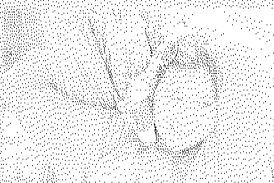


812 ASE92



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POLICY PLAN FOR 1992-1995

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The country and regional policy plan series, of which this plan forms part, relates to Dutch bilateral development cooperation for the period 1992-1995. There are country policy plans for Bangladesh, India, Indonesia, Pakistan, the Philippines and Sri Lanka, and regional policy plans covering the Nile and Red Sea, West Africa, East Africa, Southern Africa, Central America, the Andes and the Mekong region. Country and regional policy plans were previously published for 1985-1988 and 1989-1992.

The above plans have been drawn up after consultation with the recipient countries. The regions selected and the themes covered have where possible been brought into line with the policy insights laid down by the Netherlands Government in the policy document "A World of Difference".

The Hague, 1992

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Mekong Regional Programme

former U.S.S.R.

China

Iraq

Iran

Afghanistan

Saudi Arabia

Bangladesh

Yemen

Oman

Pakistan

India

(Burma)

Myanmar

Laos

South Korea

Japan

Vietnam

Philippines

Cambodia

Thailand

Sri Lanka

Brunei

Malaysia

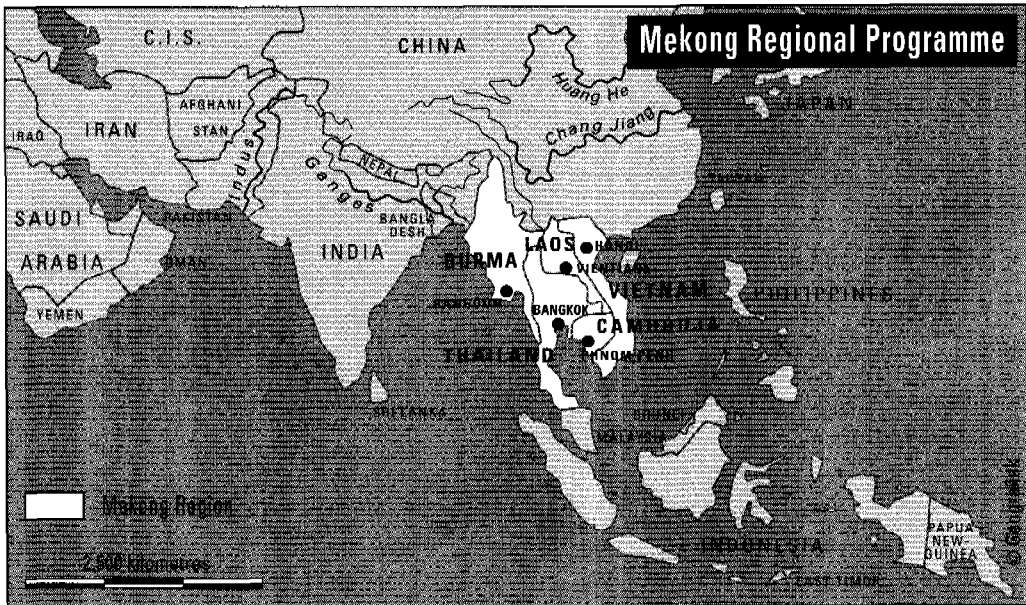
Indonesia

Papua New Guinea

East Timor

Mekong Region

2500 kilometres



1. INTRODUCTION

The 1992-1995 Regional Policy Plan for the Mekong Region forms part of a series of policy documents drawn up by the Directorate-General for International Cooperation of the Minister of Foreign Affairs for the programme countries and regions covered by Dutch development cooperation policy. The Mekong Region consists of Thailand, Laos, Vietnam, Cambodia and Burma (referred to by the present government at Myanmar).

This regional policy plan reflects the policy intentions as formulated in the government's policy document "A World of Difference, new frameworks for development cooperation in the 1990s", and sets out to formulate a coherent development cooperation programme for the medium to long term in the Mekong Region.

This is the first time that a policy plan has been drawn up for this region. Hitherto, relations between the Netherlands and the respective countries in this newly formed region have tended to differ considerably. The decision to combine the development cooperation effort in the various countries and to work towards a coherent approach has been prompted by the problem which all the countries in this region face to a lesser or greater degree, namely the eradication of structural poverty. Despite the lack of precise data, it is evident that large groups of people, in both rural and urban areas, live in extreme poverty in this region, although only Laos and Burma are classified as Least Developed Countries (LDC). The reasons for the widespread poverty derive primarily from the developments and related socio-economic problems that these countries have experienced in the second half of this century.

Seen in historical perspective, the region shared a number of common features until the end of the Second World War. A thousand years ago the Ankor Empire of the Khmers stretched over a large part of the present countries of the region, with the exception of Burma. In addition all the countries apart from Thailand have a colonial past and were occupied by Japan during the Second World War. Since then these countries have been heavily involved in various conflicts and civil wars.

The Second World War was of decisive importance for the political, economic, social and cultural development of the respective countries, each of which reacted in different ways to the departure of the colonial powers from Southeast Asia. Burma, for example, adopted a neutral stance upon independence in 1948 by refusing to enter into any form of alliance. Vietnam managed to divest itself of French colonial dominion after an armed struggle, after which an internal war broke out between the communist North and the US-backed South. Laos and Cambodia continued to maintain relations with France and other Western countries for some time after independence, while Thailand developed into a partner of the United States and its allies. None of the countries can be classed as a genuine democracy.

The way in which the countries have built up their domestic economies has had significant consequences for the economic development and formation of society.

With its free-market economy, Thailand underwent many years of rapid economic growth. This was facilitated by its membership of the Association of South East Asian Nations (ASEAN), which enabled Thailand to make grateful use of foreign investment and the development aid extended by Western countries.

The pace of development in Burma and the communist-oriented countries with a centrally-managed economy has been much slower. For the most part they were dependent for their development capital on non-Western sources of aid and generally lacked private investment from either the West or the Far East.

Geographically, the countries of the region display many similarities. The Mekong River flows through all of them and in certain places marks the border between Burma, Laos and Thailand. The water from the river is vitally important for the development of the Mekong river basin. In addition the region is covered with large tracts of tropical rainforest and enjoys a rich biological diversity. The countries are all predominantly rural in nature.

Although the ethnic differences are fairly substantial, most of the countries of the region have the same minorities, such as Karens or Chinese. In the North and Northeast of China there are many lowland Laotians. The main religion in the five countries is Buddhism, with Vietnam following the Greater Vehicle or Mahayana and the other country the School of the Elders or Theravada.

The programme set out in this Regional Policy Plan is based on an analysis of the current political situation, including human rights and socio-economic policy. This is discussed in Chapter 2. Chapter 3 examines Dutch policy and policy intentions for the various priority areas and sectors.

Caution is in order in interpreting the data: in general these need to be regarded more as an indication of the order of magnitude (absolute and/or relative) of a particular observation rather than as an exact and detailed representation of reality.

2. POLITICAL AND SOCIO-ECONOMIC POLICY

2.1 THAILAND

2.1.1 Basic information

Geographic and demographic indicators

land area	513,000 sq km
population	56 m
population density	109 per sq km
annual population growth	1.6%
urban population	23%
rural population	77%

Economic indicators

per capita GNP	US\$ 1170	(1990)
GDP growth	10%	(1990)
sectoral shares in GDP		
agriculture	17%	
industry	35%	
services	48%	
imports	US\$ 32,700 m	(1990)
exports	US\$ 23,100 m	(1990)
investment as % of GDP	34%	(1990)
savings as % of GDP	31%	(1990)
government budget as % of GDP	15%	(1990)
government revenue as % of GDP	20%	(1990)
ODA as percentage of GDP	1%	
per capita ODA	US\$ 10.3	
official foreign debt	US\$ 28,863 m	(1990)
debt servicing	11%	

Social indicators

average life expectancy:	
females	67 yrs
males	63 yrs
infant mortality per 1,000	28
literacy rate	
males	94%
females	88%
participation in primary education	83%

2.1.2 Political situation

For the past two centuries Thailand has been free of colonial domination, although it did fall under the British sphere of influence around the turn of the century.

After the Second World War Thailand became closely involved in the American war effort in Japan as a US ally.

Thailand has been a constitutional monarchy since 1932. Since the Second World War there has been a trend towards greater democracy, interspersed however by periodic bursts of military intervention. The strength of the military in Thailand derives in particular from the traditionally close links between the armed forces and all elements of Thai society. Until the accession of the Chatichai Choonhavan government in August 1988, the path from supreme commander of the army to Prime Minister was taken almost as a matter of course.

Under Chatichai's leadership, Thailand appeared to be on the road towards a mature democratic system, in which the armed forces would play a steadily diminishing role. In mid 1990, however, tension arose between the civilian government and the army high command, which felt itself increasingly relegated to second place. The tensions could ultimately no longer be contained and the armed forces once again put an end to the democratic process with a coup on 23 February 1991 - primarily, the army claimed, on the grounds of the widespread corruption. Immediately after the coup a state of emergency was declared. The constitution was declared inoperative and parliament dissolved. A National Peace Keeping Council (NPKC) consisting of the commanders-in-chief of the armed forces was instituted as a supervisory body. At the same time, the constitutional monarchy remained unimpaired. An interim government under Anand Panyarachun was appointed, consisting not just of various military leaders but also a large number of technocrats. Despite the almost noiseless and certainly non-violent way in which the coup was conducted, the Western world initially reacted sharply. When, however, the armed forces rapidly appointed an interim government, thereby making it clear that they did not themselves intend to take over the actual process of government, and held out the prospect of calling democratic elections, no organized international sanctions were imposed. The state of emergency was lifted in early May 1991.

A specially appointed National Legislative Assembly dominated by the military was charged with drawing up a new constitution. The new constitution received royal assent in December 1991 after having been adopted shortly before by the overwhelming majority of the National Legislative Assembly. General elections are scheduled for March 1992.

The cornerstone of Thai foreign policy consists of its membership of ASEAN, in which it occupies an important place as a neighbouring country in the Cambodia issue. Thailand attaches great importance to a comprehensive political settlement for Kampuchea. The solution of the refugee problem in the border area depends on such a settlement, as does the growth of regional trade, in which Thailand has carved out an important position for itself.

2.1.3 Human rights situation

There are no serious and structural violations of human rights in Thailand. Even after the recent coup Thai citizens continue to enjoy a wide range of civil freedoms.

There is freedom of expression and, as a significant concomitant, a large measure of press freedom. Such restrictions as there are related especially to a prohibition on communist propaganda. There are a number of active human rights organizations in Thailand which, among other things, report on police conduct and/or the treatment of prisoners during detention.

Isolated cases of police brutality are reported. Extortion by individual police officers is, however, the order of the day, reflecting the widespread corruption. According to Amnesty International there are ten political detainees who were sentenced by military corps and denied access to normal appeal procedures. International trafficking in women remains an uncontrollable phenomenon.

A disquieting event in the initial months following the coup was the dissolution of the trade unions representing employees in state enterprises - a move which previous governments had also attempted, albeit unsuccessfully. The major problem was that the unions were opposing efforts to privatize the state enterprises. The measure drew a sharp response at the International Labour Conference in June 1991 but was not reversed. It was also noted at that conference that Thailand was guilty of long-term infringement of Treaty 29 concerning forced labour. In particular this condemnation was aimed at the lax attitude of the Thai government towards combating youth prostitution.

In the last two years refugees and asylum-seekers from Burma have been returned to their country of origin against their will on various occasions. They are regarded in Thailand as illegal immigrants.

2.1.4 Socio-economic situation and policy

a. Economic growth and self-reliance

Thailand has undergone explosive economic growth since 1988. With a growth rate averaging 11% per annum over the past three years, Thailand has the fastest growing economy in the world. In particular, this expansion has been driven by the rapid growth of the industrial sector, which has been the object of large-scale foreign investment, at least three quarters coming from within the region itself (Japan, Hong Kong, Singapore, Thailand and South Korea). Per capita income in 1990 was US\$ 1170.

The years of high economic growth have also created a number of problems, especially as regards transport, transshipment capacity in the ports and the shortage of facilities for drinking water and electricity. Shortages also arose in the labour market and inflation rose to 6%. These problems manifested themselves in 1989 and appeared to be the first signals of an overheating of the economy. The latter did not, however, materialize on account of a slowdown in foreign investment caused by the crisis in the Middle East and an increase in interest rates and new tax measures. GDP was expected to grow in 1991 by 9%.

The Thai economy has traditionally been dominated by agriculture. Nearly 60% of the population remain engaged in agriculture and over three quarters of the population are estimated to live in rural areas. The share of agriculture in GDP, however, is just 17%. Despite a policy of crop diversification going back many years, rice remains the most important product. Other important agricultural products are tapioca, maize, sugar, rubber, coconuts and tropical fruits.

Supported by infrastructural improvements and measures to stimulate domestic and foreign investment, industry has developed rapidly since the early 1960s. The leading industries are food-processing, textiles and clothing. The policy of import substitution operated until 1984 has meant that many of these industries are capital-intensive. Following the devaluation of the Baht in 1984 there was a rapid increase in Japanese and Taiwanese investment in export industries. In order to meet the demand for basic industries, steel and petrochemical enterprises and oil refineries were established in the eastern and southern coastal areas in the 1990s.

Investment hovered around 25% of GDP in the second half of the 1980s, a level sufficient to generate a high rate of economic growth. In contrast to other countries in the region, the government has only a limited share in total investment. Savings amounted to over 20% of GDP.

The budget deficit of 7% of GDP in the early 1980s has now switched to a surplus. Among other things this has been due to tax reforms and higher revenues generated by the rapid economic growth. On the expenditure side, government investment has slowed down on account of shortages in the labour market and bottlenecks in the construction sector.

According to the Human Development Report, military spending in 1986 formed 4% of GNP.

In 1990 exports amounted to US\$ 23.1 billion, a rise of 16% on 1989. The main export product is textiles, followed by rice. Also important are gemstones, rubber, tapioca, integrated circuits, prawns, leather goods, sugar, canned fish and tropical fruit. Exports of non-agricultural products, including computer components and consumer electronics, are growing. By contrast the growth in exports of agricultural commodities and raw materials is erratic. Exports of rice for example have fallen heavily, due in particular to a deterioration in the terms of trade and intensified competition from Vietnam.

Tourism is also an exceptionally important source of foreign exchange. In 1990 some five million tourists visited Thailand (10% more than in 1989), bringing in an estimated US\$ 7 billion in foreign exchange earnings. Intra-regional tourism (Japan, Hong Kong, Singapore and Korea) is growing rapidly.

On account of the sharp growth of the demand side of the economy imports have been growing even more rapidly than exports in recent years. In 1990, imports rose by 24%. The deficit on current account consequently rose sharply in 1990 to US\$ 5.9 billion or 7.3% of GDP. Thanks however to the high and sustained level of foreign investment the capital account remained in surplus (US\$ 2.2 billion in 1990).

The total level of foreign debt was estimated at US\$ 28.8 billion in 1990. The public sector accounted for 40% of this figure. Debt servicing as a percentage of exports fell from 24.8% in 1986 to 10.6% in 1990.

b. Demography and environment

Selected demographic indicators

	1950	1985	2020 /a
Population (m.)	20	51	78
Age structure (%):			
0-14	42.5	36.5	21.0
14-64	54.5	59.9	80.6
65+	3.0	3.6	8.4
Population growth (%)	2.6	1.5	0.7
Population/km ²	39	101	158
Number of births/1000	46.6	22.3	14.4
Mortality/1000	19.2	7.0	7.4
Fertility:			
number of children per woman	6.6	2.6	2.1
Life expectancy in years	47.0	65.0	74.6

/a: based on the middle growth variant
(Source: World Population Prospects 1990)

Thailand has taken an enormous stride in the field of family planning over the past 20 years. During this period the rate of population growth has halved to 1.5%, meaning that Thailand now has the lowest rate of population growth in Southeast Asia, where the average is 2.1%. In the 1950s, Thailand was still well above the regional average.

