

An Exchange of Experiences and Perspectives on Sustainable Highland Development and Drug-Crop Reduction

Panel Discussion

Santhad Rojanasanthoon: This discussion will be for the benefit of the symposium, particularly for the small group discussions at Ang Khang. Ang Khang is a very important site that the King established to tackle opium poppy cultivation, which was flourishing when we first went up there thirty-five years ago. The place is completely different today, as you will see this afternoon.

Our first panelist, Mr. Haken Dirksen, will discuss agricultural development and increasing rural income. The next one will be Mr. Mazakuza Kashio. He will be handling natural resources and environment management. The third one will be Professor Zheng Baohua from Yunnan who will be talking about community development, which is very important for sustainable development. And the last one will be Dr. David Johnston. He will be talking about enabling conditions, policy set up, and so on, one of the necessities to make things work up in the hills.

Now, what I'd like to tell you is that all of these people are gurus in development work, whether up the hill or down the hill. One will talk on the particular item that I mentioned. After that the other three will interact and add some more information. If we have time questions can come from the audience below. If not, you have half a day today and half a day tomorrow at Ang Khang tomorrow to discuss with them.

Doing development work you need 'touch'- knowing how things are supposed to be, where things go, what people like to do. If, you don't have touch, you will fail with erosion and fail with so many things. This sort of thing is important for developers. Now, in the world of development, whether up the hill or down the hill, it's a lifetime job, it never ends, we keep going. His Majesty the King of Thailand used the word 'sufficiency'. You will need to stay put and be content at a certain level, sufficient to that situation. This is vital. I just heard a comment from Dr. Calvani, who has worked in Thailand before, and he mentioned marketing. His Majesty the king also stressed marketing strongly. You've got to help the people to sell their stuff and get income back to them. By doing that they will believe in you. If they believe

in you, you can do a lot of things with them. Like we have done: we asked them to look after the forests, and they are doing it for us know.

Let me talk about Alternative Development. To me it's not actually an alternative, it's a must, and you've got to have Alternative Development whenever drug-crop production arises. But because things change, adapt and adjust, it's a continuous process. You must be adding, subtracting, one factor arrives, another factor gone. This sort of thing will happen wherever you work in development. As I mentioned the Royal Project works in two areas in parallel: we are working on growing crops for produce markets competitively; we are working on conservation, so that everything is sustainable up the hill. So the two are working together. Believe it or not, it looks like these things are working against each other, but they mustn't. And if developers don't get them to work together, they will fail from the start.

Let me add just one more small thing here, about practice philosophy. All things in the world are subject to change. It's always change, nothing is stable. Even sustainability is not stable. So I proposed a concept some time ago, called 'dynamic equilibrium'. It sounds silly- equilibrium is supposed to be stable- how can it be dynamic? I'm talking about production and sustainability. All of these enabling conditions create change until there is adjustment leading to equilibrium. If certain factors change again, adjustment will occur again and it will reach equilibrium once more. This is the concept of dynamic equilibrium, and it is the heart of successful sustainable development.

Our first speaker will be Mr. Hagen Dirksen. He will be giving us knowledge on agricultural development and increasing rural incomes.

Hagen Dirksen: First of all I would like to thank the Royal Project for hosting this very interesting event and inviting me to join this discussion today. I don't see myself as a guru in this field, as Dr. Santhad said, I see myself as a practitioner. I have been working in the highlands in Thailand and had the opportunity to work in neighbouring countries in this region, and lately in Afghanistan. So I will try to include some experiences I have gained from Afghanistan into my brief contribution.

Agricultural development in opium growing areas in South-east Asia has come a long way. As it was presented yesterday, it started with very simple crop replacement: our

predecessors looked at alternative crops to opium poppy, this then branched into a more diversified approach, and lately, of course, into an integrated rural development approach, and as we call it now, an 'Alternative Development' approach. The developers involved learned very quickly that opium poppy cultivation was not really a problem of the highlanders, of the farmers. It was our problem: a problem of the people in the cities in the West, and increasingly in the urban areas of South-east Asia and other areas in South Asia. It was our concern that opium poppy cultivation should no longer be grown as cash crop in the highlands. We learned that it was a very suitable crop in these remote areas. This was a major reason why farmers grew it, not because it was very profitable, not because it was the most attractive crop. As we learned yesterday, opium farmers, the smallholders, derived very little income from the cash sales of opium. This experience in working with farmers lead to the conclusion that opium and agriculture cannot be addressed alone. If we want to win the hearts and minds of the villagers, agriculture could not be seen in isolation. To succeed in agricultural development we have to look beyond agriculture. And initially we have to look into aspects of social development. That's why we saw that most of the projects that we saw emerge in the 80s and 90s, social development became a major parallel activity in rural development efforts. Social development started to address health, fresh water supply, and community development, and food security activities. This 'dual-track' integrated strategy helped in building the trust and confidence of people, which was necessary for progress in rural development and was necessary for collaborative work involving villages, communities, government organizations and other stakeholders. To me this is a fundamental principle: building trust and confidence between the stakeholders at village-level, community-level and higher levels. This fundamental principle applies to all countries and to all regions. And it's a very important element when we design projects and when we design measures when working with villages.

