

**Regional Development and well-being in
the Mekong Region**

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Abstract

There has been a debate in development, either within the academics or policy circles that to whether economic development enhances well-being of the population. Within developed economies, the empirical evidence from research, especially from psychology and economics disciplines, appears to suggest that the increase of material wealth measured by income did not go in apparel with happiness of people. In the developing worlds there seems to be two different views regarding economic growth. On the one hand, the first view suggests material growth is necessary in order to be able to satisfy basic needs of the population. But on the other hand, the negative impact of economic growth in developing worlds has been increasingly acknowledged. Rather than trying to find solution for such different views, this paper seeks to ask the question of how the population in developing world can transform material growth into well-being. The paper is based on Ph.D. that is being in progress, titled 'Regional Development and Change in Local Livelihoods'. This paper first introduces debates on well-being and relevant concepts. It will then outline regional development contexts of the region. The next section of this paper will focus on countries in the Mekong Region. It will argue that the notion of 'braking the border' in regional development in the Mekong Region could enhance well-being of specific groups who are able to keep up with material growth. But in the meantime, the regional development could deplete well-being of certain groups of people.

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Introduction

It is argued that economic policy and growth in a 'newly industrialised country' takes precedence over social policy and welfare. Mode of policy regimes in these countries can be identified as 'productivist welfare regime', which means that "social policy is not an autonomous agent in society or even an autonomous sphere of government; rather it is subordinated to the dominant economic policy goal of maintaining high rates of economic growth [...and] is concentrated on social investment notably in education and basic health rather than social protection" (Gough; 2004, p.17 181, Clench 2005). In other word, social policies produced by the state are instrumentally to create conducive atmospheres for investments, while welfare or well-being is taken to be an outcome of such regime. Titmus (1958, 1974), in his earlier attempt, classified welfare model into three: the residual role where state roles in social provision are limited, industrial achievement model where social insurance is dependent on employment, and contribution and industrialized model where the state vigorously intervene into market allocation by implementing redistributive social policies, guaranteeing universal rights and providing public services. Later on, Esping-Andersen (1990) delineates a welfare state regime which characterized by different pattern of state, market and household forms of social provision. These provisions will result in the degree to which labour is 'de-commodified' or shield from the market forces. These all assume social policies and welfare regime to be follow to the establishment of industrialization. In other word, what the existing ideas of social policy inform us is that we, the developing worlds create material wealth first then well-being will follow.

The above notions of policy and development although have proved enormous merits, especially in terms generating studies and research in the field of social policies in developing worlds. However these ideas entail a number of shortcomings in applying to countries in Greater Mekong Sub-region (GSM) and two of these are important. Firstly, most of countries of the GSM are in the 'transition' period and cannot be classified as newly industrialized countries. People of these countries are facing with two kinds of limitation in their pursuit for well-being. On the one hand, welfare goods that are provided by the state were not sufficient, primarily

because the state gave priority to divert resources to boost the economy. On the other hand, labour market is has not been fully prevalent.

Secondly, the notions of welfare, wellbeing or development in themselves are problematic. They are problematic in the sense that these notions are taken to mean different sorts in policy practices. However, in recent years we saw a shift of these notions to the idea that welfare is not only mean to satisfy needs of people with material basic goods, development does not only achieve through economic growth, and well-being is more than material wealth. The shift of idea is attested to by the Human Development notion that has been driven by UNDP. The shift of idea is also clearly pronounced in well-being research, for instance the Research Group on Well-being in Developing Countries – WeD (www.welldev.org.uk) (see also Gough and McGregor; 2007). In this well-being is derived from three main families of concept, namely human needs, quality of life, and Resource Profile Approach. Well-being comprises both subjective and objective aspects. It includes the whole processes of human life, beginning from individual human and society having their values and goals. These values and goals drive them to pursuit for well-being. Actions of individuals in the pursuit for well-being are primarily shaped by resources they (individual and household) have. They will employ these resources to obtain the best possible outcomes (McGregor; 1998, 2003).