Thailand is expected to achieve the replacement level of 2.1 children per family in the first five years of the next century. This would make Thailand the first country in Southeast Asia to do so, and the third in Asia after South Korea and China.

According to the World Population Prospects, Thailand, with a population of 56 million in 1990, was the 19th-largest country in the world. According to the middle growth variant Thailand will be in the 20th place in the year 2025 with 81 million inhabitants. In the Mekong Region, Thailand with its population of 56 million in 1990 was in the second place after Vietnam, with over 66 million inhabitants. According to the Human Development Report 1991, 77% of the population live in rural areas.

The low agricultural yields and growing population and unemployment in rural areas have led to a rapid expansion in the area under agriculture at the expense of tropical rainforest. The forest cover has fallen from 27.4 million hectares in 1961 to 15.7 million hectares in 1982 - the second highest rate of deforestation in Asia. Thanks in part to a strong environmental lobby, a prohibition on commercial logging has been in force since 1989. The deforestation, inappropriate use of

agricultural land (such as shifting cultivation) and the excessive use of pesticides, etc., have led to extensive erosion, soil degradation and unbalanced water management in the northern hill-area. In the north-east the result has been desertification and soil salination.

The construction of a number of dams has led to the enforced relocation of communities and the destruction of flora and fauna. The rapid industrialization of Thailand, especially in and around Bangkok and on the east coast, has also had a heavy impact on the environment. The water and air in Bangkok are badly polluted.

c. Poverty situation

Thanks partly to the comparatively high standards of living in large parts of the country, the poverty situation is no longer so acute. There are, however, sharp regional differences in income. Average per capita income in Thailand is US\$ 1,170, but in and around Bangkok the figure is US\$ 2,500, compared with just US\$ 500 in the northern provinces. From 1977 to 1987, 15% of the urban population and 34% of rural population was below the poverty-line.

With respect to the personal distribution of income, 40% of the population belonging to the lowest income category between 1975 and 1986 earned just 15% of national income. Despite the substantial rise in minimum wages, income differentials have risen sharply in recent years, among other things because the wages paid in practice often fall short of the statutory minimum.

The government does not have an effective income redistribution policy. The much lower gains in living standards in rural areas have meant a high level of migration to the cities (especially Bangkok), particularly in the form of seasonal labour. The construction industry is a major employer of this cheap labour.

Medical facilities are available throughout the country, although the situation in the cities is often considerably better than that in rural areas. According to the Human Development Report 1991, 70% of the population has access to health care, 66% to safe drinking water and 78% are able to use sanitary facilities.

AIDS is threatening to assume epidemic proportions in Thailand. The number of HIV-positive persons is put at over 300,000. In conjunction with the WHO, the government is conducting an active AIDS-control policy.

Thailand has a Human Development Index of 0.713, putting it in the 66th place, 22 places higher than its ranking on the basis of per capita GNP. This high score stems from the high literacy rate (91%) and the comparatively high purchasing power of the Thai currency, the Baht.

The Sixth National Economic and Social Development Plan devotes special attention to the development of the poorest rural areas. The policy is aimed at stimulating both government and private investment in order to create more employment.

The Thai government has long devoted considerable attention to education, and primary education is now virtually available to all.

In 1990 an act on the social insurance of government employees came into force. The coverage and range of facilities provided under the legislation are to be gradually expanded.

2.2 LAOS

2.2.1 Basic information

Geographic and demographic indicators

land area	237,000 sq km
population	4.1 m
population density	17 per sq km
annual population growth	2.6%
urban population	19%
rural population	81%

Economic indicators

per capita GNP	US\$ 180	
GDP growth	5%	(1990)
sectoral shares in GDP		
agriculture	50%	
industry	10%	
services	20%	
imports	US\$ 230 m	(1989)
exports	US\$ 80 m	(1989)
investment as % of GDP	22%	(1988)
ODA as percentage of GDP	10%	(1988)
government budget as % of GDP	14%	
per capita ODA	US\$ 19.6	
foreign government debt	US\$ 1,000 m	(1989)
debt servicing	14.5%	(1989)

Social indicators

average life expectancy:	
females	50 yrs
males	47 yrs
infant mortality per 1,000	110
literacy rate	50%

2.2.2 Political situation

From 1890 to 1953 Laos was a French protectorate. Upon independence in 1953 civil war broke out between the US-supported royal government and the Pathet Lao communist resistance movement supported by North Vietnam. Although a number of unsuccessful efforts were made to form a coalition government between the Royalists and the Pathet Lao, the civil war lasted until the Pathet Lao victory in 1975, when the People's Democratic Republic was proclaimed. Since then the country has been governed by the Communist Party.

Efforts have been made to liberalize the economy since 1985, but to date there have been no meaningful domestic political reforms to speak of. The central role of the Communist Party is repeatedly emphasized and any form of political opposition is stifled, an example being the arrest of a number of senior officials when they called at the end of 1990 for the introduction of a multi-party system.

After the fifth Party Congress held at the end of March 1991, a number of amendments were made to the composition of the Politburo and the Central Committee. Prince Souphanouvong, nicknamed the "Red Prince", departed, to be replaced by Kaysone Phomvihane, who had played a central role in Laotian politics since the communist victory. General Khamthai Siphandon was appointed Prime Minister.

In August 1991 Laos obtained a Constitution for the first time in its history. The term "socialism" does not appear in the Constitution, but the latter does lay down that the Communist Party should continue to play the leading role. The link between state and party organs has been made less close, while the separation of the legislative, judicial and executive powers has been clarified.

To begin with Laos had very close relations with its ally Vietnam. A treaty of friendship was concluded under which some 40,000 Vietnamese troops were stationed in Laos. Western observers consider that between 10,000 and 20,000 Vietnamese troops were stationed in Laos in 1990. Laos is, however, currently also seeking rapprochement with the United States and China. Relations with Peking were disrupted by the Vietnamese invasion of Cambodia, when the Chinese-supported Khmer Rouge government was ousted. Laos feels closely involved in the Kampuchean issue, resolution of which is essential for broadening its relations with the outside world.

Following a brief border war in May 1987, relations with Thailand have improved considerably. In October 1989 the two countries signed a cooperation agreement covering economic, commercial, cultural, scientific and technical affairs.

2.2.3 Human rights situation

Following the communist seizure of power in 1975, many Laotians disappeared into re-education camps, euphemistically referred to as "seminars". Since 1987, when the Laotian government introduced a form of "glasnost" and "perestroika", there has been a limited improvement in the human rights situation. All the detainees from the notorious Attapeu camp have since been released. In total there are now said to be ten Laotians in re-education camps.

To date the government has governed primarily by decree. Only now, 15 years since the proclamation of the People's Republic, are moves being taken to build up a legal system. A Constitution came into force for the first time in 1991. This introduced a clearer separation between the legislative, judicial and executive powers and provides guarantees of civil freedoms, including freedom of religion. Political rights, however, remain secondary.

Over 350,000 Laotians have fled abroad since 1975. Many still live in camps in Thailand. A programme for voluntary return has been set up under the auspices of the UNHCR, resulting in the repatriation of some 6,000 refugees. In addition some 20,000 refugees have returned independently.

2.2.4 Socio-economic situation and policy

a. Economic growth and self-reliance

Laos is one of poorest countries in the world, with a per capita income of US\$ 180. GNP grew by 5% in 1990.

The country, which has no direct access to the sea, has a wealth of raw materials such as tin, gypsum, coal, gemstones, sapphires and gold and enormous agricultural and hydroelectric potential. The country's rudimentary state of development means, however, that it is very difficult to exploit that potential.

The majority of the population lives on the fertile flats along the Mekong River. Agriculture is the most important sector of the economy: nearly 80% of the population is engaged in agriculture, which accounts for over 50% of GDP. The leading products are rice and coffee. The fertile soil means there is considerable scope for the cultivation of cash crops.

There is little industrial production. Most commercial ventures are state enterprises. The most important activities are food-processing and the generation of hydroelectric power.

Foreign investors have recently been encouraged to participate in joint ventures. The services sector is developing fairly rapidly, especially in the fields of trade and transport, despite the fact that the country has few roads and lacks railways.

Given the low per capita income, investment in Laos is at a comparatively high level, ranging from 17% to 25% of GDP. There are, however, virtually no domestic savings, so that investment is almost entirely dependent on foreign aid. Virtually all capital expenditure is consequently handled by the state.

Over 50% of all government expenditure is devoted to improving the inadequate infrastructure. Government revenues are sufficient only to cover current expenditure, so that public investment has to be funded by foreign aid. The budget deficits in the late 1980s amounted to 12-25% of GDP. A number of tax reforms were recently introduced, as a result of which the share of state-enterprise profits

in total government revenue has been reduced. No figures are available on military spending.

During the fourth Party Congress in 1985 the government adopted a new policy and action programme, forming part of the New Economic Mechanism (NEM). Initially, the key elements of the NEM were designed to promote decentralization and the market mechanism. To begin with these measures were aimed at improving the performance of state enterprises, while subsequently additional measures were introduced for the economy as a whole, including the deregulation of prices, fiscal and financial reforms, the dismantling of trade barriers and the introduction of investment codes.

These fundamental changes were introduced in 1986 and are already exhibiting signs of success. It is assumed that these measures will boost the level, pace and efficiency of domestic economic activity. The development scenario for the 1990s will largely depend on the successful implementation of the NEM reforms and the Third Five-Year Plan (1991-1996). The main objectives of the latter plan are:

- guaranteeing food supplies and food security;
- the development of forestry with a view to nature conservation and a reduction in shifting cultivation;
- expansion of agro-forestry in favour of domestic industrial production;
- improvement of the balance of payments by a reduction in imports, with the exception of food products, and increasing the level of exports;
- improvement of transport and telecommunication systems;
- enhancement of administrative and management capacities.

In 1988 a progressive investment act was introduced with a view to creating an attractive climate for foreign investors. Foreign investors have been offered a number of privileges, especially tax concessions, but so far there have been few results as it is extremely difficult to find trained staff and the infrastructure leaves much to be desired. In addition the legal system is inadequate, so that the investment act remains largely a law on paper.

In 1989 Laos exported goods to the value of just US\$ 80 million. The leading export products are timber and electricity, with Thailand the main customer. Imports are structurally higher, thus generating an annual deficit on current account in the order of US\$ 100-150 million.

Foreign aid contributes substantially to the development of Laos and generally takes the form of grants or soft loans. Total foreign debt in 1989 amounted to US\$ 1 billion, the main creditors being the countries of the former Eastern bloc (accounting for three quarters of the total debt). The debt servicing/exports ratio is 14.5%.

In order to support the organized banking sector Laos secured a concessional loan from the Asian Development Bank in January 1991 of US\$ 25 million. This loan was offered in order to strengthen the equity capital of the national banks. The

standard of service has since improved markedly. In April 1991 a US\$ 12 million IMF loan was obtained. The latter loan is the second tranche of a structural adjustment loan (running for three years) concluded in 1989 for a total sum of around US\$ 30 million. This loan is designed to assist the government of Laos with the structural adjustment of the economy, especially by moderating the rise in import costs consequent upon the abolition of subsidized deliveries from the former USSR.

b. Demography and Environment

Selected demographic indicators

	1950	1985	2020 /a
Population (m.)	1.7	3.6	8.0
Age structure (%):			
0-14	41.8	42.7	31.6
14-64	55.4	54.4	64.5
65+	2.8	2.9	3.9
Population growth (%)	2.1	2.8	1.3
Population/km ²	7	15	34
Number of births/1000	45.7	45.1	20.4
Mortality/1000	25.3	16.9	7.1
Fertility:			
number of children per woman	6.2	6.7	2.4
Life expectancy in years	36.5	47.0	64.0

/a: based on the middle growth variant.

(Source: World Population Prospects 1990)

The population of Laos is growing by 2.6% a year (1990), one of the highest rates in Southeast Asia (average: 2.1%). In the 1950s there were six countries in the region with higher population growth rates and Laos was just above average. It is expected that the country will be able to achieve the replacement level of 2.1 children per family around the year 2030. This would mean that, along with Cambodia, Laos would be among the last of the countries in Southeast Asia to achieve this level, while Thailand would be the first.

The country has the smallest number of inhabitants and lowest population density in the Mekong Region. Roughly half the population consists of ethnic Laotians, also known as Lowland Laotians, while the other half consists of various hill-tribes, including the Hmong and Karens.

According to the middle growth variant of the World Population Prospects 1990, Laos will have a population of 8.6 million in the year 2025. According to the Human Development Report 1991, 80% of the population lives in rural areas.

The environmental problems in Laos are attributable not so much to the population density, as in many other Asian countries, but to the large-scale timber-felling, with resultant deforestation and erosion. In agriculture the low fertility of the land means that primitive shifting cultivation remains a widespread practice. This also contributes to environmental degradation.

c. Poverty situation

Laos ranks 150th in the world in terms of per capita income, which amounts to around US\$ 180. The Human Development Index 1991 is 0.253, putting the country in the 128th place in the world. This relatively high score is due primarily to the comparatively high literacy rate, which the UNDP estimates at 50%.

According to the Human Development Report 1991, 67% of the population have access to health facilities, but only 10% have access to sanitary facilities. No figures are available on the provision of safe drinking water. Average life-expectancy at birth is estimated at 49 years. Infant mortality is high: 110 out of 1,000 children die in the first year of life.

Although Laos has generally managed to eliminate social inequalities, the standard of living remains to be improved. With the exception of a handful of people, the urban and rural households are poor. In rural areas this is largely because people produce for personal consumption and little is left over for sale or barter. In urban areas the low standard of living is due to the low level of wages. The poverty affects the standard of living of households in terms of the quality of housing and food and the affordability of health care and education.

2.3 CAMBODIA

2.3.1 Basic information

Geographic and demographic indicators

land area	181,040 sq km
population	8.4 m
population density	46 per sq km
annual population growth	2.5%
urban population	12%
rural population	88%

Economic indicators

per capita GNP	US\$ 160	(1989)
GDP growth		(1985)
sectoral shares in GDP		
agriculture	90%	
industry	5%	
services	5%	
imports	US\$ 130 m	(1990)
exports	US\$ 35.5 m	(1990)
government expenditure as % of GDP	14%	

government revenue as % of GDP	7%
per capita ODA	US\$ 2.2
official foreign debt	US\$ 600 m (1987)

Social indicators

average life expectancy:	
females	49 yrs
males	46 yrs
infant mortality per 1,000	130
literacy rate:	
males:	41%
females:	17%

2.3.2 Political situation

Cambodia was colonized by France in 1863 and was granted independence in 1953 under Prince Norodom Sihanouk. Cambodia's independent status was confirmed at the Geneva Conference on Indo-China in July 1954. Prince Sihanouk's government was overthrown by the pro-American General Lon Nol in 1970 during the Vietnam War and the name of the country was changed to the Khmer Republic.