Another principle which we learned by working in the mountains and with highlanders is that the principle actors are the villagers themselves. And if the villagers are the principle actors we have to focus on their interests, we have to consider their knowledge, we have to take into account their beliefs and we have to respect their traditions. Very often this was ignored or we paid lip service to it, because we were looking for quick results. If we are committed to plan and decide jointly with the villages, then we are committed also to human resource development. And that is the fundamental thing that we have learned from highland development in all these years: *human resource development is a key factor to sustainability*. Human resources development will help villagers to develop the capacities they need and help them to adjust to the kind of changing conditions that Dr. Santhad just referred to. Changing

conditions can only be met by people who have been trained and who have acquired the capacity to deal with these changing environmental conditions.

Naturally the potential of agricultural development has to be judged in the context the overall social and economic development, ecological and agricultural conditions. The highlands of Thailand have benefited to a large extent from its own booming economy. The government was in the position to build roads. The government was instrumental in the development of markets and to stimulate private investment in food processing and other aspects of market development. All these trends have emerged over the last thirty years in Thailand and have been extremely supportive of the progress of highland development. Foreign donor programmes to a large extent have been able to act as catalysts, to mediate between villagers and the private sector and to strengthen villagers' capacities to deal with private sector and government organizations. We do not yet find these kinds of conditions in Laos and Burma, let alone in Afghanistan.

Therefore the adjustments to and potential for development activities is quite different in those areas, because they are not so fortunate as to be able to rely on fast-growing economies and extensive support rendered to the highlands through those economies. Dr. Santhad stressed yesterday that the development here in the North has taken place over a long period of time. As we say, 'Rome wasn't built in a day'. It takes time and continuity, which is exactly what I'd like to stress and what I'd like you to take home to friends from neighbouring countries. We have to give these areas time to develop, and to develop at their own pace: we cannot force it. Unfortunately, due to the preferences of many donor communities and donor agencies, and because of their budgeting methods, we often cannot make these long term commitments, only two, three or four years. However, there must be a long-term perspective, a long-term plan to support highland development and agriculture in its complexity over ten or twenty years, otherwise it will definitely fail. His Serene Highness reminded me this morning that some projects in the 60s were sponsored for three or four years by international organizations and were able to introduce crops, but after the projects were withdrawn these areas reverted to opium-growing again. Farmers had no option but to revert to opium because there was no sustained support in delivering inputs and marketing products.

To me, the sustainability of highland development will be finally measured in terms of how knowledgeable, how flexible, and how willing to adjust to changing conditions and new challenges farmers become. And new challenges will certainly come to Thailand. Consider the

picture which you have seen of the cabbage which has been cut and marketed. Cabbage is maybe not a crop, that, in five or ten years' time, will still be economically viable. We must consider new agreements which are made between various countries: China and Thailand, for example have just made a new trade agreement. New infrastructure is on its way to being built. Products will be marketed in this area and will become very competitive compared to local commodities, which will subsequently be driven out of the market. Other alternatives need to be developed. But I am very positive about Northern Thailand because here we have institutions and farming communities which I believe will be able to adjust to these changes.

Santhad Rojanasanthoon: Thankyou. I think Mr. Dirksen probably knows more about northern Thailand than many of the Thai people here in this room. One of the important things that Mr. Dirksen mentioned is that development takes time. In fact, one of the high officials of the United Nations had the chance to ask our King how long he thought it would take to develop the Thai highlands., and the King said 'at least 30 years'. The Royal Project has been working for 35 years, and there is still a lot of work to be done. Well, would any of our panelists like to add anything on this topic?

David Johnston: Yes, I'd like to underscore some of the things Mr. Dirksen has just mentioned. When I think about the things needed to improve livelihoods, one of the things that has made the Royal Project so successful has been this 'market chain' approach. You begin by looking at what the market really wants, the colour, the size, the taste, all of the characteristics of the product, and then you work backwards through the chain to figure out how the inputs are going to be delivered, what new disease problems might have to be overcome, what new varieties might have to be introduced: everything that has to happen until you finally deliver the product to the consumer. Looking at some of my experiences in Latin America, I always look back to a project that I had in El Salvador, where, when we went in to work with the farmers, we found that they were simply selling what they could produce. The products that they could produce in those days were corn and beans. Working with the community, we got them to adopt a new slogan: don't sell what you can produce, produce what you can sell. They turned everything around to look at the market and marketing. Using this perspective we had quite a lot of success, and this has been one of the successes of the Royal Project as well.

I think one of the biggest challenges, though, is working without political stability. Here, you have enjoyed a remarkable stability which has been a great advantage, and which many countries lack. In particular, countries lacking stability often don't have the time to develop the institutions needed. It can be a real challenge to work out how to develop the necessary expertise, because there are times, when, working with small farmers, you need a good extension service, backed up with universities, which can provide advice and help to solve problems.

Santhad Rojanasanthoon: Thank you. Mr. Kashio?

Masakazu Kashio: Well, I fully agree that agricultural communities are the baseline for human communities. Secondary and tertiary industries all depend on very healthy agricultural communities. The subject matter at hand, though, is how the agricultural development of entire communities depends on different conditions. One issue that I would like to raise regarding Mr. Dirksen's comments concerns the case of societies consisting of different ethnic groups. Specifically, in this context, how can we convene government-based or public-based assistance beyond the gap of cultural or traditional differences? Nowadays the principle of rural development is people's participation. More and more, the main decision-making body is becoming the community itself. If the community keeps its traditional values and doesn't accept a market-based or cash-economy based system, how can we deal with that? I don't have a universal answer to this question, but it might be an important topic to discuss.