It is apparent that, from the above observation, there has been a certain level of agreement in that welfare, development or well-being means broader than material wealth. In developed worlds, the evidence from the research suggested that increase of income has been incompatible with increase in happiness of people. However, the issue for developing countries is not to reduce or to avoid creating material wealth. The issue might be that how people experience growth or wealth that was created, and more importantly, how they transform material wealth into well-being. This paper explores the contexts of development of the Mekong Region, and seeks to understand how these developments may implicate the ways in which people of these countries experienced material wealth. This paper first introduces general situations of the regions focusing on regional development. It then goes down into discussing development in individual

countries which experienced economic growth differently. It will argue that regional development that was characterized as breaking the border, may enhance specific groups in transforming the created wealth into well-being, whereas well-being of a great amount of specific groups of population has been eroded.

Breaking the border to reduce poverty

The entrance into new phase of development of the Mekong countries from the 1990s is characterized by two important aspects. Firstly, the former socialist countries have more and more adopted market-led economy while socialist regime continues to be key governance structures of these countries. The immediate result of such redirection of development has been quite impressive. Countries in the lower Mekong basin became one of fastest growing sub-region in the world. Even though the economy was hit by the Asian Crisis in 1997, the region average growth rate maintain at 6-7 percent. The average GDP per capita of the region increased from about 645 US dollar in 1992 to about 1,048 US dollar in 2005. In Vietnam, GDP per capita increased 4 times during 1992 to 2005, from 144 US \$ to 620 US \$. Similar thing was also occurred with Cambodia, Laos, and Thailand, the countries that adopted market-led approach earlier than it neighboring countries. Consequently poverty incidence was reduced as shown in the table below

GDP per Capita and Poverty Rate in Lower Mekong Basin

	GDP per Capita (US Dollar)		Poverty Rate (Percent)	
	1992	2005	1992/1993	Latest Year
Cambodia	220	380	39.0 (1993)	36.0 (2005)
Lao PDR	271	440	46.0 (1992)	33.0 (2003)
Thailand	1,945	2,750	23.2 (1992)	9.8 (2002)
Vietnam	144	620	58.1 (1993)	29.0 (2005)

Source: ADB (2005): Regional Cooperation Strategy 2006-2008

UNDP (2005) (2006): Human Development Report: 2005 and 2006

WB (2004) (2005): Country Data at Glance

Secondly, there has been an idea to create cooperation among these

countries in order to boost the economic growth. The concept of establishing economic development programs for the GMS originated in the 1950s with the United Nations Economic and Social Committee for Asia and the Pacific (ESCAP). However, development was halted by the confrontation between the super powers in the region. From the early 1990s when the cold war was ended the sub-regional cooperation in economic development was gained momentum again, and one important is the Sub-region Economic Cooperation Program was initiated in 1992 by the Asian Development Bank (ADB). This cooperation program brought together the six GMS countries to enhance economic relations through the coordinated development of infrastructure. According to the ADB, “Cooperation among the countries of the sub-region is integral to the adoption of export-led growth strategies, replacing earlier import-substitution policies and/or policies of self-sufficiency. Extremely low incomes prevail in most of the sub-region, but the potential is great and economic growth is beginning to surge. Indeed, the prospects are excellent given the strategic location of the sub-region and the sweeping structural reforms that have created a very positive environment for domestic and foreign investment.” The GMS Economic Cooperation Program involves the implementation of high priority sub-regional projects in transport, energy, telecommunications, environment, human resource development, tourism, trade, investment, and agriculture. The Strategic Framework for the program, adopted by the 10th GMS Ministerial Conference in November 2001, and endorsed during the first GMS Summit in 2002, focuses on five strategic development initiatives:

1. Strengthen infrastructure linkages through a multisectoral approach;
2. Facilitate cross-border trade and investment;
3. Enhance private sector participation in development and improve its competitiveness;
4. Develop human resources and skill competencies; and
5. Protect the environment and promote the sustainable use of the sub-region’s shared natural resources.

Both the ‘reform’ of economic policies happened in the former socialist countries in the region and the regional cooperation resulted that

movement of economic resources such as goods, services, population, etc, has been increased. For instance it was reported that there are about two million migrants annually within Mekong countries, and the number of people moving within the region have been increased.