Cambodia was drawn into the US-Vietnam conflict in the early 1970s. The heavy bombing by the US Air Force of the Vietnamese communists' supply routes through Cambodia had a destructive effect on the country and its social structure. At the same time a civil war erupted between the western-oriented government of Lon Nol and the Maoist resistance movement known as the Khmer Rouge. In 1975 the Khmer Rouge seized power under Pol Pot and introduced the "agricultural socialist revolution". The Cambodian population was systematically suppressed until 1979. Partly as a result of the policy of enforced "return to the countryside" over three million Cambodians are estimated to have died and the country's economic life was totally destroyed. Denial of the function of money led to the further destruction of Cambodian society. The majority - up to 90% - of educated and trained people perished under the Pol Pot regime or fled the country.

In 1978/1979 the Vietnamese drove out the Khmer Rouge and installed a government in Phnom Penh under Heng Samrin. The regime was recognized by only a small number of countries, mainly from the former Eastern bloc. Three resistance movements conducted a struggle against the Vietnam-supported government in Phnom Penh, namely the National United Front for an Independent, Neutral and Cooperative Cambodia (French abbreviation FUNCINPEC) under the former head of state Prince Sihanouk, the Khmer People's National Liberation Front (KPNLF) led by ex-premier Son Sann and the Khmer Rouge under the present leader Khieu Samphan.

After years of international pressure Vietnam withdrew its troops almost entirely from Cambodia in September 1989. In 1989/1990 a peace process got under way

under the auspices of the International Conference on Cambodia in Paris (PCC), with France and Indonesia as co-Chairmen. The signature of a comprehensive political settlement of the Cambodian conflict in Paris on 23 October 1991 opened the way for a normalization of the political situation and a resumption of international aid to Cambodia. Apart from the repatriation of Cambodian refugees the agreement provides for a ceasefire, disarmament and the demobilization of the resistance movements. As part of the comprehensive settlement the United Nations will play a significant role in the form of the United Nations Transitional Authority in Cambodia (UNTAC) until a new Cambodian government can be elected on the basis of general elections. Following the signature of the agreement the United Nations Advance Mission to Cambodia (UNAMIC) travelled to the country in preparation for the UNTAC peacekeeping force that was to be established. On 14 November 1991 Prince Sihanouk returned to Cambodia in his capacity as Chairman of the Cambodian Supreme National Council (SNC). All the political factions are represented in the SNC, which acts towards the outside world as the legal representative of the Cambodian people.

2.3.3 Human rights situation

In a country afflicted so recently (1975-1978) by genocide perpetrated by its own Khmer Rouge government, human rights is a particularly loaded subject. In the 1980s the human rights situation in the area controlled by the Phnom Penh government had improved but could still not be termed good.

A new Constitution came into force in April 1989. Significant improvements have been announced in the field of human rights, including freedom of movement, assembly, press and religion and the abolition of the death penalty. In practice, however, the reforms do not go as far as appears on paper. Although there has, despite the violence, been a certain degree of relaxation, criticism of the government is not tolerated. Cambodians seeking to found a new political party have been imprisoned. There is, however, little if any further evidence of disappearances, political murders or arrest without charges or trial. Religious gatherings have been resumed.

Little information is available on the human rights situation in the areas controlled by the resistance movements. On the basis of such information as there is, it is evident that the Khmer Rouge remains guilty of violations of human rights.

The Cambodian peace agreement contains a number of guarantees for free elections and respect for human rights with a view to avoiding a repetition of the genocide perpetrated by the Khmer Rouge. It has been announced that the political detainees and prisoners of war will be released under Red Cross supervision.

2.3.4 Socio-economic situation and policy

a. Economic growth and self-reliance

Partly on account of the war, Cambodia is among the ten poorest countries in the world. Per capita income is estimated at US\$ 160 and gross domestic product at US\$ 1.13 billion (1989). The main economic activities are concentrated in the Central Lowlands, which is in the hands of the Phnom Penh government.

High-quality gemstones and, more recently, gold are mined in southwest Cambodia. Part of this area is in the hands of the Khmer Rouge. According to recent press reports, commercially viable gold seams have been discovered in the southeast in areas controlled by Phnom Penh.

Cambodia has a primarily rural economy. Agriculture accounts for 90% of GDP and 85% of the population is engaged in this sector. The average farmer has 1.2 hectares of land, generally of poor quality. The main agricultural commodity is rice, for which 84% of all agricultural land is used. Other, less important crops are maize, beans, tapioca, soya beans and groundnuts.

In 1986, 40% of the industrial production capacity of 1969 was unused. Total industrial production grew on average by 15% a year between 1980 and 1985, thereafter falling to just 10%. The government's industrial policy is primarily aimed at restoring industrial output to the pre-1970 levels. Partly on account of the shortage of raw materials, however, industrial production will for the time being make only a limited contribution to the domestic economy.

The government budget was estimated at some US\$ 160 million in 1989, of which 40% was devoted to the armed forces. Government revenues amounted to just US\$ 77 million.

The balance of trade is structurally in deficit. Total exports in 1988 amounted to US\$ 35.5 million and were only sufficient in order to cover 30% of imports. Up to and including 1989 trade was primarily concentrated on the former Eastern bloc. The leading export products are rubber, timber, raw cotton, beans, maize and tobacco. There is thought still to be a considerable volume of illegal trade on the Thai border, primarily in gemstones, timber and livestock.

The former Eastern bloc provided the necessary aid to rectify the serious deficits. Vital inputs such as raw materials, transport facilities and fertilizer were supplied, especially by the Soviet Union (US\$ 30 million in 1989). On account of the political revolution in the Eastern bloc this support has now lapsed.

In 1987 Cambodia had a foreign debt of some US\$ 600 million, of which 80% was owing to the countries of the former Eastern bloc.

Transport in Cambodia has traditionally been based on an extensive network of navigable rivers. A railway line connects Phnom Penh and Battambang with the Thai border. The seaport of Kompong Som constructed in the 1960s is connected to Phnom Penh by rail. During the period of civil war and Khmer Rouge rule in the 1970s the physical infrastructure of Cambodia was badly neglected and largely destroyed. Lack of finance, equipment and technical know-how means that the

restoration of the infrastructure is proceeding only slowly. The transport situation is further aggravated by regular attacks on roads, bridges and rail links.

Immediately after the Vietnamese invasion and the installation of the Heng Samrin government Cambodia embarked on a period of economic recovery along traditional Soviet lines. The centrally planned nature of the economy did not, however, entirely wipe out private enterprise and the free market principle, so that the private sector has even managed to develop to some extent in recent times.

Although there is no reliable statistical material on employment and production in the private sector, the activities in Phnom Penh and other towns indicate that the private sector is once again gaining the upper hand. Many of these activities are however confined to the services sector, so that too little is invested in the more productive sectors.

b. Demography and environment

Selected demographic indicators

	1950	1985	2020 /a
Population (m.)	4.3	7.3	13.3
Age structure (%):			
0-14	42.2	32.6	28.2
14-64	55.1	54.8	65.0
65+	2.7	2.6	6.8
Population growth (%)	2.2	2.5	1.1
Population/km ²	24	40	73
Number of births/1000	45.4	41.4	19.8
Mortality/1000	23.8	16.6	9.2
Fertility:			
number of children per woman	6.3	4.7	2.3
Life expectancy in years	38.1	47.0	62.6

/a: based on the middle growth variant.

(Source: World Population Prospects 1990)

As the last census was conducted in Cambodia in 1962, reliance has chiefly been placed on the figures from the World Population Prospects 1990 of the United Nations. The present rate of population growth is estimated at 2.5%. In the 1970s the rate of population growth was initially very low, later turning negative, on account of the prevailing situation of war and domestic terror. Of the adult population 64% are women, of whom 35% are heads of households.

The population of Cambodia in 1989 was estimated at 8.4 million. Next to Laos it has the lowest population density in the region. According to the middle growth

variant of the World Population Prospects, Cambodia will have 14 million inhabitants in the year 2025.

The country is expected to achieve the replacement level of 2.1 children per family around the year 2030. Along with Laos, this would make Cambodia one of the last countries in Southeast Asia to achieve this level, with Thailand the first.

According to the Human Development Report 1991, 88% of the population lives in rural areas. Of the urban population 80% live in Phnom Penh. The population of the capital city has recently been swelled by the large number of refugees.

As far as known no studies have been conducted and few concrete details are therefore available on the environmental situation in Cambodia. It is however known that large-scale deforestation is continuing and that water management has been disrupted in large areas as a result of the irresponsible construction of irrigation works by the Khmer Rouge. Fishing stocks in the Tonle Sap lake are also said to have suffered from the felling of swamp forests in the lake during the period of Khmer Rouge rule.

Large tracts of Cambodia are sown with land-mines. The country consequently has one of the highest rates of physically handicapped persons in the world. A significant proportion of the returning refugees will be resettled in areas with mines. An urgent appeal has been made to the international community to assist in the mine-clearance operation. The Netherlands has already announced that it is willing to make a contribution to the clearance of land-mines by UNAMIC, whose mandate was extended accordingly in January 1992.

c. Poverty situation

Following a quarter of a century of civil war, international conflict and oppression by the Khmer Rouge, Cambodia has lost its position of relative prosperity to become one of the poorest countries in the world, with a per capita income of US\$ 160. The Human Development Index is 0.175, putting the country in the 140th place in the world, 18 places higher than its ranking on the basis of per capita GNP.

The health situation of a substantial proportion of the population is a matter of concern. Children in particular suffer from chronic malnutrition. Only 13% of the population has access to safe drinking water. The rate of infant and child mortality is high, namely 130 per 1,000 births and 200 per 1,000 children aged 0-5. The health care system in Cambodia is short of virtually everything.

As a result of the conflict in the western part of the country there are now some 190,000 internally displaced persons. These people can expect little if any support from the Phnom Penh government.

2.4 VIETNAM

2.4.1 Basic information

Geographical and demographic indicators

land area	332,000 sq km
proportion used for agriculture	20%
population	66.6 min.
population density	200 per sq km
annual population growth	2.1%
urban population	22%
rural population	78%

Economic indicators

per capita GNP	US\$ 160	(1989)
GDP growth	6.2%	(1990)
sectoral shares in GDP		
agriculture	50%	
industry	20%	
services	30%	
imports	US\$ 2,750 m	(1990)
exports	US\$ 1,230 m	(1990)
investment as % of GDP	10%	(1989)
savings as % of GDP	5%	(1989)
government budget as % of GDP	19%	
government revenue as % of GDP	11.4%	
official foreign debt	US\$ 15,000 m	(1990)
debt servicing	63%	

Social indicators

average life expectancy:	
females	64 yrs
males	60 yrs
infant mortality per 1,000	64
literacy rate	
males	85%
females	80%

2.4.2 Political situation

The French colonial conquest of Vietnam, which commenced in the mid 19th century, was completed in 1885. Towards the end of the Second World War in 1945, Japan installed a pro-Japanese government in Vietnam. At the same time the communist Viet-Minh led by Ho Chi Minh unleashed a national war of liberation from the north. On 2 September 1945 the Democratic Republic of Vietnam was declared. The French reasserted their control over the largest part of Vietnam in 1947.

After the communist victory in China in 1949 the Viet-Minh rapidly gained strength with Chinese support and managed to defeat the French - by this time supported by the United States - at a decisive battle at Dien Bien Phu in 1954. At

an international peace conference in Geneva in the same year the country was divided into two zones: the communist Democratic Republic of Vietnam, with Hanoi as the capital, north of the 17th parallel; and the non-communist Republic of Vietnam, with Saigon as the capital, south of the 17th parallel.

The South proved incapable of resisting the armed communist insurgency organized from the North and relied increasingly on support from the US. Despite the heavy bombing of North Vietnam and the large-scale deployment of troops, the US failed to attain military supremacy. Following the Paris Agreements of 1973 the US commenced a gradual withdrawal from Vietnam. The last Americans left Saigon in 1975.

After a brief intermezzo, in which the South Vietnamese Viet-Cong installed their own government in the South, the Socialist Republic of Vietnam was proclaimed in 1976, with Hanoi as capital. The country was organized on the basis of orthodox communist principles along former Soviet lines, with the Communist Party exercising control over the National Assembly. The central organ of the party is the Politbureau of the Central Committee. In 1981 a new constitution came into force providing for the establishment of a Council of State with legislative powers and a Council of Ministers.

At the sixth Party Congress in 1986 it was conceded that the government's economic policy had brought the country to the edge of the abyss. A Vietnamese version of "glasnost" and "perestroika" was introduced, known as "doi moi" (literally: "radical change"). A majority in both the party and government now appear in favour of economic reform, although views differ about the pace at which this should be achieved.

The line of economic liberalization was continued at the seventh Party Congress in late June 1991, although the political status quo was maintained. A new draft constitution was published in mid December 1991. Although this confirmed the leading role of the Communist Party, greater powers were also accorded to the elected National Assembly. The latter will express its views on the new draft constitution in spring 1992.

The Vietnamese intervention in Cambodia in 1979 brought the already troubled relations with the People's Republic of China - which feared an Indo-Chinese federation dominated by Hanoi - to a new low. Relations with the US and Western countries also deteriorated rapidly. Since 1986 the developments in the former Eastern bloc countries, the improvement in Sino-Soviet relations and the increasing international pressure on Vietnam led Hanoi to withdraw virtually all its troops from Cambodia. The Vietnamese government wishes to bring about a rapid improvement in relations with the West, China and the ASEAN countries. Relations with China were normalized after the signature of the Cambodian peace agreement and there were signs of an accommodation with the ASEAN countries.

2.4.3 Human rights situation

Under the present Constitution adopted in 1980 all ethnic groups are equal. The latter include the hill tribes (collectively known as the Montagnards) and the Vietnamese of Chinese origin (Hoa). The latter have long been underprivileged and poorly treated. Given their professional activities they have benefited from the economic reforms and also from the improved relations with China.

Buddhism and Roman Catholicism have a large following throughout Vietnam. The profession of these faiths is permitted in temples and churches, even though the Vietnamese authorities did all they could in the past to suppress religion; religious leaders were sometimes sent to re-education camps or received long-term prison sentences.

The technically inadequate state of Vietnamese legislation was substantially improved by the introduction of a series of civil codes, including the Criminal Code, which came into force on 1 January 1986. The contents of the Criminal Code are typical of a country with a communist system, containing severe penalties, including the death penalty, for offences against national security. It also contains principles such as those enshrined in Western legislation, such as the need for a statutory basis for any penal sanctions. In many cases the punishment is re-education, for a maximum of two years.

Estimates of the number of physical detainees in Vietnam vary. In 1987 and 1988 large-scale amnesties were announced, leading to a sharp drop in the number of political detainees. Conditions in the re-education camps were poor, although ex-detainees did not however report instances of torture or executions. One after another these camps have been closed in recent times; the last 100 detainees have been brought together in a single camp, where they were visited by the International Red Cross. They are expected to be released this spring.

In recent years Vietnam has been subject to a continuing outflow of political and economic refugees. In 1989 the various parties concerned with this problem (i.e. Vietnam, the countries of initial reception in the region, Western donors and the UNHCR) reached agreement in Geneva on a structural approach (known as the Comprehensive Plan of Action). Among other things this provides for the repatriation of Vietnamese who have fled the country but who have not been recognized as political refugees.

2.4.4 Socio-economic situation and policy

a. Economic growth and autonomy

Vietnam has a considerable wealth of natural resources, including coal, oil, natural gas, bauxite, iron ore, lead, zinc and copper, although these are not properly exploited. A number of international companies are now engaged in oil and gas exploration and have made interesting discoveries.

