived variously by the several sectors and even among people within the same sector, revealed itself as a key determinant of organizational development. Leaders selected by their own communities appeared to have greater capacity to mobilize farmers; leaders sharing decision-making authority with members appeared to bolster the effectiveness and credibility of the organizations. On

the other hand, leaders connected to government did not lose credibility—and perhaps even gained it as capacity to link to the government was a key leadership quality—

The researchers observed a momentous change in the way the FOs were perceived by their members and treated by government leaders once the FO leaders could articulate a clear vision and a simple plan for realizing this vision. Through the PAR, FO leadership became conversant in the language of markets, trading, and organization functions and when they displayed this skill in meetings and presentations, they seemed to gain the respect of those present.

MAF has developed clear policy for supporting the growth and development of FOs and has issued instruction to this effect. The approach to supporting FO development charted by the study team proved both practical and effective. While there were exercises that involved support from the international research team without which farmer learning might be less refined, the farmer-to-farmer exchanges needed only simple introductions and a series of good questions to provide the impetus for farmer leaders to develop their new visions and plans. It appeared that the most critical elements of support from government were patience, introductions, and financial support for activities. This simple support might be sufficient in cases where market opportunities are most easily observed and where private sector investors display the most interest in working constructively with farmers. In other cases, this might be insufficient.

With the mix of support and opportunities present within the SRA, both FO's studied in-depth demonstrated noticeable change in the interactions with private sector and government, providing benefits to members. While the organic vegetable association did not manage substantial growth, they did improve relationships with the government by demonstrating their own capacity to analyse and seek out opportunities. They also created new links with private sector actors that could yield the incentives for growth. Regardless, through practicing participatory decision-making that reached down into new villages, they not only generated new interest in increased production and joint sales of organic vegetables, but they also built confidence and interest in the organization itself.

The coffee production group, while remaining informal in structure and registered only as a production group (versus a cooperative or association), has demonstrated a vibrancy and self-motivation only found in a handful of other FOs in the country. Much continues to rest on external factors: if the climate proves friendly to coffee production and if other market actors allow the producers and local processing to pursue specialty coffee production (rather than pushing a rush to low quality, chemical coffee commercialization), and if the government and ODA find sufficient funds to support the first years of organizing, the newly-gained understanding, the market-oriented vision, and practiced participation may prove sufficient foundation for a successful, long-term, self-sustaining farmer organization.

Success for these two FOs, and potential new FOs like them in similar situations throughout Laos, could provide a set of benefits critical to helping smallholder farmers gain from commercial opportunities while avoiding the pitfalls. Better prices, consistency among producers, access to specialty markets, more efficient trading, increased production of a product better placed on the value chain are well within the grasp of gains farmers can achieve through their FOs.

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## 9.2 Recommendations

The SRA generated valuable insight into the three research questions and built a small group of individuals within the government service sector and within the two farmer organizations with a refined understanding of the issues involved. It did not, however solve the issue of replicability and out-scaling. Regarding FOs, despite a good set of enabling policies and regulations, few districts and provinces are capable of supporting the development of independent, self-sustaining FOs capable of engaging equitably with market opportunities. This SRA has built and tested key elements of an approach that DAFO can use to support FO development consistent with policy directives. However, the limited size and field application of the study have generated only a small cadre of people capable of advocating for its use and supporting application in appropriate circumstances. Several questions remain before the benefits from the learning that took place within the SRA could be genuinely

consolidated and applied more broadly. Key recommendations for the future development of FOs in Laos are:

- **Integrated Line Ministry Support.** A core challenge facing the GOL is how to involve additional line ministries in the learning process so they fully appreciate the need for the iterative, time-intensive process of building farmer organizations around farmer-identified market opportunities and provide the administrative and fiscal support that will be needed to help FOs through the first few years of development.
- **Development of a Replicable Support Package.** Standardizing and simplifying the approach developed in this SRA so that it could contribute to a modular package of supporting and learning interventions that can be easily disseminated and supported from the centre through to the provinces would be of great benefit to smallholder farmers.
- **Top-level Leadership Buy-in.** In order to develop the kind of ‘packaged’ interventions just mentioned, it will be imperative to engage more central level figures, from NAFRI, DAEC, DOPC, and MAF leadership to build a critical mass of buy-in to the key concepts of the approach. A model exists within ASEM/2011/075 where a critical mass may be reached regarding the use of comprehensive extension (FL/FO/ME). However, this work saw the consolidation of several earlier projects that took place over the better part of a decade, and exposure to similar international trends. Bringing the approaches towards FO development into this degree of support will require new systematic research and support.

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Case, P., J. G. Connell, and M. J. Jones. 2016. "The Language of Leadership in Laos." *Leadership*, July. doi:10.1177/1742715016658214.



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## **12 Appendixes**

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### **12.1 Appendix 1: Lessons learned report**

### **12.2 Appendix 2: FO and ME Baseline, GOL Agencies**

### **12.3 Appendix 3: Retrospective interviews—baseline capturing farmer conceptions of FOs**