Santhad Rojanasanthoon: Thank you. We've been talking about how to make a living from agriculture, but the next thing that's important is the areas where farmers work, which might be damaged if farmers don't use the right methods. This topic, the management of natural and environmental resources, will be addressed by Mr. Mazakuza Kashio. He is a Forestry Officer with the United Nations Food and Agriculture Organization, for the Asia and Pacific Office, which is based in Bangkok.

Mr. Kashio: Thank you, Mr. Chairman. I would like to introduce some important topics in this area.

As an FAO Forest Resources Office, I serve 44 countries in the Asia-Pacific region. During my 21 years' service, I've seen various forest management systems in these countries with their many constraints and challenges. Frankly speaking, it is not possible to describe in a few words the multi-layered complex phenomena that are occurring in the highland forests of the region. If I had to select one keyword, however, it would be 'management'. The reason is that, where poor management exists, I see destructive and exhaustive types of natural resource utilization. My concern has been how to manage the natural resources in an area, including forests, in conjunction with the development process.

When we think of "management", we always face questions as to what and how we are managing. As soon as we get a reply to such questions, we come to another lying in a deeper layer, like what development policies or visions support this management. And finally, we realize that any development policies or visions stand on a certain development philosophy. In other words: without a philosophy we cannot have a proper development vision; without having development vision, we cannot design management systems and carry out programmes. So, what development philosophy we adopt is very essential for setting up management systems.

When we look back over the flow of human development, we realize that human beings have a bad record in natural resources utilization and management. The Earth, made with rocks and minerals, is uniquely characterized by rich living organisms consisting of plants, animals, and so on. The human beings, as just one of these species, once lived in harmony with their natural environment. This situation seems to have been changed when our ancestors started to practice agriculture — planting seeds on the ground and domesticating wild animals. Human communities began to produce more food and materials. The increased food and materials induced a population increase, and the increased population required more food and materials by consuming more natural resources. Expanding the communities into new lands, we have developed economic systems based on abundant natural resources, such as rich forests, fertile soils, water and minerals. How to manage them has been always peoples' concern, but in the main, we have behaved like selfish children who suck the mother's breast without thinking of her health and or her limited supply capacity.

Let us review the case of Thailand. One hundred years ago, 90 percent of the land was under forests, and now it has dropped to 26-27 percent. When we compare the level of timber stock, richness of biological diversity and ecological functions, the remaining forests have lost such properties and functions. The forest sector has also given up land to agriculture and other sectors. The population has increased eleven times from 5.7 million a hundred years ago to 62 million. Agriculture land has also increased eleven times from 2 million hectares to 22 million hectares, leaving an additional 10 million hectares of low profile waste lands. Increased population in lowland communities opened up the wetlands, such as swamps and mangroves, and the highlands. Increased population in highlands also opened up more forests.

Now, we are facing a shortage of natural resources, degraded environments and malfunctioning ecosystems here and there, especially in fragile highland areas. How to manage them? That is the question. More people feel that we have to review our economic systems, our development philosophy and natural resources management, to better cope with the demands for livelihood, given our limited resources and many degraded ecosystems. I believe that the concept of sustainable development stands on this vision. In the highlands, the challenge in front of us all is how to materialize this concept through a participatory approach in an integrated framework to better manage the remaining natural resources.

Thank you.

Santhad Rojanasanthoon: Mr. Kashio just said that we have taken advantage of natural resources, have used them without thinking about the harm that we might do. He said that one hundred years ago, the forest stock here was much healthier. I myself am a soil scientist and I can report to you that, moreover, the last century has seen a 38% decline in the quality of soil, worldwide. We need a new paradigm of agriculture to make use of natural resources, using environmentally sound methods in order to spare the world's soils.

Would anyone else like to comment?

Zheng Baohua: Yes. This is a very, very important point, in my mind, in the context of China. One of the most important questions is, I think, who will be the principle actors for the management of natural resources. Yesterday, I think we had very good examples from the

Royal Project, of how to maintain the coexistence of forests and humans. In my mind, it is local communities who should be the principle actors for forest resource management. But, another question is how governments can provide support for these kinds of community initiatives. This is a critical issue. In Thailand we have seen that the government has adopted these kinds of issues into its policy, and how this can be transferred to other countries, especially in South-East Asia, is also important.

David Johnston: I think this idea of management, that was talked about earlier, is really key. When we talk about Alternative Development, we have to have sustainability, because sustainability is really critical for any kind of system: farmers, or other people who live in forests, can't stay there unless they have a sustainable system. Whether we're looking at agricultural practices in areas bordering on forests, park management or any kind of forestry system, our first challenge is developing some kind of sustainable management plan. That management plan will be determined by the characteristics of the resource base that we are managing, but also some external characteristics. One of the best examples is parks: we need and want to have parks; they are critical for biodiversity conservation; they are necessary to help the 'world's lungs' continue to breathe; forest parks are also valuable for our watersheds. So parks have to be set aside. And the sustainable management plan is a matter of working out what kinds of activities are allowed in the forest, and when, and what activities are not allowed. It is about explaining that to the people who live in the forests, and getting them to be active in this management process.