As a result of the many years of war, international isolation and internal disorder, Vietnam is one of the poorest countries in Asia with an estimated per capita income

of US\$ 160 in 1989. The growth of GNP in that year amounted to 3.5%, while growth in 1990 is officially estimated at 6.2%. Although North and South Vietnam were reunified in 1976, there remain large practical differences between the two parts of the country. The North has had a centrally managed economy for many years, while the South has had more of a market economy.

Roughly 50% of Vietnamese GNP is generated by agriculture. In the field of food production - especially rice - the country is self-sufficient. For the first time in many years Vietnam began exporting rice again in 1990, to the point of becoming the world's third-largest exporter of that commodity. Nearly 6 million hectares of land are used for rice cultivation, i.e. 80% of the cultivated area in the South and 90% in the North. Other leading crops include potatoes, tapioca, jute, cotton, sugar-cane, tobacco, tea, coffee and rubber.

The industrial sector, which accounts for 20% of GDP, has managed to develop in recent years with the aid of foreign investment. The leading sectors are textiles, chemicals and machine-building. Industry is heavily dependent on imports of raw materials and capital goods and suffers from acute shortages of spare parts. The quality of production tends to be low.

No reliable data are available on investment and savings. The World Bank estimates investment in the period 1986-1988 at 8% of GDP per annum and 10% in 1989. Savings amounted to 5% of GDP in 1989, a clear improvement in relation to previous years, when savings were negative.

According to the World Bank, government revenues amounted to 11.5% of GDP in 1988. State enterprises accounted for 60% of these revenues - although a significant proportion was ploughed back into the state enterprises in the form of capital investment, which amounted to some 4% of GDP in 1988. Government spending amounted to 15% of GNP in 1988. No figures are available on military expenditure. Since the withdrawal of its troops from Cambodia, Vietnam has reduced the size of the armed forces, thereby increasing the level of unemployment.

Imports amounted to US\$ 2,750 million in 1990 and exports to US\$ 1,230 million. The lower level of food imports and increasing exports of oil and rice have helped to reduce the balance of payments deficit. Other important export commodities include coal, anthracite and timber. There are interesting prospects for the clothing industry on account of the low wage costs.

In 1990 Vietnam had a foreign debt of US\$ 15 billion, of which US\$ 6.5 billion was owing to the former Eastern bloc countries. The debt servicing amounted in the same years to 63%. France has for some time been attempting to organize a support group with a view to writing off Vietnamese debts through the IMF and the World Bank. IMF aid has been blocked largely on account of resistance by the US and Japan. The reforms of the economic system recommended by the IMF have, however, been adopted by Vietnam.

At the Sixth Party Congress it was decided to implement a new economic strategy as part of the process of "doi moi". In implementing that strategy Vietnam is making the same transition from a planned to a market economy as the East European countries. Among other things efforts are being made to reduce the level of government interference and state subsidies, to stabilize prices and to improve the banking system. Less emphasis will be placed on heavy industry. By contrast more will be invested in agriculture, the food industry and the energy sector and in the heavily neglected infrastructure. Private ownership has been reintroduced. Since 1988 Vietnam has had a foreign investment act and private companies are permitted to do direct business abroad. Foreign investment has been concentrated in the energy sector (i.e. oil extraction). One of the leading results of the new economic policy has been the reduction in the high level of inflation (from 590% in 1986 to 35% in 1989).

A significant task for the government is that of bringing the economic structures of the North and the South more closely into line. The economy in the South is growing more rapidly than that in the North. This is due not just to the superior infrastructure in South Vietnam; the historically evolved trading mentality and better level of education of the South Vietnamese also enable them to respond more effectively to the new economic situation than their Northern counterparts. The result has been that significant developments have been taking place in the South in the field of agriculture and the manufacture of consumer goods, while the North has been lagging behind.

b. Demography and environment

Selected demographic indicators

	1950	1985	2020 /a
Population (m.)	30	60	111
Age structure (%):			
0-14	34.3	40.6	25.5
14-64	61.8	54.9	69.3
65+	3.9	4.5	5.2
Population growth (%)	1.3	2.2	1.2
Population/km ²	90	181	33.4
Number of births/1000	41.8	31.8	17.7
Mortality/1000	28.5	9.5	5.7
Fertility:			
number of children per woman	6.1	4.1	2.1
Life expectancy in years	39.1	59.2	70.8

/a: based on the middle growth variant.

(Source: World Population Prospects 1990)

The population of Vietnam is growing by 2.1% a year, a rate which is expected to rise slightly in the next five years. The rate of population growth will not drop below 2% until the next century, meaning that Vietnam will remain slightly above the average of 2.1% for Southeast Asia. During the period 1950-1970 Vietnam was consistently below the regional average, probably on account of the war. Vietnam is expected to attain the replacement level of 2.1 children per family in the year 2020. Vietnam is the most populous country in the Mekong Region. According to the World Population Prospects 1990 Vietnam is the twelfth largest country in the world with a population in 1990 of over 66 million. According to the middle growth variant, Vietnam will rank thirteenth in the world in the year 2025 with a population 117 million.

According to the Human Development Report 1991, 78% of the population live in rural areas.

The need to produce food and energy for the rapidly growing population, which is expected to double in the next 35 years, could form one of the most serious threats to the vulnerable eco-system of Vietnam. Deforestation is proceeding apace without being compensated for by reforestation. Erosion is increasing while soil fertility is declining.

Like Thailand, Vietnam is a country with an exceptional wealth of flora and fauna. This is, however, seriously threatened by deforestation and overhunting and overfishing. In recent years the mangrove forests in the delta areas have been increasingly at risk from the growth of prawn cultivation. During the Vietnam War the country suffered from wide-scale bombing, including the use of defoliants. The resultant damage to the environment remains considerable.

At the International Conference on Environment and Sustainable Development held in Hanoi at the end of 1990 reference was made to growing air pollution, especially in the large towns and industrial centres. This problem will grow with further industrialization and a greater volume of traffic. There are no means for limiting or controlling pollution.

c. Poverty situation

Although there are no reliable figures on per capita income in Vietnam, the latter has been estimated at US\$ 160 on the basis of nutrition indicators. The Human Development Index 1991 stood at 0.498, placing Vietnam in the 99th place in the world, the highest in the region after Thailand and 43 places higher than its position on the basis of per capita GNP. The difference is primarily accounted for by the high percentage of children attending school and the comparatively high life-expectancy.

The war and the unrealistic agricultural policy to which this gave rise led until the recent past to critical situations in the field food security. Malnutrition is a serious and prevalent problem. According to survey findings there are large-scale protein shortages. The agricultural reforms of 1988 have brought some improvement in the

situation. The loss of aid from the former Eastern bloc has led to an increase in the prices of agricultural inputs such as fertilizer, which has had consequences for agricultural productivity. The national food situation has still not yet been secured.

In theory health care in Vietnam is reasonably well organized, with medical facilities at all levels. Lack of funds mean, however, that medical facilities at the lowest level are poorly equipped and there is a shortage of qualified staff and medicines.

In 1988, 14% of all babies were born underweight. Infant mortality was 64 per 1,000, while 60% of the urban and 37% of the rural population have access to safe drinking water.

In the field of education impressive successes have been recorded. The country has a high literacy rate. The emphasis in education is, however, on quantity rather than quality. Generally speaking the buildings and equipment in the education sector are in poor condition on account of lack of money.

2.5 BURMA

2.5.1 Basic information

Geographic and demographic indicators

land area	677,000 sq km
population	41.7 min.
population density	62 per sq km
annual population growth	2.1%
urban population	25%
rural population	75%

Economic indicators

per capita GNP	US\$ 200	
GDP growth	5.7%	(1990)
sectoral shares in GDP		
agriculture	37%	
industry	15%	
services	48%	
imports	US\$ 450 m	(1990)
exports	US\$ 350 m	(1990)
investment as % of GDP	9.5%	(1990)
savings as % of GDP	9%	(1990)
government budget as % of GDP	14%	(1990)
government revenue as % of GDP	7.5%	(1990)
foreign government debt	US\$ 4.3 bn	(1990)
debt servicing	80%	

Social indicators

average life expectancy:	
females	62 yrs
males	58 yrs
infant mortality per 1,000	70
literacy rate	55%

2.5.2 Political situation

After nearly 60 years of British colonial domination, Burma was granted independence in 1948. Until 1962, when General Ne Win assumed power, the country enjoyed a period of democracy.

Since then the country has undergone a period of self-imposed isolation, formally known as the "Burmese Way to Socialism". Economically this experiment proved disastrous. In 1988, Burma - a country with a wealth of natural resources and comparatively prosperous upon independence - was added to the group of Least Developed Countries. Growing dissatisfaction with the one-party system and the parlous economic situation led to mass protests against the administration of Ne Win in July 1988 and ultimately to his resignation. His successors - appointed with Ne Win's concurrence - did not however manage to win the confidence of the population and to restore order. Ultimately the army seized power on 18 September 1988. The popular uprising was suppressed with particular brutality, in which many people lost their lives.

Shortly afterwards the new rulers, of whom a number had close links with General Ne Win's former Burma Socialist Programme (BSPP) and who now come together under the name State Law and Order Restoration Council (SLORC), foreshadowed a transfer of power to a civil government on the basis of general elections. These were held on 27 May 1990. The newly formed National League for Democracy (NLD) opposition party, led by the charismatic Aung San Suu Kyi, daughter of Burma's hero of independence Aung San, emerged as the main winner of the (surprisingly free and orderly) elections. Although Aung San Suu Kyi had already been placed under house arrest in July 1989 (and continues to be so) the NLD received nearly 80% of the seats in the prospective parliament.

It is generally accepted that the military underestimated the enormous popularity of the NLD, especially that of its leader. Shortly afterwards it became clear that the SLORC did not intend to honour the election result. It was made clear that Parliament would merely be required to draw up a new draft Constitution, for approval by the military. No time-frame was specified. The political situation gradually deteriorated. Many leading figures in the NLD were rounded up and placed behind bars. In this regard the monks, who occupy an important position in Burmese society and are politically active, were not spared. In April 1991 the military junta stated in no uncertain terms that it did not intend to transfer power to any other institution. At the end of 1990 the Party for National Democracy, which has close links with the NLD, formed a shadow government in the border area with Thailand. In October 1991 Aung San Suu Kyi received the Nobel Peace

Prize, which was received on her behalf by her son in Oslo in December 1991. The award increased the attention of the international community on the political and human rights situation in Burma.

The country is engaged in a standing civil war between the centre and periphery. Ethnic minorities refused to recognize Rangoon's authority. The most significant opposition is provided by the Karen people. Although their armed struggle suffered a number of severe setbacks in late 1989/early 1990, a political solution for the minority issue is by no means in sight. In response to the violent suppression of the popular uprising by the Burmese leadership in 1988, most donors suspended their foreign aid. Since then Western governments have maintained exceptionally cool relations with the Burmese military regime. Relations with Thailand, which had been fraught for a considerable period, improved substantially in 1987. Thailand continued to adopt a cooperative attitude towards its northern neighbour after the coup in 1988. Burma also enjoys good relations with China, Singapore and South Korea.

2.5.3 Human rights situation

Burma suffers from the systematic and structural violation of human rights. There is no freedom of expression, association or assembly. The media are totally controlled by the state, with the Working People's Daily the sole newspaper and mouthpiece of the government.

The violent suppression by the military of the popular uprising in 1988 cost many lives and many people were arrested. Some 40,000 Burmese fled to Thailand or the border areas controlled by the ethnic minorities. Although a large number of parties were permitted to participate in the elections of 1990, the leading parties were subject to continuous intimidation. Since then the situation has deteriorated considerably. Many political activists have been detained. The prisons, where torture is the order of the day, are full to overcrowded. In 1989 and 1990 the enforced deportation was reported of several hundred thousand slum-dwellers, especially from Rangoon, to the countryside. Reports suggest that they now live in wretched conditions.

The exceptionally concerning human rights situation in Burma is the focus of growing attention in international forums. Strong international pressure is being exerted on Rangoon to improve the situation, but to date the military authorities have remained totally unmoved.

2.5.4 Socio-economic situation and policy

a. Economic growth and self-reliance

Until 1988 the country aimed at a policy of economic self-sufficiency, leading only to long-term economic stagnation and decline. Burma is currently one of the poorest countries in Asia. The IMF put per capita GDP in 1988/1989 at US\$ 200. Between

1980 and 1986 GDP grew by an average 4.9% a year. The government estimates the growth in GDP in 1990/1991 at 5.7%. Inflation, which was around 70% in 1990, is on an upward path. Burma has substantial natural resources, including timber, oil, natural gas, coal, silver, gold and gemstones. The country is self-sufficient in oil.

Burma has traditionally been a highly agricultural country. According to the Economist Intelligence Unit (EIU) some 66% of the population were engaged in agriculture in 1989/1990. The share of agriculture in GNP is 37%. Only 12% of the total land area is used for agriculture. Two thirds of the farmers have less than two hectares of land each. Over half the total agricultural area (8 million hectares) is used for rice production. Other important agricultural products are groundnuts, maize, sugar-cane and cereals.

Industry accounts for 15% of total GDP. In 1989/1990 production fell by 33% on account of the political unrest in the country and shortages of raw materials and fuel. Industrial production consequently slipped to just 23% of total capacity.

According to the IMF total investment in 1990 amounted to 9.5% of GDP, of which some 70% was government investment. Savings amounted to 9% of GDP in the same year. Total investment and savings, especially that by the government, fell substantially in the 1980s, due among other things to the reduction in foreign aid.

Government revenues as a percentage of GDP fell from 20% in 1983/1984 to 7.5% in 1990, partly as a result of the falling earnings of state enterprises, which account for two thirds of all government revenues. Current government expenditure rose at an average annual rate of 8% between 1983 and 1988. According to the Human Development Report total military spending accounted for 3.1% of GDP in 1988.

Burma has a structural balance of payments deficit. In 1990 imports amounted to US\$ 450 million and exports to US\$ 350 million. On account of the high level of illegal trade (primarily timber and drugs) and invisible trade (weapons), these figures are unlikely to provide a complete picture. The leading export commodities are timber (teak) and rice. The main trading partner is the People's Republic of China, which takes 43% of Burmese exports.

The foreign government debt amounted to US\$ 4.3 billion in 1990. Debt servicing the same year was around 80%. After the coup in 1988 economic reforms were announced aimed at economic liberalization. These appear to be succeeding. The economy is no longer at quite such a standstill and there are signs of an increase in foreign investment, especially in oil and gas extraction, forestry, mining and fishing. Fishing and timber-felling concessions have been granted to Thai companies.

b. Demography and environment

Selected demographic indicators

	1950	1985	2020 /a
Population (m.)	18	38	69
Age structure (%):			
0-14	37.8	39.2	26.4
14-64	59.0	57.0	67.8
65+	3.2	3.8	5.8
Population growth (%)	1.9	2.1	1.1
Population/km ²	26	55	102
Number of births/1000	42.2	30.6	17.3
Mortality/1000	23.7	9.7	6.3
Fertility:			
number of children per woman	5.6	4.0	2.1
Life expectancy in years	38.7	58.3	70.4

/a: based on the middle growth variant.

(Source: World Population Prospects 1990)

The annual rate of population growth is 2.1%, roughly in line with the average for Southeast Asia. Burma is expected to achieve the replacement level of 2.1 children per family in the year 2025.

According to the World Population Prospects 1990 Burma, with 42 million inhabitants in 1990, is the 24th largest country in the world. In the Mekong Region Burma is the third most populous country. According to the middle growth variant Burma will have a population of 73 million in the year 2025, placing it in the 22nd position in the world. According to the Human Development Report 1991, 75% of the population lives in rural areas.