Along with the impressive rate of economic growth, ‘poverty’ remains pronounced in the Mekong countries. Indeed, the poverty is decreasing; the proportion of undernourished poor dropped from 33 percent in 1990 to 23 percent in 2003 (ADB, 2005). However, about 50 million persons are still struggling at or below the poverty line, and the regional poverty also shifts from 1 dollar per day to 2 dollar per day. In Cambodia, Laos and Vietnam, 70 percent of total population live their life with 2 dollars per day. In addition, inequality is also larger and larger along with the fastest economic growth in transition countries. The scale of inequality, measured by gini-coefficient, increases from 0.37 in 1900s to 0.45 in 1999 in Cambodia. In Laos, the inequality gradually increased from 0.29 in 1990s to 0.35 in 2002. In Vietnam, the inequality increased at twice from 0.18 in 1993 to 0.37 in 2002. In Thailand, the inequality is still highest in the world. The market economy now increases the unequal distribution in the regional development, which makes the wide regional inequalities in the Mekong region.

Population below the Income Poverty in Lower Mekong Basin (percent)

	1 dollar per day 1990-2003	2 dollar per day 1990-2003	National Poverty Line 1990-2003	Inequality (Gini Index)	
				1990's	Latest Year
Cambodia	34.1	77.7	35.9	0.37 (1994)	0.45 (1999)
Lao PDR	27.0	74.1	38.6	0.29 (1993)	0.35 (2002)
Thailand	<2	25.2	13.1	0.52 (1990)	0.42 (2002)
Vietnam	17.7 (2002)	63.7(2002)	28.9	0.18 (1993)	0.37 (2002)

Source: UNDP (2005) (2006): Human Development Report 2005 and 2006

The contrast pictures, i.e., the economic growth and the high incidence of poverty are not surprised, as many regions of the developing worlds faced with the same situation. This situation may be view to be temporal and necessary during the transition period of these countries. However, we also need to carefully consider the how people of the Mekong countries experienced the increase of material wealth. The next section will explore and highlight salient characteristics of development and growth (and outcome of growth) of individual country of the Mekong Region.

Cambodia: Salvaging Poverty under Persisting Political Uncertainty

Cambodia was underwent a radical communist Khmer Rouge regime from the mid of 1970s. During this period social and cultural institutions were dismantled. Khmer Rouge abolished money and private property rights, forced city dwellers to migrated to countryside to cultivate the field. Exhaustion, starvation, torment and execution caused almost two million people died. This was continued with a long year guerrilla warfare when the Khmer Rough were toppled by the Vietnamese supported troops. Despite recent progress, Cambodia continues to suffer from the effects of decades of civil war and internal strife. After Paris Peace Accord of 1991, Cambodia adapted to the constitutional monarchy under the coalition cabinet by United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia (FUNCINPEC), Cambodia People's Party (CPP) and Sam Rainsy Party (SRP) which recovered the regional diplomatic relations and increased the regional cooperation through first GMS meetings in 1992. However, both FUNCINPEC and CPP had the armed clash in 1997 in Phnom Penh, having the political crisis temporally. However, since First Fun Sen Government in 1998, Cambodia politics are stabilized, and Cambodia Government started Rectangular Strategy for Growth, Employment, Equity, and Efficiency in the Second Fun Sen Government in 2004. This Rectangular Strategy concentrated on the sustainable economic growth and poverty reduction, which is associated with Cambodian Millennium Development Goals.

Although per capita income has been rapidly increasing, this remains low in comparing with other countries in the region. Most rural

households are agriculturalists. In 2005, GDP per capita in PPP terms was 2,200 dollar, which was ranked 178th out of 233 countries, and Cambodia is ranked in the least developed nations in the world.

In respect with poverty, the long term of domestic conflicts destroyed the irrigation and cultivated lands, which now links with the low productivity in the farming and causes the food security every year. The people below the minimum dietary energy consumption are 30 percent in total population and 50 percent of children under age 5 is underweight. Cambodia is one of hunger countries in the world and receives the food assistances from World Food Programme (WFP). In the water resources, the low access to an improved water resource in 60 percent in the urban and 40 percent in the rural increases the scale of poverty. People manage to have 3 m³ per year which is the minimum water requirement for the human beings in the world. Total quality of living is just satisfied at minimum daily livings, whereas the expansion of market economy also increases the inequality and the value of money in Cambodia.