Hagen Dirksen: I'd like to reinforce the point that we need to integrate forest management into the concept and practice of rural development. Provocatively, I could say that as long as villagers are living in extreme poverty and having nothing to eat, it is very difficult to ask them to conserve. In the same context, no one and no community in the world will destroy its own environment deliberately. So we have to balance the conflict between conserving the forest and making a living, and this conflict has been a challenge in most of the developing areas in South-East Asia and elsewhere. The catchphrase these days is 'conflict prevention/conflict resolution', which is extremely important, because naturally we have different interests and different powers involved in forests, and we need to reach agreements and compromises between all of them.

In my time with the Thai-German Highland Development Program, we tried out a community-based land-use planning concept, which was an integrated, community-based concept in which all stakeholders developed, through a long process, a compromise concerning how to utilize natural resources. It also addressed how to guarantee how villagers could stay on the land. This issue, land security or land tenure, is a very important aspect of natural resource management. I know these are just a few words, which touch on very complex dialogues between stakeholders, but I think these are very important elements in reaching practical, community-based natural resource-management systems.

Yesterday, we learned that the government is trying very seriously to find a solution, enshrined in a national Act, for Social Forestry. I can tell you that this has been discussed here for the last ten to fifteen years, and it has been, and is still, very difficult to reach this kind of consensus. This is a major challenge for Thailand and other countries to achieve: to reach a consensus on how, and by whom, natural resources should be managed.

Santhad Rojanasanthoon: Yes, we are very glad to hear the Deputy Prime Minister talking about the legalization of Forest Villages, according to His Majesty the King's concept.

In the Royal Project, there are strong systems for preventing encroachment into protected areas. We also strictly use the Land Development Department's concept for farming sloping areas: if you work on the slope you need to have Vetiver hedgerows and terracing. This is the kind of work that we have been doing and we think we have been doing it very well so far.

Let me move onto the next subject. We have talked about how to make a living, and the land that we live in and the damage we do to it. Now, the actors, or the problem of community development. So we have Professor Zheng Baohua to talk to us. Please, Professor Baohua.

Zheng Baohua: The most important thing that I have learned in the one and a half days of this meeting so far is how communities play a role in the Royal Project, and how the government supports community development. The Royal Project gives us a very good example of how development can take place by taking local communities as the key or

principle actors. But from this Royal Project I have learned that several things are important: the support of government; the support of civil society; using an integrated or holistic approach to community development; these are all key components for community development.

From my own perspective, especially in South-East Asia, what is especially interesting is communities that can manage their own development. I am just going to give you one example of how one ethnic group in Yunnan does its own community development, what might be called *community-driven* sustainable mountain development. This is a *Hani* community that my research group is currently studying. As you know, the *Hani* people moved to Yunnan several centuries ago, and shortly after that, some of them moved to Laos and some to Thailand (although in Thailand I believe you call them *Akha*). The *Hani* people are famous for their terraced fields. This is a wonderful example of community-driven mountain development, of how the people use natural resources. The *Hani* people usually live between 1,500m and 2,000m above sea-level, around the middle of the mountains. Their terraced fields are usually just under the village, and these fields are the major sources of their livelihood, along with the forests, which usually lie just above the villages. What is particularly interesting is how they manage their water and their irrigation system in transplanting season, according to the needs of each household and the responsibilities that each household must take for terrace-management. They don't use much modern technology, just traditional technology. The farming system is also based mainly on manpower.

There are several points that can be made about these kinds of practices. They are community-based, meaning that communities take the leading roles in these kinds of development. The second point is that they are based on indigenous knowledge. These kinds of practices have been practiced in the same way for several hundreds of years, although they have adopted some new innovations, such as new varieties of rice introduced by government agencies. The third point is that this system is environmentally friendly, because for this system there must be forest on top of the mountain. So each community has its own regulations and rules to protect forest resources. They link their farming activities with their forestry activities. I think these three points show that the practices are highly sustainable.

These people do face a lot of other problems, but compared to other ethnic groups with different practices, their practice is probably quite sound in terms of sustainability. They also face some problems from population pressure. In the area we are studying, one *Hani*

usually owns about 1 *Mu* of land, which is about 7.6 hectares. Because of the population increases, though, productivity cannot increase, which is a real problem. Some villagers have tried to look at other livelihoods. But what I really wanted to show is how a community-driven approach can also lead to sustainable mountain development.

Santhad Rojanasanthoon: Would anyone like to comment?

Masakazu Kashio: Yes, thank you. It is a very important to give value to locally developed technical solutions, compromising between natural resource utilization and management, increasing population-pressure and giving respect to traditional knowledge. If we can't stop the trend of increasing population, what kind of technical options might be available? This is a question still to be answered.

David Johnston: I have to say something here because I began my development career as a community development worker back in 1965, so this is a topic that is very near and dear to my heart.

I think that one the tragedies of the current situation is that the development world has moved away from community development in many areas. But I think that at base, community development is the heart of what has to be done to help people in rural areas lift themselves out of poverty.

The key to community development is that we don't do things for people, they do things for themselves. We're there to support them, maybe, but the decisions about what they are going to do and how they are going to do it are decisions that local people make. In effective community development you have a continuous flow-through of local people who become involved and become leaders in one aspect or another, and sometimes those people go on to live and work in other areas, and maybe they become extension agents.