Until recently the natural forest cover was being successfully managed and exploited on a sustainable basis. In this respect the Burma selection system, dating from the middle of the 19th century, may be regarded as one of the most successful natural tropical forest management systems in the world. Since the prohibition on timber- felling in Thailand, commercial felling in Burma has been intensified and the standard of forest management has declined.

c. Poverty situation

The poverty situation in Burma has worsened with the decline in the economic situation. There are no reliable social indicators. UNICEF reports suggest that the average life expectancy is around 58 years. Infant mortality varies between 65 and 90 per 1,000 births.

Mortality between the ages of 0 and 5 is between 83 and 150 per 1,000. Malnutrition was unknown for a long time but does now occur and is thought to be on the increase. Protein shortages are widespread, inevitably affecting the physical development of children during their growing years.

Some 32% of the population has access to safe water and 33% of the population is able to use basic health care facilities. These are, however, extremely rudimentary in nature, with shortages of medical drugs, equipment and staff.

The Human Development Index of 0.437 puts the country in 106th place in the world, 38 places higher than its position in terms of per capita GNP. This is caused by the comparatively high life expectancy and level of education. UNICEF estimates the literacy rate at 55%.

3. DUTCH AID PROGRAMME AND POLICY INTENTIONS

3.1 Underlying policy principles

3.1.1 General

Within the Asia Sector Fund, an annual cash ceiling is to be laid down for the Mekong Region countries. In 1991 this amounted to NLG 20 million, rising to some NLG 25 million a year in 1992-1995. The five regional countries will each receive an individual cash ceiling. They will qualify for support for individual activities for one or more sectors or priority areas in each country, in which respect a relationship will generally exist between the selected sectors and regional (e.g. transfrontier) problems. The ultimate sum available for each of the five countries will depend on the availability of good projects. For the present the choice will remain confined to private and multilateral channels.

The five regional countries will also qualify for the funding of activities aimed at policy reforms in the fields of environment and development, women and development, the elimination of urban poverty, and research into policy reform under the four spearhead programmes. In principle most of the countries will qualify for support under the International Education Programme. In addition Cambodia, Laos and Vietnam will qualify for support under the West-East-South programme.

Given the scale of poverty and the limited financial resources, Dutch aid must necessarily be concentrated on particular sectors and regions within the individual countries. In addition the specific political situation in Burma imposes limitations. Depending on the course of the peace process in Cambodia a shift from humanitarian to structural aid will take place and an increasing proportion of the cash ceiling for the Mekong Region countries will be reserved for activities in Cambodia.

The foundations of regional policy are laid down in the policy document "A World of Difference". This document concentrates on the structural elimination of poverty, which aim has determined the choice of sectors. In view of the predominantly rural nature of all five countries the rural community forms the most important target group. On the basis of activities on an integrated or individual basis, considerable attention will be devoted to strengthening the productive capacity of poor and

disadvantaged population groups, the improvement of basic facilities, the development of human capital and promoting the participation of the poor in decision-making processes.

To begin with this chapter examines a number of features common to the region as a whole, such as priority target areas and sectors, and possible support for regional cooperation, the choice of aid channels and aid forms. Section 3.2 examines the proposed policies for each country in turn.

3.1.2 Priority areas and sectors

Rural development: a high proportion of the population lives in rural areas and agriculture forms a significant sector of the economy in each country in the region. The agricultural sector suffers, however, from a lack of inputs, inadequate access to production facilities, insufficient credit facilities and poor soil. The basic facilities in rural areas are also inadequate and of poorer standard than in the towns.

Activities in this sector will be aimed at the sustainable use of natural resources, improvement of irrigation systems, consciousness-raising among socio-economically underprivileged groups and the maximum utilization of human resources. Means to this end include improving access to land and production facilities, agricultural diversification, credit programmes for both on-farm and non-farm activities, small-scale productive employment and the enlargement of earnings from agriculture. In addition research into cheap, risk-minimizing techniques that make maximum use of the available resources may qualify for support.

The activities should as far as possible be implemented in conjunction with other sectors, such as health care and education, while also incorporating such topics as women and development and the control and preservation of the environment.

South-South cooperation in this sector could be promoted in the fields of training, the exchange of know-how and research.

Environment: The Mekong region still houses one of the largest uninterrupted areas of tropical rainforest in the world of varying composition and quality. The region therefore has a well developed biological diversity. The forest cover is, however, under serious threat from shifting cultivation, timber-felling and over-exploitation. In the lowlands the rainforest has all but disappeared. The surrounding uplands are subject to heavy erosion and soil degradation, resulting in flooding in the lowland areas. In large areas of the tablelands the original vegetation has been replaced by savannah and shrublands. Only in the southern uplands, where the population is less dense, is virgin rainforest still to be found. The mangrove swamps in the coastal areas are under threat.

Most of the forests - especially the ecologically richest and least spoiled - are in the border areas. The prohibition on timber-felling in Thailand has driven many companies into Laos and Burma, where legal and illegal felling has increased greatly, with attendant consequences.

In every country of the region, especially in the Mekong River catchment area, attention will be devoted to the preservation and restoration of the environment, for

example by the promotion of sustainable agriculture and forestry, the preservation of biological diversity and effective water management, especially in the fields of watershed management, irrigation and drainage. In the case of any activities financed by the Netherlands, the effects on the environment will be established at the commencement of the project cycle so that this can be taken into account in the following stages of that cycle. This will be done on the basis of Environmental Impact Reporting. The key factor in appraisal will be that no project may result in any deterioration of the environment. With a view to strengthening environmental awareness, projects aimed at training, public information and the institutional strengthening of organizations responsible for the management and preservation of the environment will qualify for financing.

On account of the regional political problems the countries have been unable either individually or collectively to put a stop to the degradation of forests. In a number of areas a regional strategy is required; examples include the preservation and management of ecosystems in tropical rainforests, agro-forestry, the sustainable use of forestry products and curbs on shifting cultivation. In addition the environmental aspects of water management will come in for consideration on a regional basis.

Women and Development: There is no formal discrimination against women in any of the countries of the Mekong region. The various national constitutions expressly state that women have equal rights with men. A high proportion of women participate in the labour market throughout the region, many of them in agriculture. Nevertheless their social status is lower than that of men and they may still be regarded as underprivileged.

In terms of Dutch aid policy, women and development is regarded as a priority area, with particular emphasis on the autonomy of women. The Women and Development Spearhead Programme has been operational since 1991. The aim of the policy is to ensure that projects establish the right sorts of conditions for women to express their own priorities for development.

Account will be taken in all the programmes and projects in the region of the fact that the interests of women do not necessarily coincide with those of men. These differences need to be identified at the outset of the project cycle in those programmes and sectors considered to be of importance to women, either directly or indirectly, so that they can be taken into account in the succeeding stages of the project cycle. To this end use will be made of Women Impact Reporting, unless a less elaborate system will suffice.

All new projects of relevance for women will need to satisfy the DAC/WID criteria. If these criteria are considered not to apply the reasons will need to be specified in the identification memorandum. New projects must not only satisfy the DAC/WID criteria but also promote the autonomy of women. In practice it will not be feasible to strengthen all four of the components making up the concept of autonomy. At the least each project should strengthen one of the components while not detracting from the remaining three. No activity funded by the Netherlands may lead to a deterioration in the position of women.

Support in the field of women and development in the respective countries can take place at national, provincial or local level. In addition South-South cooperation in the field of Women and Development can be promoted by financing seminars and conferences or providing support to set up networks in the region in which women are given the opportunity to exchange ideas and experience.

Education and Training: Although people enjoy good access to education throughout the region, the emphasis is on maximizing the participation in primary education, meaning that attention is devoted to the quantity rather than the quality of education.

In the case of Dutch aid activities the emphasis will be on improving the quality of education, especially vocational and higher education, with special emphasis on activities in the priority sectors. The fellowship programme will remain open to professionals from the region, with the exception of Burma, while in the case of Cambodia consideration will only be given to candidates nominated by NGOs. University cooperation will concentrate especially on Vietnam. Where possible cooperation will be promoted with and direct support provided to educational institutes (especially in Thailand) that benefit the region as a whole.

Specific programmes may also be set up for underprivileged groups such as women and/or small farmers.

Activities in this sector are generally integrated with projects in other sectors. Apart from training in the more technical disciplines, funding can be provided for training courses and programmes of visits for persons from Laos, Vietnam, Cambodia and, in due course, Burma, where these provide them with the opportunity of familiarizing themselves with the concepts of development and self-reliance.

Partly on account of the comparatively high level of prosperity in Thailand, education at universities and institutes of education is of reasonable quality. In this field Thailand brings significant benefits to other countries, both within the Mekong Region and beyond. Where possible these institutes will be encouraged to accept even greater numbers of students and participants from elsewhere in the region. Efforts can also be made to promote cooperation between educational establishments in the region. Cooperation with educational establishments in other countries in Asia will be promoted.

Research: This forms an integral element of the sectors on which Dutch policy will be concentrated in the coming years. In addition the possibility will be explored of assisting the continuous process of social education and updating knowledge on processes of change within the region, as well as building up research capacity in these areas in the countries concerned by setting up integral multi-year socio-economic research programmes in the region or in a particular area. These programmes will concentrate especially on poverty control and the environment and women and will also be based on one particular sector or aspect of development cooperation with the area in question. In this way an optimal interaction between

research, policy and implementation will be promoted. Integral and multi-disciplinary research programmes of this kind will be formulated in a dialogue with policy-makers and researchers in the countries concerned. To begin with it is proposed to set up a multi-year research programme of this kind in Vietnam.

Health care: Projects in this sector will in the first place aim at helping to improve the standard of primary health care and will where possible be implemented in conjunction with rural development. In addition attention will be devoted to Aids control.

3.1.3 Choice of aid channel

Activities will for the present be conducted only through the intermediary of private and multilateral agencies and university bodies. The private agencies will consist essentially of the Joint Financing Organizations which, with the exception of the Humanist Institute for Cooperation with Developing Countries (HIVOS), are well represented in the region. The aid may also be channelled through other non-governmental organizations.

The multilateral cooperation will be channelled primarily through UN organizations (UNDP, UNHCR, FAO, UNICEF, UNIDO, WHO, ILO of UNESCO), the ICRC, IFAD, the European Community or the Interim Mekong Committee (IMC). The Netherlands has been providing support for many years to projects implemented by the INC. This regional cooperation association, which was set up in 1957 as the Mekong Committee under the auspices of the ESCAP (formerly ECAFE), aims to optimize the utilization of the potential of the Mekong River by the four riparian states of Laos, Thailand, Vietnam and Cambodia. Since 1978 - three years after Cambodia withdrew as a member - the activities have been continued under the Interim Mekong Committee. Cambodia has since indicated to the Supreme National Council that it wishes to resume its membership.

Cooperation within the IMC concentrates especially on the generation of energy; irrigation, fishery, the prevention of flooding and water-borne transport. A number of projects are being implemented in these sectors with donor financing, based on the "Indicative Plan for the Resources of the Mekong Basin" drawn up in 1970. Despite the political differences within the region, the IMC has managed to operate as a regional cooperation body and it will increasingly be used as the main regional channel for regional activities.

Given the limited funding available there will be little if any cooperation in large projects, for example with the World Bank or the Asian Development Bank.

3.1.4 Forms of aid

The aid effort in this region will be largely project-based. A large proportion will be disbursed in the form of technical aid. Cambodia, Vietnam and Laos will also

qualify for import-support under the West-East-South programme. For the present Cambodia will also continue to qualify for emergency (and rehabilitation) aid.

3.2 Priority areas and sectors per country

3.2.1 THAILAND

Not all parts of Thailand have benefited from the years of marked economic growth. The growth has been concentrated especially in and around Bangkok. Development has lagged behind in the north and northeast, where there continues to be widespread poverty. These areas, where some 55% of the Thai population live, generate 29% of GDP while per capita income is 20% lower than that in and around Bangkok. The projects financed by the Netherlands are concentrated in the north and northeast of the country.

The cooperation in the field of rural development goes back to the 1960s. Two large bilateral projects are currently being implemented in this sector. An irrigation and a fishery project are also being financed through the IMC. In the Education and Training sector the Netherlands has cooperated for many years and provided support to a number of education and research institutes. Dutch cooperation in the health care sector, which is concentrated especially on combating aids, is of very recent date.

Also of relevance for Thailand is the fact that export transactions relevant to development can be supported under the Industry and Development Programme.

a. Rural development

General

Despite the rapid process of industrialization, agriculture remains vitally important for the Thai economy. Some 60% of the working population is engaged in this sector, while agricultural commodities make up 32% of total exports. Despite the policy of crop diversification going back many years, rice remains the most important crop. Half the cultivated area is planted with rice and some 20% of production is exported. The storage of water and irrigation has enormously increased the production of rice. Areas lacking irrigation however are dependent on the irregular monsoon. Generally the average yield in these areas is just one tonne per hectare, compared with an average of five tonnes per hectare in the irrigated areas. The result is that people from the non-irrigated areas in the northeast migrate to the towns for seasonal employment in the dry season.

Other leading crops are tapioca, sugar, maize, rubber and coconuts. Tapioca has proved a particularly important export commodity, although the restrictive EC policy towards imports of this product have limited the possibilities for expanding sales to Europe.

Over 30 million people with an average per capita income 80% lower than that in and around Bangkok live in the two poorest regions of Thailand in the north and northeast. These regions also have poorer health and education facilities.

Apart from the skewed distribution of income these regions suffer from erosion and soil degradation caused by rapid deforestation. The presence of a large number of minorities in the north is also a specific problem. Despite the fact that these population groups have been in Thailand for decades they are unable to obtain Thai citizenship. This means that they are unable to buy their own land, thereby forcing them into shifting cultivation.

Policy of the Thai government

The development of rural areas has been underemphasized for many years. Current policy is aimed at enlarging yields and encouraging crop diversification.

During the past 30 years large dams and reservoirs have been constructed, among other things to increase the potential for irrigation. Generally speaking the management and maintenance of the irrigation systems may be regarded as reasonably good as only limited funds are available - reflecting the general belief in Thailand that water should be free.

A good deal of attention is at present being given to the education and training of farmers and farmers' organizations.

Dutch policy and policy intentions

Dutch development policy in Thailand has in the past concentrated on the north and northeast, with particular emphasis on rural development. This geographical concentration will be continued. In line with the policies of the Thai government, current projects have concentrated especially on crop diversification, the prevention of soil degradation and agricultural extension.

Activities in the field of rural development will be continued on a limited scale. These activities should contribute towards improving the socio-economic position of underprivileged groups, including women, minorities, the landless, smaller farmers and agricultural labourers.

b. Environment

General

Thailand still enjoys an exceptional wealth of flora and fauna. The forest cover has however shrunk from 27.4 million hectares (35% of the land area) in 1961 to 15.7 million hectares (30% of the land area) in 1982. This means that the country has had one of the highest rates of deforestation in Asia.

A significant cause of the deforestation has been the rapid population growth in the past three decades, which has greatly increased the demand for agricultural land. The low yields have further increased the demand for agricultural land. There is also an excessive use of pesticides. In the upland areas of the north this has led to

rapid erosion, soil degradation and unbalanced water management, while in the north it has led in conjunction with extensive agriculture to desertification and soil salination.

Policy of the Thai government

The Sixth Economic and Social Development Plan (1987-1991) spells out a number of policy intentions with respect to improving the management and control of the environment. The main emphasis has been placed on:

- expanding the reforestation area, with the aim of making maximum use of private enterprise;
- information for the local community;
- rehabilitation and preservation of catchment areas.