In the relation with money and inequality, the dollarization is still highest in Southeast Asia, while Cambodia currency: Riel with low credibility is widely spread in the rural area. The wage labour market is smallest, which is 7 percent in the manufacture industries in total employment, and 20 percent in tourist industry in 2005 (WFP Cambodia, 2005). The small wage labour market causes the disgusted unemployment among young people, and increases the farmers in the rural area, and also causes the migration and human trafficking.

In the domestic migration, Phnom Penh, Siem Reap and Sihanoukville where most commercialized and developed areas in Cambodia are the migration places to seek for the wage jobs. On the other hand, the recent regional cooperation increases the regional migration. Historically, since 1979, Thailand has housed a total of 745,000 Cambodian refugees, of whom 510,000 returned home and 235,000 resettled in third countries. Since the re-opening of Poipet-Aranyaprathet crossing point in 1992, it has drawn over 70,000 people to migrate to this area, resulting in

shanty towns swelling. In recent years, there were seven luxury casino businesses opened on the Cambodian side. A number of people commute across the border to work in Aranyaprathet, and in the opposite way, a number of labours from Thailand are working in the luxury casinos. Many more people from these countries immigrate to work in different industries and businesses. However, cross border migration of people in this region is closely associated with human trafficking. The victims of human trafficking are usually women and children, and the trafficking is usually destined for the sex industry, forced labour and begging. Trafficking of women for prostitution is particularly concentrated around border provinces such as Poi Pet and Koh Kong. Human trafficking is also domestic pervasiveness. A number of reports show that women and child sex workers in these countries have been increasing along with economic growth. These reported also argue that women are increasingly being tricked into migrating by the trafficker, agents, friends or being kidnapped (IOM, 2007).

Lao PDR: exporting natural resources to rescue poverty

In the liberation in 1975, Lao People's Revolutionary Party established Lao People Democratic Republic (LPDR), and adapted to the communist regimes and Soviet Union Development Model. However, the cooperative system was not successful; and then, Lao PDR adapted to the economic transition in 1986. Lao PDR proclaimed a comprehensive development program called "The New Economic Mechanism (NEM)". These plans characterize the shift from a socialist and centralized state to a more market-oriented and open economy. Transition could follow to ASEAN economic boom in 1980s and the beginning of 1990s, and GMS's regional economic cooperative since 1992 also encourages and contributes to Lao economic growth. Geographically, Lao PDR where is regarded as Asian Battery can generate 12,223 MW in 60 hydropower project. The privatized investment introduced by the development banks in 1990s makes the public-private partnership in the infrastructure constructions, which makes the consecutive energy cooperation and increases dam constructions in Laos. In the energy trade, Thailand is the largest energy import country, because Thai Government suspended the large hydropower project since Pak Mun Dam. Trade profits by energy export increased from 24 million

US dollar in 1995 to 110 million US dollars in 2005 in the decade. In addition to the regional energy cooperative, Lao Government also has more commercialized cooperation in logs/timber industries due to a number of dam constructions and high demand in the global log/timber industries. In the mining industry, Lao Government makes the lease contracts with the regional governments and companies, and its profits increased at 200 million dollar in 2005 from 60 million dollar in 2004 in a year. Both GMS economic cooperative and neoliberalism makes the large economic profits for Lao PDR and the natural resource product market also move into Lao PDR from Thailand and other GMS countries.

On the other hand, Lao PDR is a least developed country in the world. In 2005, GDP per capita in PPP terms was 2,000 US dollar. Lao PDR was ranked in 133rd of 177 in the Human Development Index and was classified into Medium Human Development category. Lao PDR also heavily depends on Official Direct Assistances (ODA) with 70 percent of public investment being financed by external resources.