One of the best examples that I've seen of community development in recent years is a group in called The United Mission to Nepal. They have a marvelous community

development program. To give you an idea of what they do which is different from what goes on in other parts of the world, and especially to what USAID does, when they first go into a community they will spend two years in which the development worker forms a community group and spends two years talking to that group about the community, what their problems are and what is most important to them. They get them to identify what things they think they can solve on their own, and what things they would need to have help solving. After they have done this for a long time they start to talk about a project that they might want to do. The result of this is that the leadership of the project is from the community and the people acquire a confidence about dealing with their problems. The resources provided by the development program are quite meager, but they show communities how to approach other donors to get resources. This is how I came into contact with them, because they had people get in touch with me, as the Rural Development Officer for Nepal, hoping to get some of our resources. They were very effective and if you ever get the chance to get to Nepal and talk to the United Mission, I would urge you to take it.

Hagen Dirksen: I'd like to reinforce the importance of community development and also highlight a weakness in our institutional structure. In most countries we have very strong sectoral ministries- we have Agriculture, Irrigation, Forestry, and so on. Community development is usually an annex of the Ministry of the Interior, or some other kind of sub-department of a larger organization. Subsequently, they usually get a low allocation of funds and a lower allocation of resources like training and other human resources development. This leads to farmers and farming communities being approached on a sectoral basis- they are approached by agriculturalists, foresters, irrigation people, and so on, and the community development people are being asked somehow to combine it together. What we did in our project after a number of years was to turn things around and say 'We are not taking a sectoral approach, we are taking a community or area-based approach'. So the community is the focal point. We deal with the community first, and see what their needs are. What I am advocating here is an integrated, or holistic, community-based approach. We pay a lot of lip-service to the idea of a holistic approach but it is very difficult to do in practice because of our institutional structure.

To give you one example of a very successful community-based approach here in Thailand, I recall a community-based drug use control group. This was run by a group of

women who came together to harvest and market certain crops, but who identified drug abuse in their community as a greater concern. They developed various mechanisms to reduce addiction by a very significant level, and it has mushroomed into a network covering several villages, supported only with funds from the Thai government. So without external assistance it has become very sustainable.

Santhad Rojanasanthoon: Thank you. I'm glad that I mentioned terracing, and I have to say that, looking at the pictures of the Akha terracing in Yunnan, it is quite superb.

One of the important principles of the Royal Project is that, as the King says, we have to help the people to help themselves, as they have to be able to look after themselves after we leave. One of the weaker parts of our work, where we probably haven't done enough, is community development, but we think this should also be the job of the government. In fact, the government does now have a management unit called *orportor*, that looks after many villages up in the hill. These *orportor* will help the people in the hills to have well-functioning villages and to be good citizens. If we help the people here to make a living, and help them to sell their produce, they should have enough money to help themselves.

As I said earlier, we also teach them to preserve natural resources, and this is a process they can learn and now they help to look after the forest for us. So I am glad that the government is taking the same initiative. Before, the Forestry Department here would chase the hill-tribe people down into the lowlands. But once they were down in the lowlands, they had no livelihoods and nothing to do. Now, we let them stay in the hills and make use of them, let them help us.

So, let us move on to the final topic. David Johnston is going to talk about the enabling conditions for Alternative Development.

David Johnston: Thank you. It's a pleasure to be here to participate and learn from the successes of the Royal Project and to learn from each of you. I think these kinds of activities are such a useful thing for us to do, because each of us has such different experiences that when we come together we learn things that we didn't realize were the case. We sometimes think we know reality because of where we worked: actually there're lots of

different realities. This was brought home to me in a very real way about twenty years ago when I was working with a group of people and we were talking about agri-business. I had been working for four years in agri-business, but when I listened to these other people I realized that their experiences were quite different from mine because they'd been working in very different conditions. Someone said yesterday that development is a very complex phenomenon: it certainly is. The holistic nature of the social and economic development process is such that there are dozens of things you have to do right and if you just do one thing wrong you can stop the whole thing. I sometimes think economic development is like a highway with many bridges. As long as all the bridges are in good working order you just roll merrily along and you end up with economic development and no poverty and everything's fine, but let one bridge go out, it could be the credit bridge, the marketing bridge, even the political stability bridge, then all of a sudden, the traffic stops and you're not getting where you want to go. So I'm going to go over some of the major things we need to concern ourselves with in order to have successful Alternative Development programmes.

Let me come first to perhaps the most important one. I don't think that's been a factor here in Thailand recently, but it certainly was a factor in Nepal when I was there, because we had the Maoist movement and it's been very much a factor in Columbia where I've been working recently. The factor is security. To try to do Alternative Development in an insecure environment is very difficult, although not impossible. The experience we had in Columbia is interesting in this regard.

When we first went to Columbia we needed to work in the South, which was far away and had been under the control of guerrilla groups for a long time. Columbia has been in a state of civil war for around forty years and Southern Columbia had been an insecure area for a long time. So when we were asked to go down into Southern Columbia to do Alternative Development we were wondering how we were going to do it. Initially, we decided "well, we're going to work with local NGOs and Colombian contractors" and so we hired some people from Bogotá to go down to Southern Colombia to begin to work on the Alternative Development programme. But we had only had people in Southern Columbia for a month or two when two of the people we had hired were killed. That forced us to stop and rethink everything. It turned out that one of them was killed because the guerillas thought he was a spy. He was the son of a policeman, but whether or not he was a spy was never established. It turned out that the other person was killed due to a vendetta, a personal matter- his death had nothing to do with the Alternative Development project. But these events caused us to rethink