Thailand is working on a Master Plan for Natural Resources, funded by US AID. In addition the country is drawing up a Master Plan for Forestry Development with support from FINNIDA. Among other things this will be designed to counter shifting cultivation.

Thanks in part to a strong environmental lobby in Thailand, a prohibition on the commercial felling of timber has been in force since 1989. The environmental lobby has also focused attention on the preservation of the environment and the socio-economic consequences for the local population of the construction of the Pak Mun Dam as part of a World Bank project.

Dutch policy and policy intentions

In Thailand the emphasis will be placed on the problems in the north and northeast of the country. Where relevant project proposals will need to take into account research, training and extension activities in the field of improved agricultural methods, forestry and the ecologically responsible use of land. In addition specific projects for the improvement or preservation of the environment, e.g. in the field of agro-forestry and community forestry, may qualify for financing. Special attention will be devoted to institution-building in the case of governmental and other organizations involved in the improvement of the environment, such as the Office of the National Environment Board.

c. Women and Development

General

Under the constitution women enjoy equal rights with men in Thailand. Nevertheless they are underrepresented in politics and leading positions in government. Women play an important role in the private sector, while agriculture is heavily dependent on female labour. In the towns they account for a significant share of the supply of labour - generally in the less well paid jobs - in a large number of industries, including the construction industry.

Some 50% of women are engaged in agriculture, of whom three-quarters perform unpaid work as a member of the family. Although there is a division of tasks

between the sexes, many of the activities can in practice be carried out by either men or women. In general women play a greater part in economic life in Thailand than they do elsewhere in the region. Women do, however, have a lower social status than men.

Women at present make up a high proportion of the migration flows from rural to urban areas in search of work. Urban migration is particularly common the agricultural off-season.

Policy of the Thai government

As part of Thai policy towards Women and Development, attention is being paid to improving the standard of education and health care for women and the position of women in the labour market. The National Commission on Women's Affairs was set up in 1979 and now comes under the Prime Minister's Department. A Women's Development Plan has been drawn up for 1987-1991, which has been appended to the Sixth National Economic and Social Development Plan. In addition a number of departments within the individual ministries are concerned with women's affairs. The Women's Development Committees coming under the Department of Community Development of the Ministry of Foreign Affairs are particularly active in rural areas.

Dutch policy and policy intentions

Project proposals must comply with the DAC/WID criteria as set out in section 3.1.2. No activity financed by the Netherlands may lead to a deterioration in the position of women.

Apart from the general objectives of the Women and Development policy in the Mekong Region, projects specially aimed at women may be developed. Examples include policy-support research for national Women and Development policies, support for women's organizations and training or credit programmes for off-farm activities in rural areas.

d. Health care

General

The standard of health care in Thailand is satisfactory. With the exception of a few areas in the north and northeast and the slums in urban areas, the traditional infectious diseases are under control. Other diseases and problems associated with the rising standard of living will assume increasing importance. Direct and indirect factors (prostitution, drug-addiction and crime) and the growing Aids epidemic are relevant in this respect. The first HIV-positive cases were not identified in Thailand until 1984. By 1991, 30,000 cases had already been recorded. The number of HIV-positive persons is, however, estimated by the Thai authorities at over 300,000.

Aids control in Thailand needs to be tackled as a social rather than a medical problem. On the one hand this is because the rapid distribution of Aids stems among other things from the large-scale prostitution in urban and tourist areas. Many prostitutes regularly return to their places of origin in the north and northeast, leading to further regional distribution of the disease. As a result sexual intercourse replaces drug addiction as the main transmission route. On the other hand the distribution is accelerated because HIV-infected persons seek to conceal their illness for as long as possible in order to avoid social isolation.

Policy of the Thai government

Thailand has achieved good results in building up the infrastructure of the health care system. Since the 1970s the focus has been on providing primary health care facilities, to which large elements of the population now have access. Excellent results have also been achieved in the field of birth control: thanks in part to a spectacular public information campaign, the annual rate of population increase has halved in the past 20 years.

The Global Programme on AIDS (GPA) of the WHO was set up in 1987. With the assistance of the GPA, Thailand was the first country in Asia to draw up a National Aids Programme in 1988. In July 1991 Prime Minister Anand personally took over the chairmanship of the National Aids Committee. In September of that year the National Aids Programme received additional funding of Baht 248 million to supplement its existing budget of Baht 223 million. A recent development has been the establishment of a National Aids Policy and Planning Coordination Bureau, an interdepartmental body coming under the Prime Minister's Department. Thai policy is three-pronged: reducing the spread of the Aids virus as far as possible; keeping the Aids infection and mortality rate to the minimum; and reducing the socio-economic consequences for HIV-infected persons. In implementing the programme the cooperation is sought of and assistance provided to other government ministries, NGOs and other bodies concerned with Aids prevention.

Dutch policy and policy intentions

The Netherlands has recently begun providing support for the National Aids Programme. Project proposals submitted by both multilateral organizations and NGOs concerned with the broad field of preventing Aids and HIV-infection may qualify for funding. Medical treatment does not in principle qualify for support. The aim is to provide women with additional education and information on the transmission of Aids.

Aids is a priority area within the Research Spearhead Programme, with particular emphasis on behavioural research into the prevention of Aids and HIV-infection.

e. Education and Training

General

Thailand's economic strength has created a favourable context for education. Nearly all children attend primary school, with 83% completing their primary education. This figure is well above the average for Asia (62%) but lower than in countries with a comparable level of prosperity.

Only 30% of children proceed to secondary education - a comparatively low figure for a country with such a high level of per capita income. The Thai government has acknowledged this gap and recently decided to raise the school-leaving age to the end of the third year of secondary school.

The higher education is of relatively good quality and is well attended in comparison with countries with a comparable level of per capita income. Approximately 20% of the population in the relevant age-group attends university - roughly twice as high as the average in Asia. Among other things this has been made possible by the extensive provision of written courses of higher education.

Policy of the Thai government

The Thai education system will need to be adapted to meet the needs of a rapidly changing society. At present a high proportion of the population is still engaged in agriculture, but as the limits of extending the agricultural area are reached and the productivity of labour in agriculture rises, the industrial and services sectors - for which a higher level of education is generally required - will have to absorb more labour. Some 18% of the government budget is devoted to education.

Dutch policy and policy intentions

Thailand fulfils an important regional education function. Dutch policy is aimed at continuing the support for a number of regional and/or international institutes established in Thailand. Where possible these institutes will be encouraged to increase their intake of students from the region. One way in which the training of trainers and instructors can take place is as part of the integrated rural development programmes. The training activities need to concentrate especially on improving the quality of education and making it more accessible to disadvantaged groupings, such as women and ethnic minorities. Importance is also attached to training that helps build up training and education institutes.

3.2.2 Laos

A number of factors work against undisturbed and rapid development in Laos. Given its weak economic, physical and social infrastructure, poorly developed human potential, deep-seated poverty and recent history of war, it is hardly surprising that Laos is heavily dependent on foreign aid for its economic development. Until recently Laos received 50-70% of its foreign aid from countries in the former Eastern bloc. Following the recent convulsions in Eastern Europe this aid has come to an end.

The main other donor countries are Australia, France, India, Japan and Sweden. The leading multilateral organizations supporting Laos are the World Bank, the

Asian Development Bank, the European Community, the UN agencies and the IMC.

Dutch support for development in Laos is currently channelled through the IMC. The Mekong Irrigation Programme being implemented in both Laos and Thailand is being conducted through the IMC. The Mekong catchment basin in Laos will also form part of a regional hydrological study. On the basis of the priorities set by the Laotian government and the experience gained to date in this country, Dutch cooperation will be primarily directed towards the improvement and strengthening of agriculture, forestry and water management.

a. Rural development

General

Laos is one of the few developing countries in Asia where population density is not one of the critical problems, particularly if juxtaposed against the country's potential in terms of land and water. Physical factors such as the climate, flooding, drought, low soil fertility and the rudimentary nature of the infrastructure do, however, set limits on the extent to which productivity can be increased.

Agriculture in Laos concentrates on rice as a monoculture. Rice is cultivated on some 87% of the agricultural area. Of this 85% consists of the traditional sticky variety, which is low-yielding. Maize, beans and other vegetables are grown on a very limited scale. Food supplies are supplemented by poultry and pigs bred by farm households. Informal agricultural activities of this kind are thought to account for 16% of the country's food supply. A third of the rural population is estimated to practise shifting cultivation on some 300,000 hectares of land in the more elevated parts of the country. Together with timber-felling operations this has led to a 46% reduction in the total forest cover.

The fact that production is primarily for subsistence purposes means that there is no increase in productivity, incomes and savings. This in turn holds back economic growth and the scope for crop diversification. It also renders the country dependent on foreign investment. Laos unquestionably has agricultural growth potential, but before investments are made a careful socio-economic study needs to be conducted in order to identify the most profitable products.

Policy of the Laotian government

In order to induce a switch from small-scale production aimed at personal consumption to more market-oriented production, the Laotian government has introduced the New Economic Mechanism (NEM). In the case of agriculture this means that farm households will replace the collectives as the main unit of production. The priorities of agricultural policy are as follows:

- encouragement of market-oriented agricultural production;
- achievement of food self-sufficiency at national level;
- diversification;
- a reduction in shifting cultivation in order to help preserve the agro-ecosystem.

Dutch policy and policy intentions

To date Dutch development aid to Laos has concentrated on financing the IMC's Mekong Irrigation Programme in Laos and Thailand. Consideration is being given to a second stage of this programme, which brought clear regional benefits in the first stage. Taking account of the priorities set by the Laotian Authorities and the experience to date in this country, Dutch aid in the field of rural development in Laos will concentrate on the improvement and strengthening of agriculture, forestry and water management. In this respect projects will as far as possible be tackled on an integral basis.

b. Environment

General

The greater part of Laos is hilly, heavily timbered and sparsely populated. Some 80% of the population live on the fertile flats of the Mekong River where agriculture is the main source of income. Only some 800,000 hectares are capable of cultivation, of which 1% is irrigated. Industrialization has barely got off the ground.

A second important source of revenue for Laos is exports of hydro-electric power. To this end dams are being built on the tributaries of the Mekong in the northern part of the country. The tropical rainforest, which covers two-thirds of the country, forms a third source of income. The forest cover earmarked for commercial exploitation is estimated at six million hectares. No complete forest survey has, however, as yet been conducted and it could be that the area available for commercial felling is significantly greater.

Clearly, the exploitation of these three sources of income has implications for the environment. In the development of the three sectors of agriculture, energy and forestry, negative environmental impacts can be avoided by environmentally-aware planning, the early appraisal and adaptation of project proposals in terms of environmental requirements, and "positive" environmental interventions.

Dutch policy and policy intentions

In order to prepare and formulate the next stage of the Mekong Irrigation Programme a detailed Environmental Impact Statement was drawn up which measured the effects on the various aspects of the environment of the irrigation on the Korat Plateau.

The results and recommendations form an integral part of the activities to be conducted in the second stage. In view of the fact that the Netherlands wishes development cooperation with Laos to concentrate where possible on improving and strengthening agriculture, forestry and water management, detailed account will be taken in the appraisal of project proposals of the way in which environmentally positive components have been incorporated into the project framework.

The Tropical Forest Action Programme (TFAP) drawn up for Laos places the emphasis on the negative consequences of shifting cultivation and provides points of

reference for further interventions in the field of responsible forestry, agro-forestry/community forestry and biological diversity.

c. Women and Development

General

According to the census conducted in 1985, women make up 51% of the total population. According to the census the sex-ratio suffers from a significant imbalance in the 15-44 age group, where there are considerably more women than men. This imbalance may be primarily attributed to the country's troubled past and the more recent sex-selective transmigration. The lack of male manpower places an additional burden on women.

The literacy rate of women is lower than that of men and nearly all women aged over 45 are unable to read or write. The situation is better among younger women with the more widespread provision of education. Education is now available to all and far more girls are going to school than hitherto.

There are few recent studies that provide a clear impression of the position of women in Laos. A small number of studies conducted in the 1950s and 1960s suggest that, in line with the prevailing tradition in Southeast Asia, Laotian women enjoy an almost equivalent position to men. There is no formal discrimination against women. Laotian women and men often have comparable rights of inheritance, one reason being the tradition in the more low-lying areas whereby a young couple will move in with the girl's parents upon marriage. Land is often inherited through the female line.

Laotian women have learnt since birth to regard themselves as subordinate to men. Modesty among women is regarded as a virtue and assertiveness is firmly discouraged. Although the government's policy is aimed at promoting equality between the sexes, little has changed in practice in the attitude and social patterns of men and women.

On the basis of the data supplied by the Lao Women's Union, the share of women in the labour market is comparatively high. Women account for 50% of the active labour force aged 15-44. A high proportion of those engaged in agriculture - 60% - are women. In the industrial sector, by contrast, the rate of female participation is low. A relatively high number of women are employed in the government sector, although they are underrepresented in executive and supervisory positions.

Although the principle of equal pay for equal work was introduced in 1975 there continue to be inequalities between men and women.

Policy of the Laotian government

As in many countries with a socialist orientation, the emancipation of women is regarded in Laos as an integral element of socialist education. This responsibility has been entrusted to the Lao Women's Union, which has 500,000 members. The chairperson is also a member of the Central Committee. The organization has the status of a ministry, its prime responsibility being that of implementing Party policy

with respect to improving the position of women within the socialist system. The organizational network of the Lao Women's Union extends from central down to village level. Its main task is the political mobilization of women rather than the implementation of actual projects.

Dutch policy and policy intentions

Project proposals must comply with the DAC/WID criteria as laid down in section 3.1.2. No activity funded by the Netherlands may result in a deterioration in the position of women.

The scope will be examined for providing support in either a regional or national context for the activities of the Lao Women's Union. One example would be policy-support research for national Women and Development policy.

As part of the IMC's activities the Netherlands helps finance the Mekong Irrigation Programme. By way of preparation for the formulation of a second stage of this project, which is being implemented in both Laos and Thailand, an extensive Women's Impact Statement was conducted. The recommendations and conclusions of this report will be incorporated in the project document.

3.2.3 CAMBODIA

On political grounds Cambodia has ceased to obtain any structural development aid from the United Nations and other Western countries since 1982. The majority of the aid received in the 1980s came from countries in the former Eastern bloc. This support has now come to an end. UNICEF and the International Committee of the Red Cross (ICRC) provide humanitarian aid together with a growing number of non-governmental organizations. This aid, which is primarily designed to ensure the basic necessities of life in the longer term, is concentrated primarily on agriculture, education and preventive health care. The UNDP, WHO and UNESCO have recently opened missions in Phnom Penh.

In early 1990 a DGIS team visited Cambodia with a view to examining the scope for humanitarian aid. The mission reported that there was a great need for emergency humanitarian aid and saw possibilities for assistance in the fields of rural development, health care, drinking water and sanitation and training. The mission also noted that there was a need for assistance to refugees returning to the country. The sectors identified by the DGIS mission established the framework for aid. Given the observance of the Paris Agreements the cooperation will gradually obtain a more structural character. The limited absorption capacity does, however, impose limitations. For preference the aid will be channelled through the United Nations since this will promote planned development. At the same time, this does not prevent activities from being handled through private channels.