entirely what we were doing. We decided that we weren't going to bring people in from outside; we were only going to work with people who were already there. The choice of who you're going to work with when you go into a very under-developed area, it's a pretty small group of actors you have to choose from. And the NGOs who were there were very new at this business, they didn't have much experience and really didn't know how to work with USAID. They knew a lot about Putamayo, though, and they were known to FARC and the other illegal armed groups, and were allowed to work there. We began to work with these NGOs and one of the things we noticed initially was that we couldn't do a normal crop substitution or an agri-business, which had been our original plan. In September 2001 someone from the Putamayo department came back from a meeting, and some of the guerillas had been there. We were talking about bringing in credit. The guerilla leader who had been there said to the local people "That's fine, you take as much credit as you want. You won't have to pay it back because we're never going to let anyone come in here and collect that credit. Just go ahead and take whatever they give you." That illustrates what happens when the local government is either the narco-trafficker or the guerilla leader, or like in the case of Pakistan, where there are some warlords who *are* the local government. So if you're going to work in the area you have to find a way to work with those people.

The interesting thing is that some people said "you won't be able to work with them" but actually we were able to work with them in the end. The reason we were able to work with them is that for the local guerrilla leaders, drug cultivation was one of their interests but it wasn't their only interest; they had brothers and sisters, sons and daughters in the area. When we went in and talked about agribusiness we saw that we weren't going to get anywhere because we weren't going to be allowed to bring in private sector enterprises. It was just too dangerous. So we started to ask ourselves "What could we do that the guerrillas can't do?"

The answer was that everybody was interested in improving the quality of life. So we put together a programme, working together with the NGOs, where we would offer the villages a series of local infrastructure projects and a series of agricultural projects that we could help them with. When we went into a community we would ask them what it was they wanted. We could build them a school, a water system, rural electrification; in some cases they wanted a bridge or a wall. We had the funds to do small projects like this and we would provide them the funds to do the one that they wanted. We wouldn't fund the whole thing, we wanted them to fund part of it too. We wanted them to be very much involved in this process.

We got them to put some of their resources into it, to make sure that it was what they really wanted, in the same way that the Royal Project does.

And our condition for going in was to eradicate coca. They had to agree to eradicate the coca upfront. If they didn't eradicate there wasn't a development programme. But if they did, we would help them with infrastructure. We would also help with food production. We would help them with one local food crop, like rice, corn or beans, and one cash crop. There were about a dozen different cash crops that were available. So each village chose what it was that they wanted to do. In the first few months they would eradicate the coca, then the rest of the project would proceed apace. By working in that way we found that we *were* able to work with them because we were working with them to do what they wanted. And the guerrilla leaders really couldn't intervene. In some place they did intervene and in some places people were killed. But for the most part we were able to do this. The guerrilla leaders had to allow this to happen because they didn't want to put themselves in a position where they were against the welfare of the community: they wanted to have the support of the community too. So in the end it became a battle for the hearts and minds of the people.

Over a period of time we had a fair degree of success. There's not much coca in Southern Columbia right now, although the coca has gone to other places. In Southern Colombia, it's been mostly eradicated partly as a result of the development programme and partly due to the forced eradication programme. One of the reasons we were able to do this so quickly is because we were able to say "If you work with our programme we will help you, but if you don't the government is going to come in and eradicate your coca anyway and you won't get any help". That was quite a convincing argument. So security is probably the hardest problem to deal with, but it's not impossible.

Political stability is tremendously important. How do you do any kind of development when you're changing governments all the time, or if the people in your ministry of Agriculture or Rural Development are always changing? One of the blessings you've had here in Thailand is that you've had political stability, so you've been able to work at this for thirty-five years and you've accomplished a great deal as a result.

I guess the great lesson we learned in the eighties is that macroeconomics is very important in development. So we have to work with the ministries of finance and help countries to get the macroeconomics in order. Today, there are opportunities for countries to become involved in trade agreements which give them access to other markets. Colombia is

currently negotiating a free trade agreement with the United States which would give the Colombians access to that market, and that's an area in which we have to be supportive. The benefits that can accrue from those kinds of agreements are tremendous, and will probably overshadow a lot of what we're doing in Alternative Development.

The next point I'd like to raise, and it has already been raised several times during this conference, is that when doing Alternative Development we're not just working with agriculture. Agriculture is very important because often fifty percent of the people in the rural area, or more, are engaged in agriculture. So to try to do any kind of development activity without working in agriculture is not very smart: you don't want to start a programme where fifty percent or more of the people are not involved. You've got to have something with agriculture but you don't want to stop with agriculture. Our programme in Columbia started with local infrastructure development and then that became subsistence products and then cash products, and then as we moved out of Southern Columbia and moved into the north and west, where it was government controlled, and there was better security, we were able to do some agro-industrial products.

Agro-industry is not the whole thing either: anything you can do to improve the trade environment is terribly important because that's going to create additional employment opportunities. Narcotics production is not always the only or the most lucrative thing that can be done. Sometimes it's the only thing you can do in a particular region. Then you have a couple of choices. One choice is to bring assistance in to help the people do something else, another choice is to try to create employment in other areas to draw the labour away from areas where narcotics are being produced and let them produce things in other areas where you do have better possibilities. We're doing both of those things in Columbia right now.

In terms of the background conditions for successful development, you have to work with your available natural resources. I guess the lesson is that there is something you can do anywhere, maybe even at the South Pole. I'm not quite sure what it would be, maybe you would have to hunt seals, but there is something you can do anywhere. But you can't do everything anywhere, so you have to look at the characteristics of the place and work out what are the best possibilities. As outsiders we often don't know what the answer to that is, but that's where participation comes in.

Back in 1972 I was working in the highlands of western Guatemala and one of my charges was to try to increase income. And I thought "how in the world am I going to increase

income in the highlands of Guatemala?” I wrestled with this until one night, I had an epiphany, when I realized “There are people up there in the highlands doing things. Probably those people know their situation a lot better than I do and whatever they’re doing right now, they’re probably doing those things right now because those are the best possibilities. Maybe what we could do is help them do more of it or do it better.” So, getting the local people involved in designing what you are going to do is absolutely critical.

Public education is also going to be important because that leads to economic development. More specifically, we need training programmes that allow local people to run development programmes and have leadership. So we can’t forget our education component.

Another of the critical background conditions for successful Alternative Development projects is having ways to measure our success. This is a big issue for us in USAID: people are always asking us “What did you do and how do I know things are getting better? What are the indicators that you have for the success you’re experiencing? Right now I’m in the process of working with my colleagues in the Department of State to try to extend funding for the programmes in the Andes for another five years. People have asked me, as part of the planning process, “What are the targets? If we give you the money you’re asking for, what are you going to produce over the next five years?” Those are good questions. We all need to be thinking about the targets and what we hope to achieve, because if we don’t have clear ideas about our targets we may not be able to get to where we want to go.

Another important background condition for Alternative Development is respecting human rights. Alternative Development is about improving quality of life for everyone, and your quality of life isn’t going to be very good if your human rights are not respected. Another area that goes along with that, and is often implemented as part of the same activities, is access to justice. I don’t really know enough about Thailand to know about its justice system, but I do know about Columbia and other areas in Latin America. The justice system hasn’t worked very well in Columbia. There are a lot of things that need to be improved in that regard. One area the development programme is working on right now is strengthening the justice system. We’re trying to make it more efficient and help justice come along a little quicker, because under the old justice system that was used in Columbia it could take years to have a case resolved in court. People have to have access to justice, and justice delayed is justice denied. So that’s a very important issue for an effective Alternative Development programme.

Santhad Rojanasanthoon: Thank you. One of your points that really impresses me is that you have to get down to reality. You have to get to know the people and where you are working, and then you will know how to work. I would now like to ask for summarizing comments.

Hagen Dirksen: I'd like to stress an issue which has been addressed several times. We all talked about this holistic approach and the need for combining resources. I think one of the major reasons why Thailand has been so successful is that the Royal Project, under the leadership of His Majesty the King, has really been the focal point, has been the coordinator and has been able to pool the resources. That is a very complex and difficult task. In other countries you need to have very good structures in order to pursue a holistic approach. This is a question we are discussing at the moment in Afghanistan: how can we develop institutional structures in order to coordinate these very complex efforts? You need an institution that's respected, which is regarded as a 'fair broker' between agencies and stakeholders concerned. And these institutions have to be functional at national, provincial and lower levels. This is a big challenge.

There is another issue which has not been directly addressed but which comes up regularly: what we have come to regard over the years as the 'carrot and stick' policy for reducing drug-crop cultivation. The 'carrot' is development and the 'stick' of course is the law enforcement. Now this balanced approach between carrot and stick is being applied in Latin America very differently from how it is being applied in South East Asia. In South Asia this issue is very important and a subject of debate. We have a large delegation here from Afghanistan and I think they're very anxious to discuss with experts in this field to see how to balance the carrot and the stick. In this regard, what we learned from Thailand is that in any circumstance the carrot, development, has to come first, then the stick, law enforcement. But there have been some proposals in South Asia that the stick has to come first, in order to curb the drug problem which has ballooned in some areas. So this topic is of great interest to our colleges in Afghanistan and I suppose to our neighbouring countries, Myanmar and Laos.

Masakazu Kashio: I would like to summarize this discussion, especially from my point of view. We need a paradigm-shift away from economic development and materialistic

fulfillment, keeping this as the basis for the new paradigm, but making it more balanced, recognizing the limitations of our natural resources and the consequences of their mismanagement. We are living on a globe that, space-wise and resource-wise, is definitely limited. Indefinite desire and greed-based economic consumptions are activities that have a clear limit and we need a paradigm shift.

Zheng Baohua: My comment is that in any community development activities, you have to allow the communities to be the principle actors. They should be the main body for decision making, and the main actors for implementation.

David Johnston: I would like to go back to one of the key issues and that's the time we have to allow for Alternative Development to take place. It turns out that drug crops are usually produced in the most isolated areas. These are often places where people are not living in modern conditions. They're not in the Twenty-First Century in terms of their technologies; some of them are not even in the Eighteenth Century. I remember seeing some places in Nepal, in the mountains there, where the technology used was practically Biblical. So you have to work with these people as they are. You're not going to be able to have them leap-frog ahead and suddenly do things with Twenty-First century technologies. Although it's surprising how they can sometimes use some of our tools and adapt them to their own needs, you have to take them where they are and allow them time to adapt themselves to contact with the outside world. That takes time; actually, it takes generations and if we expect to solve the problem of drug crops we're going to have to be working at it for a long time. As long as there's a demand for drugs someone's going to produce some, somewhere, and so we have to engage in those areas and help the people in those areas do something else.