Donor coordination takes place under the chairmanship of the UNDP at weekly meetings of the UN organizations represented in Cambodia. The NGOs also meet weekly and recently set up the Coordination Committee for Cambodia (CCC).

a. Rehabilitation of refugees

The signing of the Cambodian peace agreement has opened the way for the return of some 350,000 Cambodian refugees, most of whom are in camps along the Thai-Cambodian border. The United Nations High Commission for Refugees (UNHCR) is coordinating the staged return operation. Ten thousand refugees will be transported each week to reception centres in Cambodia and from there to new accommodation. Various UN organizations are involved in the repatriation with a view to promoting registration, communication, transport, building activities, the provision of drinking water, food and medicines and reintegration as effectively as possible. The repatriation phase will be followed by rehabilitation. General coordination and supervision is handled by the Joint Support Unit (JSU) chaired by the UNDP. The JSU will supervise all development-related activities for returnees and displaced persons. Apart from the returning refugees from the border camps there are an estimated 200,000 displaced persons in Cambodia itself who will also need assistance in finding new shelter and livelihoods. The Netherlands will provide the necessary support for the return and reception of returning refugees.

As a result of the war and the reign of terror by the Khmer Rouge, a disproportionate number of women are heads of households in Cambodia. In certain areas 50% of households are headed by a woman. UNICEF puts the number of orphans in state orphanages at 3,400 but estimates that there is a much greater number of non-institutionalized orphans (190,000). Priority will be given to activities for disadvantaged groups, especially women and children.

Particular attention will be devoted to the problem of land-mines. Activities will be directed to prevention, especially "mine awareness". In addition activities will be initiated and continued on behalf of the victims of land-mine explosions.

Now that a peace agreement has been reached and a comprehensive return programme has been set in motion, attention will need to shift to the reconstruction of the country. In relation to the planned elections a significant theme will consist of improving people's awareness of their political rights and obligations. The Netherlands has contributed towards an awareness programme of this kind in the border camps, with emphasis on particularly vulnerable target groups. Given the widespread illiteracy in the camps the campaign made intensive use of audio-visual techniques. Further campaigns along these lines can be supported in Cambodia itself.

b. Rural development

General

The Cambodian economy is predominantly rural. Some 85% of the population is engaged in agriculture, especially rice production. Women form 70% of the population employed in the agricultural sector. There are no data on differences between urban and rural areas as regards the level of prosperity, medical facilities

and educational opportunities. Nevertheless it can be stated with some certainty that a majority of the rural population lacks vital and basic facilities.

Although the Khmer Rouge announced a so-called agricultural socialist revolution centring on the development of rural areas, the bulk of the rural infrastructure was laid waste between 1975 and 1979. Due partly to the lack of funds and administrative capacity it will take a considerable time before facilities in the field of health care, education and communication can be rehabilitated.

Agriculture has been organized since 1979 on a collective basis according to a system of "solidarity groups" or "krom samakki". The system was based on as equal as possible a distribution of land, employment, agricultural equipment and draught animals among the rural population. Members of a krom samakki, which consist of 12-15 families, were given between 15 and 25 hectares of land for collective farming. Within the krom samakki each family received an additional piece of land of 600-2000 m² for private use.

In 1987 there were 98,000 krom samakki. Since the introduction of this system the concept has undergone significant changes. Many of the solidarity groups have since been transformed into private farms. In 1989 the system of collectivization in agriculture was formally abolished and the krom samakki now operate as administrative units only (for the collection of taxes, health and education programmes and military recruitment).

The abolition of the krom samakki system has adversely affected weaker elements of the rural community, such as families with a single female head of household, widows, orphans, the disabled and the elderly, for whom the system represented a social security safety net.

The current average yield of 1-1.5 tonnes per hectare in the wet season is comparatively low. On average the small farmer cultivates 1.2 hectares of land with just one harvest in the wet season. Apart from a shortage of manpower and draught animals and minimal use of fertilizer and pesticides, the main obstacles to increasing the level of production are the inadequate irrigation systems and poor water management. Of the irrigation system installed by the Khmer Rouge, which was designed without any research into the topographical situation and without reference to the natural environment, only 20-30% remains in use. The lack of financial resources and expertise is holding back any substantial improvement and expansion of the irrigation system. The loss of fertilizer supplies from the former Eastern bloc has been partly compensated for by the distribution of fertilizer by NGOs.

Freshwater fish is an important element of the Khmer diet. Fishery is practised on a large scale, to the point that the Ministry of Fishery's figures suggest that the fishing waters are seriously overfished. In order to cut down the overfishing efforts are being made to regulate the catch more strictly. Ways of expanding fish-breeding in a responsible and sustainable manner are also being explored.

Policy of the Cambodian government

The Cambodian government has every interest in improving and expanding the agricultural sector. Although increasing attention is being devoted to crop diversification and exports of agricultural commodities no clearly structured policy has as yet been developed for this sector. Opinions about the nature of such a policy are divided. On the one hand there are proponents of the intensification and mechanization of agriculture, while on the other there are groups who advocate a policy of self-reliance and limited use of foreign aid.

Dutch policy and policy intentions

Possible activities in the field of rural development were indicated in section 3.1.2. The Dutch aid effort will concentrate especially on the improvement of living conditions for the rural community. Initiatives aimed at improving the food-security of specific groups such as small farmers, displaced persons, families headed by a woman, the landless and minorities will receive less emphasis.

Support can be provided for activities aimed among other things at:

- Productivity improvements in small-scale agriculture (access to credit, market information, crop diversification and agricultural extension).
- Support for reforms leading to improved access to land and production facilities.
- Support for small-scale productive off-farm employment.
- Extension and improvement of the physical and social structure in rural areas, e.g. by activities in the fields of primary health care and nutrition, hygiene, education, agro-forestry, small-scale irrigation and drinking water.

c. Environment

General

In 1969 the forest cover in Cambodia still amounted to 13 million hectares. As a result of the war, uncontrolled development, shifting cultivation and timber-felling for firewood or opening up new agricultural land, the total forest cover has been reduced to 7.5 million hectares.

Deforestation is proceeding at a rate of 25,000 hectares a year, while the rate of reforestation (fewer than 1,000 hectares a year) is inadequate. Generally speaking reforestation does not take place in areas where timber has been felled but where there was previously no forest cover.

The new planting consists mainly of eucalyptus, acacia and, on a smaller scale, teak.

Large tracts of the lowlands in Cambodia are flooded each year during the rainy season in August and September. A high proportion of the surplus water flows to the Tonle Sap lake, which performs an important regulatory role in the complex and sensitive system of water management in central Cambodia. It catches flood peaks and acts as a reservoir, not just for irrigation in the dry season but also to combat saltwater intrusion in the delta area.

Tonle Sap is one of the most productive ecosystems in the world, with over 200 fish species. Before 1970 nearly 10 tonnes of fish were caught per square kilometre. In 1988 the catch was down to half and has since fallen further. There are a number of reasons. To a significant extent the lake consists of freshwater swamp forests that are of major importance as spawning grounds for various indigenous freshwater fish species. During the Khmer Rouge period large tracts of the swamp forests were felled for rice cultivation or firewood. The deforestation also resulted in faster drainage, which has in turn altered the temperature of the water. In addition the volume of silt discharged by rivers flowing into the Tonle Sap has increased. The mouth of the lake has consequently partly silted up, thus impeding the migration of young fish.

Dutch policy and policy intentions

Apart from the general objectives for environmental policy in the region as discussed in section 3.1.2, a number of activities specifically directed to the environment may be developed. These could include:

- activities in the field of agro-forestry/community forestry;
- activities leading to a reduction in shifting cultivation;
- an integrated study of Tonle Sap into the interrelationships between the hydrology, swamp forests, erosion and fishing;
- training and information for people responsible for the maintenance and control of the tropical rainforest and fishing stocks in the Tonle Sap and other waters;
- research.

d. Women and development

General

Cambodia's troubled past has left it with a skewed demographic distribution. Women make up 64% of the adult population, while 35% of heads of households are women. In some villages the latter figure is as high as 50%. Women not only perform the traditional reproductive and caring role but compared with other countries are more often the breadwinner.

Extremely little information is available for forming a clear impression of the position of women in Cambodia. Nevertheless one obtains the impression that women enjoy virtually equal status with men; there is no formal discrimination against women.

Despite the fact that a number of women hold senior political positions and are at the top in other professions, e.g. health care, most of them hold down the lowlier jobs in society. Women account for 70% of the agricultural workforce and over 50% of the labour force engaged in the textile, salt and rubber industries. In practice the government's policies to improve the position of women have had little positive effect on the quality of everyday life.

The poorer population groups are particularly ill-informed in such areas as hygiene, primary health care and nutrition. There is little pre-natal guidance. Only 40% of women undergo pre-natal checks. In general women give birth at home without expert assistance and in unhygienic conditions. Maternal mortality during or immediately after confinement is around 4-5 per 1,000.

Some 1.8 million women belong to the Cambodian Women's Association, which is particularly active in the social sector, health care and literacy campaigns.

Policy of the Cambodian government

Little documentation is available on the policies of the Cambodian government in the field of Women and Development. The official policy is that women enjoy totally equal rights with those of men. While this is indeed enshrined in the Constitution, there are indications to suggest that this policy is not enforced or observed consistently.

Dutch policy and policy intentions

Project proposals must comply with DAC/WID criteria as set out in 3.1.2. No activity financed by the Netherlands may result in a deterioration in the position of women.

Apart from the general objectives of the Women and Development policy in the Mekong Region, projects specially aimed at women may be developed. These may include:

- policy-support research on behalf of national Women and Development policy;
- support for women's organizations, including the Cambodian Women's Association for:
 - policy development;
 - organization-building at all levels;
 - staff training, e.g. in the public information field;
- encouragement of participation by women in international seminars (e.g. in the field of Women and Development) in Cambodia, the region or elsewhere.

e. Health care

General

Before 1975, health care facilities were fairly well developed; by the end of the Pol Pot administration in 1979 they had all but disappeared. Medical facilities had been destroyed and the personnel in the provincial capitals and in various districts had either fled or been killed. Hunger and malnutrition and diseases such as malaria, cholera, dysentery, diarrhoea and tuberculosis were widespread.

To begin with UNICEF and the ICRC took the lead in providing emergency and rehabilitation aid in the form of medicines and drugs, equipment, the repair and renovation of hospitals, transport, epidemic control and training.

Considerable strides have been taken since 1979 towards restoring the health care system. Particular attention has been devoted to the restoration and renovation of the infrastructure, but much remains to be done. Doctors and nursing staff are poorly trained, there is a shortage of drugs, buildings are often dilapidated, equipment is out of date and there is a lack of spare parts. There is a shortage of planning and managerial capacity at all levels.

The major problem is the lack of funds. According to an estimate by the UNDP, the government is unable to spend more than US\$ 0.20 per capita on health care. The lion's share of the health budget goes on salaries. On account of the shortage of raw materials, pharmaceutical companies are able to manufacture only 10-12% of the country's need for drugs.

Senior medical staff are trained at the faculty of medicine, pharmacy and dentistry in Phnom Penh. The curricula are out of date. Emphasis is placed on the curative or classical aspects of training. The medical courses are highly theoretical in nature and are not tailored to practical requirements. The teaching staff are locally trained. The years of isolation mean that Cambodia has been unable to keep abreast of international scientific developments.

According to official figures the infant mortality rate is 130 per 1,000 live births and child mortality (up to the age of 5) is 210 per 1,000. The life expectancy of women is 46 years and that of men 49 years. According to the Ministry of Health the most prevalent diseases are intestinal disorders, typhoid, tuberculoses, disentry and malaria.

UNICEF concentrates especially on training, immunization, the control of infectious diseases, provision of essential medicines, drinking water and mother and child care. In addition NGOs provide help at all levels. During the 1980s the Eastern bloc countries also provided important support towards rebuilding the health care system.

Policy of the Cambodian government

The leading objective is to restore the health system so that it can once again meet basic needs. On account of the lack of medical staff the emphasis will be placed on the training of skilled personnel at all levels of health care. Secondly efforts will be made to reduce the enormously high infant mortality by means of vaccination programmes, in collaboration with UNICEF. Thirdly the emphasis will be placed on restoring production in the pharmaceutical industry to help meet the national demand for drugs.

Dutch policy and policy intentions

On the basis of the recommendations of the DGIS mission in 1990, Dutch aid has so far remained confined to financing a number of emergency aid activities being implemented by NGOs and UNICEF. The intention is to expand this cooperation in the future. Assistance is possible in the following areas:

- primary health care via an integrated approach;
- renovation and rehabilitation of the infrastructure and equipment;
- education and training of medical personnel by means of:
 - exchange programmes;
 - training abroad, especially within the region;
 - organization of training courses in Cambodia;
- financing the supply of drugs under the West-East-South programme;
- support of small-scale activities to help mentally and/or physically handicapped individuals (e.g. land-mine victims).

Research will generally form an integral part of project activities. Independent research activities may, however, qualify for separate financing in certain circumstances.

f. Education and Training

General

Universal public education has been provided in Cambodia since independence in 1953. The number of primary and secondary schools rose to the point that in 1968/69, one million children were participating in primary education and 118,000 in secondary education. Until 1965 there was only one university in the country. Higher education is conducted entirely in French on the basis of French curricula.

The education sector suffered heavily under the Khmer Rouge. According to official reports 75% of teachers and 80% of students were killed or fled the country during this period. School buildings were devastated or used for different purposes, while teaching material was destroyed.

Despite the fact that the Ministry of Education had little equipment and few resources at its disposal after 1979, results were rapidly achieved. According to the Ministry, 90% of children aged 6-11 were attending school in 1989. This figure would seem on the high side and probably applies only to Phnom Penh and the provincial capitals. In most districts primary education and sometimes junior secondary education are available, but no senior secondary education. Apart from normal schooling the government also has an extensive programme of adult literacy courses.

In 1989, 35-40% of pupils moved on from primary education to junior secondary education, while the target figure for 1995 is 100%. The percentage moving on to senior secondary education is much lower. Although there is a marked demand for higher education budgetary constraints have meant that the government has had for

the present to concentrate on primary education. Of the pupils at primary schools 45% are girls.

Despite the government's forward-looking policies, UNESCO reports that participation in education (especially primary and secondary) has recently declined. The reasons for this trend are unclear. On the one hand it could be due to the fact that more children are being used to till the land as the economy has picked up, while on the other it could reflect dissatisfaction with the quality of education. In addition there is a shortage of textbooks and teaching aids, the teaching staff are generally under-qualified and the management of educational establishments is inadequate. School buildings are in a poor state of repair and generally lack water or sanitary facilities.

There are also problems in higher and vocational education. Here again the emphasis has been on quantity rather than quality. Training courses are excessively theoretical and lack practical relevance. The years of isolation mean that Cambodia has been unable to benefit from international developments, so that teaching methods and the content of training courses are generally out of date and there is a lack of qualified instructors and teachers, textbooks, reference materials and laboratories.

Policy of the Cambodian government

Government policy is currently concerned with improving the quality of teaching staff and the infrastructure. On account of the lack of financial resources the results have so far been disappointing. In the meantime the government has been obliged to send students abroad for further study.

Since 1979 the Ministry of Education has received support from UNICEF and a number of NGOs for the construction and rehabilitation of school buildings and the procurement of teaching material. Attention is also being devoted to the training of teachers and the publication of textbooks.

Dutch policy and policy intentions

Emphasis will be placed on improving the quality rather than quantity of education, with the accent on vocational and higher education. Dutch assistance may extend to:

- the training of teachers and instructors;
- improvement of the administrative capacity by means of training in the fields of management and planning;
- procurement of the necessary materials, books and journals.