Santhad Rojanasanthoon: Thankyou. If anyone in the audience would like to ask any questions, please do so now.

Floor: My name is Mudit Kumar Singh, I'm from India. I'm posing two questions, one is 'How do you perceive the project withdrawal mechanism?' because in some years from now the government will have to withdraw. A system must be set up so that when the project withdraws from the area, the people can carry on in the same manner that they do today- that will constitute the real sustainable development of the area. Certain safeguards will have to be built in to the process so that the momentum generated is not lost.

The second question is this: Unless and until you develop a Cooperative of villagers in the area you cannot think about having a continued momentum. There has to be a sort of fund, what we call a Responsive Development Fund, which ploughs resources back into the area after the project has ended. Another suggestion I would like to make is that you need a replication in the nearby areas so that the entire area is transformed. So my question is- what mechanisms of this type have been developed?

Hagen Dirksen: I have been very fortunate working in Northern Thailand for a number of years, where over the final project phase the government more and more took over responsibility in establishing institutions and also providing funding to continue the work. At the same time, at community level, institutions were built which continued project work. So there was a very harmonious decline of international assistance on the one hand and increased responsibility and local funding at the same time. I'm well aware that this is not always happening in other countries. In Laos, the government doesn't have those funds at the moment, so they have to rely on external assistance much longer than the Thai government, but this kind of withdrawal strategy must be built into the project concept at a very early time.

To your question regarding Cooperatives: while I know that Cooperatives are very popular in India, I would also like to emphasize that the private sector is not always exploitative. If you have a competitive system the private sector can be very efficient, and if you allow these systems to emerge, as we have learned from Columbia and here in South-East Asia, the private sector can take over these marketing and supply functions.

Masakuza Kashio: We used to say the governing body means national government, but when we come back to the original functions the services of the governing body range

from local level government bodies, provincial level, national level and international levels. Of course, most of us talking about the governing body instinctively revert to our own interests: after the project is finished, if government support is getting more or less, it doesn't matter to me, if someone is doing the work. If it is the local community, fine, if it is the national government fine, if it is the provincial authority, fine.

Floor: My name is Ako Ju Bo and I am from the Akha tribe. One of the professors mentioned about the Hani in China. I am very happy to learn that the Akha still have terracing in the mountain areas of Yunan. What are your future plans for community development?

Zheng Baohua: We already have some actions to help communities for example by introducing some off-farm activities and also helping them to earn more income from forest resources. We are also setting up community development organizations, especially to help women, because at this point most of the farming is being done by women. So we are trying to provide them with training and health care.

Santhad Rojanasanthoon: I'd just like to add something in answer to our friend from India. In fact, our government is cunning because they give money to us. We use government officials to work for us, and we give everything we can back to the communities.

Floor: I'm Peter Dart from the University of Queensland in Australia. David Johnston mentioned that we need to have targets and we need to be able to measure success in order for our financial institutions to feel comfortable with continuing to fund our development projects. One of the worries I have about this is that it leads to a 'box ticking' approach to project management and that can be quite destructive. We've also talked about participation at a village level and human resource development of the actors at that level. I'd like to pose to the group that there is an even greater challenge in my mind and that is there are funding institutions and the people that operate them, and there is a need for human resource development at that level also. There has to be a willingness to learn about the process we are

engaging in at the village level, and I find that this is often a process or a knowledge base at the level of financial institutions that are supposed to be helping the development process.

David Johnston: I think you've put your finger on one of the very important issues. We have to continue to train people in the national institutions that have responsibility for these programmes. The best way to train them is to get them actively involved so they can learn by working on the project themselves. Sometimes it's going to require additional kinds of training too. Exactly what's required will be different in each situation, but it's an area that has to be paid attention to because in the end it's the people in the national institutions that have the responsibility to making things succeed because it's a long term effort and they are the only ones who are going to be there long term.

Chairman: I would like to thank our panelists for being with us and giving us very important information that will be used in the small group discussion up in Ang Khang. You have all learned about the Royal Project. I did mention that we have been here for thirty-five years. We still have a lot of work to do. No one can deny that the King has been very supportive right from the start giving suggestions and direction to us. I myself am a volunteer working from the start of the project until now. But there's one person more important than the others. He has been with the project from the start and is still with it now, as strong as ever and still driving his own car. So could you please give a big hand for our Chairman, Prince Bhisatej Rajani.

Prince Bhisatej: I did not know that Dr. Santhad was going to do this to me, so in return I would like to give half of his answer. He said that the Royal Project is doing the work of the government. It's not quite like that. The government has created a Bureau of Highland Agriculture Development. That office is working with us and for us, and they are helping us and we are helping them. I've just heard that the government is going to turn the Bureau of Highland Agriculture Development into a Public Institute, which will cover the whole of the country, not like the Royal Project, which only works in parts of the north.

Now I would like to ask a question: how do you use a stick to capture the opium farmers in Afghanistan? I heard there are a lot of very big men who grow opium, but how can you use a stick to stop them doing that? I think that in Afghanistan that you should use something bigger than a stick to capture the big opium farmers and put them in a cage. Then, if you only have small opium farmers, you can do crop substitution. Thank you.

Santhad Rojanasanthoon: I'd like to say thank you to our panelists and to all of you for being here until now.