Special preference will be given to projects enabling Cambodia to produce these items itself;

- curriculum development, modernization and translation of textbooks. Training courses need to be developed in such a way as to bridge the present gap between theory and practice;
- rehabilitation of buildings;

- provision of drinking water and sanitation;
- organization of training activities in Cambodia in order to familiarize staff with modern teaching methods. Cambodians can be helped to attend international meetings in their field.

Priority will be given to education and training in those sectors in which the Netherlands is active in Cambodia, namely agriculture and irrigation, health care, drinking water and sanitation, women and development and environment. Support for training activities in other sectors can, however, be considered on an ad hoc basis. For preference the activities will be organized in Cambodia but if this does not prove possible, Cambodians can be helped to undertake training courses at institutes in Asia as part of South-South cooperation. The scope for cooperation between institutes in the region and educational establishments in Cambodia will also be investigated and where possible encouraged.

Active efforts will be made to promote non-formal education provided by private organizations in the form of specialized programmes primarily directed towards women and small farmers. Training courses for trainers and instructors are particularly important. Within integrated programmes for rural development attention will be paid to functional literacy and the acquisition of basic skills such as reading, writing, reckoning, food production and processing, health care, nutrition, hygiene and income-generating activities. Training activities can also be organized for farmers, e.g. in the field of communal water management and marketing.

3.2.4 VIETNAM

On account of the Vietnamese policy towards Cambodia and the internal human rights situation, the Dutch development cooperation programme in Vietnam was wound down in the 1980s. Since then Vietnam has received non-structural emergency aid only. The country did however qualify for the fellowship programme and funds were made available for refugees.

The University Development Cooperation Programme (PUO) with Vietnam was formally terminated in 1983. An exception was however made in the light of the policy document "Limits of humanitarian aid" (1984) for three projects concerned with genetics and cell-biology, soil science and immunology.

A decision was taken in 1990 to resume aid to Vietnam. Development cooperation activities must fit in with developments in Vietnam under the "Doi Moi" system of radical change. Given the economic backwardness of the northern and central provinces as compared with the southern provinces, activities will for preference be organized in these poorer parts of the country. The Joint Financing Organizations did not at any point suspend aid to Vietnam. Donor coordination takes place between the small number of NGOs operating in Vietnam.

Activities will be launched on behalf of returning refugees. These will include programmes aimed at the reintegration of repatriating refugees and at discouraging

the flow of refugees, e.g. by the creation of employment, improvement of the infrastructure and provision of loans for small and medium-sized businesses. The EC has already initiated a programme for returning refugees, and consideration is being given to contributing towards this.

a. Rural development

General

The fact that 80% of the population lives in rural areas speaks for itself. The population density in the fertile areas of the Mekong Delta and the Red River Delta is so high as to generate a labour surplus.

Of the total land area of Vietnam 22% is suitable for agriculture. Of this 90% is in use, meaning that there is little if any room to expand the level of agriculture. If Vietnam wishes to increase its agricultural production this will need to be done primarily by means of greater use of fertilizers, the cultivation of high-yielding varieties and improvement of the irrigation system. Pesticides are incorrectly applied on a wide scale. This not only poses a risk to the health of the farmers using the pesticides but is also harmful to the environment.

Agriculture accounts for an estimated 50% of GNP and 70% of employment. Rice production has risen over the past decade, largely, it is thought, because of the liberalization of agriculture.

Until the early 1980s the agricultural sector was organized in accordance with the Soviet and Chinese model of central planning. This policy of compulsory cooperatives has been gradually replaced since 1983 by a policy of encouraging farming on a family basis. High prices for land and unclear regulations with respect to land ownership have held back the introduction of this policy. Since 1988 farmers have been able to lease land for 15-year periods. Cooperatives continue to exist and act as distribution and service centres for agriculture. The government has gradually relinquished control over agricultural prices, which are increasingly determined by demand and supply.

Policy of the Vietnamese government

In 1988 an important party decision was taken that promised to introduce a New Deal for agriculture by replacing cooperatives by family farms as the basis of the rural economy. In the next 12 months the position and importance of cooperatives declined significantly.

In early 1989 an attempt was made to reintroduce the official policy under which agriculture was based around the cooperatives. On the one hand, the political authorities had been taken aback by the social consequences to which the introduction of family farming had given rise in the overpopulated northern and central parts of the country. On the other they feared the consequences of the broad interpretation that many farmers and local leaders in the Mekong Delta had given to

the decision taken by the central government in 1988. Towards mid 1989 the cooperative system had been fully abolished in many of the southern provinces. The situation has underlined the difference between the sluggish and ineffective nature of agricultural production in the north and that in the south, where production and the market surplus have risen appreciably on account of privatization.

Dutch policy and policy intentions

Given the predominantly rural nature of Vietnamese society, Dutch aid efforts will concentrate especially on improving living conditions for the rural community. Attention will be given to initiatives aimed at improving the food security of specific groups such as small farmers, tenant farmers and the landless. As far as possible activities should be conducted on an integrated basis. Where possible, Dutch activities will build on the changes currently taking place as a result of the economic reforms in Vietnam.

Activities that qualify for support include:

- improvements in productivity in small-scale agriculture (access to credit, market information, crop diversification and agricultural extension);
- support for reforms leading to improved access to land and productive resources;
- support for small-scale productive employment outside agriculture;
- broadening and improvement of the physical and social rural structure, e.g. by activities in the field of primary health care and nutrition, hygiene, education, agro-forestry, small-scale irrigation and drinking water;
- research into cheap, locally available techniques to help minimize the use of external inputs.

b. Environment

General

Vietnam has a large biological diversity with a great variety of indigenous plants. Over 7,000 plant species have been identified. Of these some 2,300 are used in one way or another by the local population. The country is also rich in fauna, although the latter is threatened by deforestation, over-hunting and over-fishing. A start has been made on declaring a reservation with a total area of 1.1 million hectares.

Vietnam has a forest cover of some 19 million hectares, the majority of which, both in the lowlands and on the hillsides, consists of tropical rainforest. Deforestation is taking place rapidly at a rate of 200,000 hectares per year. The reforestation of 64,000 hectares per year is unable to compensate for this. The main reasons for the deforestation are the unplanned opening up of agricultural land, the uncontrolled gathering of firewood and timber and commercial felling. The mangrove forests that are vitally important for the coastal defenses, fishing and biological diversity are being rapidly destroyed.

Policy of the Vietnamese government

The country's environmental policy is laid down in the National Plan for Environment and Sustainable Development 1991-2000, which was formally adopted by the government in mid 1991. The detailed plan aims at environmental preservation and improvement, the maintenance of bio-diversity, the responsible and sustained use of natural resources and population control and distribution. The plan contains an extensive action programme and provides for an institutional framework, including the establishment of an overarching Environmental Authority.

Forest management and forest protection occupy an important place within overall environmental policy. The Vietnamese government has for some time been trying to conduct more effective policies in this area. The country has a Tropical Forest Action Plan, while a Forest Development Strategy 1991-2000 is being developed. Both confirm the need to take effective measures for forest preservation. A relevant factor in this respect is the recently amended Land Law, under which greater private ownership of forest is permitted.

Dutch policy and policy intentions

Apart from the general objectives for environmental policy in the region as discussed in section 3.1.2, projects specifically directed towards the environment can be developed. In the field of forestry this could include:

- research, training and information;
- activities in the field of agro-forestry/community forestry;
- activities leading to a reduction in shifting cultivation;
- initiatives to preserve biological diversity.

c. Women and Development

General

Under the Constitution women enjoy equal status with men in all respects. The emancipation of women is actively pursued and women are encouraged to work outside the home. Women are reasonably represented in senior positions within government and also the professions. The literacy rate is somewhat lower among women than men, although the situation is better among younger women on account of the expansion of the education system; boys and girls go to school in almost equal numbers. In 1985 40% of students were female.

Although the situation of Vietnamese women has improved substantially in recent years, much more could be done, especially in health care. According to UNICEF many cases of maternal mortality could be avoided by improved hygiene and medical facilities. Many women suffer from chronic malnutrition. Anaemia is common among pregnant women. In areas where malaria is endemic anaemia leads to miscarriages, premature births, birth complications and babies with a low birth weight.

The Vietnam Women's Union (VWU), which was set up in 1930, has 11 million members. Reports suggest that for some years now the VWU no longer follows the dogmatic, ideologically based party line but directs its activities towards practical topics related to health care, nutrition, family planning, rural development and improving the position of women in rural and urban areas. UNICEF has been cooperating with the VWU for many years.

Policy of the Vietnamese government

Little documentation is available on the policy of the Vietnamese government in the field of Women and Development. The official policy is that women enjoy total equal rights with men, as enshrined in the Constitution.

Dutch policy and policy intentions

Project proposals must comply with DAC/WID criteria as set out in 3.1.2. No activity financed by the Netherlands may result in a deterioration in the position of women.

Apart from the general objectives of the Women and Development policy in the Mekong Region, projects specially aimed at women may be developed. These may include:

- policy-support research on behalf of the national Women and Development policy;
- support for women's organizations, including the Vietnam Women's Union, in:
- policy development;
- organization-building at all levels;
- staff training, including information officers;
- encouragement of participation by women in international seminars (e.g. in the field of Women and Development) in Vietnam, the region or elsewhere.

d. Health care

General

The hierarchically structured health care sector in Vietnam is comparatively well organized. The large towns of Hanoi, Ho Chi Minh City, Hue and Can Tho have reasonably important hospitals. At district level facilities are available for surgery, gynaecology, pediatrics and internal medicine, while there are also village health posts. There are large-scale programmes to combat malaria, tuberculosis and leprosy and for family planning.

In 1979 Vietnam was singled out by the WHO for special praise for its health care system. Figures on health care have, however, overstated the case for many years now and are not therefore entirely reliable. The official figures claim for example that infant mortality is 38 per 1,000 while NGOs operating in Vietnam put the figure at closer to 64 per 1,000. Over 40% of children aged under five suffer from

moderate to serious malnutrition. Nor is malnutrition confined to children: the average daily intake of food is thought to be extremely low by generally accepted standards. There are significant shortages of medicines now that cheap deliveries from the former Eastern bloc countries have lapsed. The medical training courses are over-theoretical and lack practical relevance. Other major problems consist of the lack of safe drinking water and adequate waste processing.

Medical staff are highly motivated but lack expertise in the fields of management and primary health care. Vietnam's years of isolation mean that it has been unable to take advantage of international progress. Efforts need to be made to achieve a new orientation in health policy, with greater emphasis on the integration of primary health care.

Policy of the Vietnamese government

The present policy of the Vietnamese government on health care is based on the objectives laid down in the 1986-1990 development plan. These are aimed at:

- the development of a primary health care network;
- reducing the rate of population growth;
- development of the pharmaceutical industry;
- promotion and integration of traditional forms of medicine in a more modern approach towards primary health care;
- improvement of drinking water and sanitation facilities.

The Ministry of Health's priorities are to make primary health care accessible to the population as a whole and to improve the quality of the medical services. In 1989 a policy document was published laying down guidelines for the improvement of medical facilities at district level.

Dutch policy and policy intentions

The cooperation between the Netherlands and Vietnam will be based on the following principles:

- harmonization with national programmes to control common diseases, especially malaria and tuberculosis. The Netherlands has long been involved in efforts to combat these diseases. Where possible the cooperation will link up with the activities of the WHO;
- promotion of cooperation in the field of primary health care. Consideration is being given to concentrating activities in a single region where there already is a certain infrastructure;
- provision of support for small-scale activities in welfare work for underprivileged target groups such as the mentally and physically handicapped;
- promotion of participation by Vietnamese experts in international - especially regional - meetings and courses;
- supplies of medicines will take place mainly in the context of West-East-South cooperation;

- intersectoral health promotion by cooperation with activities in such fields as nutrition and food production, drinking water, sanitation and primary education.

e. Education and Training

General

One of the chief priorities of the Vietnamese government is the provision of universal education. Vietnam has succeeded well in this respect. Despite the fact that over 3,000 schools were destroyed during the war, 90% of children were attending primary school in 1986, of whom 64% completed their primary education. The literacy rate for both men and women in 1987 was 82%. Compared with other countries the relative proportions of boys and girls going to school are favourable. In the mid 1980s Vietnam had 287 schools for vocational education, with a student roll of 100,000 and 11,000 teachers. There were also 93 universities and other institutes of higher education with around 125,000 students and 19,000 staff.

Education is in principle free although parents are asked to make a small contribution towards the costs of maintenance, supplies of teaching material and supplementation of teachers' and instructors' salaries.

Educational facilities are generally poor. Buildings are mostly in a bad state of repair, the furniture is poor, sanitary facilities are not always available and textbooks and equipment are either of poor quality or in short supply.

Policy of the Vietnamese government

Despite the efforts of the Vietnamese government to provide universal education, there are signs that school attendance is declining. Precisely why this should be is unclear. One possibility is that children are being used to till the land more than formerly now that the level of economic activity has picked up. Alternatively it may be due to the quality of the schooling and the poor state of repair of the schools. Lack of money is the main cause: in 1989 spending on education amounted to just 2.6% of GDP (the average for all Asian countries is 3%).

Dutch policy and policy intentions

University cooperation between the Netherlands and Vietnam dates from 1975. Despite the general suspension of Dutch aid to Vietnam in 1982 an exception was made for three long-term projects in the field of genetics and cell-biology, soil science and immunology. The first of these projects runs till early 1995, while the latter two have since been completed. A decision was taken in 1990 in favour of a limited expansion of university cooperation.

On the basis of the leading priorities identified by Vietnam, the following possibilities for new cooperation activities have been investigated:

- cooperation in the field of materials science;

- cooperation in the field of development studies;
- activities in the field of health care, especially primary health care.

The scope for cooperation in other fields will also be explored, especially the humanities (social sciences/history/languages) or agriculture.

A significant element in the cooperation will be to provide Vietnam with a "window on the West" once again. This forms one of the reasons for continuing the fellowship programme.

Support for vocational education may be provided on a greater scale subject to the following principles:

- priority will be given to education and training activities in the sectors where the Netherlands is cooperating with Vietnam, namely rural development, health care, Women and Development and the environment. Support for activities in other sectors will, however, be assessed from case to case;
- emphasis will be placed on improving the quality of education.

In order to help bridge the gap that has been built up as a result of Vietnam's years of isolation, the organization of symposiums, conferences and workshops in Vietnam will qualify for support. Vietnamese can be helped to attend international meetings in their area of expertise.

The promotion of non-formal education in the form of specific programmes aimed primarily women and small farmers, handled through private channels, will be actively pursued. Particular importance will be attached to the education of trainers and instructors. Within the integrated rural development programmes attention will be devoted to functional literacy. Training activities may also be organized for farmers in the fields of communal water management and marketing.

It is proposed to devote special attention to research activities in the fields of environment, health, the development of technology and agriculture.

3.2.5 BURMA

Virtually all bilateral donors, including the Netherlands, suspended their aid to Burma in response to the violent suppression of the popular uprising in 1988 by the Burmese authorities. The UN organizations represented in Burma did not, however, close their doors but continued their aid using the UN's own resources. The Netherlands does not, however, rule out humanitarian aid of direct benefit to the population.

Until 1988 Dutch aid consisted of the annual provision of several dozen fellowships and bursaries for the Village Group Piped Water Supply Project implemented in conjunction with UNICEF. A sum of NLG 4.5 million was committed for the third stage of this project (1986-1990) in 1986.

If developments in Burma warrant the resumption of Dutch aid, fresh consideration will need to be given to deciding which sectors deserve priority support, within the framework of the priority areas and sectors identified in section 3.1.2.

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