In poverty condition in Laos, 80 percent of population stay in the isolated rural area, and manage the subsistence livings in the natural resource bases. Food security is a national problem because of the low agricultural productivity. 40 percent of children under age 5 are underweight, and 30 percent of population is below the minimum dietary energy consumption. The access to the improved water source is 70 percent in the urban and 40 percent in the rural. The increase of money economy by the transition leading the cash payment in the social services and land payments is heavy pressure to the local people. The rural people without access to the market have difficulty taking the social services and paying them. The transition also causes the migration to the urban and Thailand. Many emigrants work illegally, and over 30,000 young people from Savannakhet may have entered Thailand without official documentation (UNICEF, 1998). The quality of livings and human economy is not following to national economic growth yet in Lao PDR.

In the regional energy cooperative, the large dam constructions destroy the natural resources and increase the deforestation in Lao PDR. In

Nam Thuen River, Nam Theun-Hinboun Dam and Nam Theun 2 Dam adapts to the water diversion after the power generations, which changes the water flow from Nam Theun to Mekong River. This water diversion decreases the amount of water flow to the downstream of Nam Theun, which damages the fish migration and ecosystem in Nam Theun. Both dam constructions and water diversion decreases both scale of fish catch at 60-80 percent and the income generations by the fishery, and the decline of quality of water also decreases the scale of the local livings (Shoemaker, 1998). The resettlement shifting into the market economy also causes the mental problems on livings, because both agricultural productivity and livelihoods are based on the cash income and money economy. These social and environment losses are increasingly occurred in every dam construction sites in Laos and other regional countries. Both GMS and Mekong River Commission (MRC) need the cooperation in the water resources development in the Mekong River. Selling natural resources makes large economic profits in the national economic growth, while its economic policy decreases the scale of livelihoods in the local area. There is large misunderstanding on the national development policy between government and citizens in Lao PDR. It matters whether the regional cooperation can reduce the poverty in Lao PDR or not.

Thailand: persisting inequality under highest market economy

Thailand has undertaken capitalist economic development since the 1960s. Thailand developed close ties with the U.S. and World Bank whereas its relationships with neighboring countries in the Mekong Region repeatedly came under strain until Paris Accord on 1991 in Cambodia and GMS organization in 1992. Since 1990s, Thailand and GMS countries increase the regional security and peaces through GMS and ASEAN economic cooperative partnership. In Thai development, Thai Government was successful in the transition from the import substitution (1950-60s) to the export regime (1970s), and economic adjustment (1980s), and the mixture of export and foreign investment regimes (1990s). Trade and financial liberalizations are increasing by the economic deregulation polices, corresponding to world economic demands and leading sustainable foreign investments. In the past three or four decades, Thailand has performed well having high rates of economic growth, albeit fluctuating.

GDP per capita is increased at 2,727 US dollar in 2005 from 1,945 US dollar in 1992. Based on the export of agricultural regime, Thailand is the first rice export country in the world, increases from 826 million dollar in 1985 to 3,060 million dollars in 2005. In industry, manufactures shifts from the food processing to the electronic products, increases at 97,000 million dollar in 2005 from 3,000 million dollar in 1985. In the growth of industrial manufactures, both foreign investment and joint ventures increases at 3,300 million dollar in 2005 from 2,200 million dollar in 1992. In Human Development Index, Thailand was ranked in 74th in 2005, close to the high human development above 0.800 in Human Development Index Value. Thailand Human Development Index is ranked in 3rd next to Singapore and Malaysia in Southeast Asia.

In regard to poverty and inequality in Thailand, the inequality is still highest in GMS. In the poverty, Northeast Thailand covering one third of total population of Thailand is struggle against the poverty, because Northeast Thailand is largest agricultural area with non-irrigated lands. Geographically, the numbers of large private and foreign companies do not increase and move from provinces near Bangkok yet. In spite of the increase of educational levels, the poor labour market makes the people migrate to Bangkok and other provinces around Bangkok. Some of people go to foreign countries to seek for high paid salary. In the meantime, demand for workers in the Northeast, especially demand in low-paid workers increase, drawing people from neighboring countries into the Northeast (Pramual, 2004). In the statistical data, the average growth rate in Northeast Thailand is 3 percent since 1970, and the current economic scale is three times as large as 1970s. In GDP per capita, it increased from 11,000 Baht in 1970 and 34,000 Baht in 2004 (World Bank, 2005). Although Northeast Thailand's economic level is highest in the riparian countries in Mekong River, its economic structures are not changed dynamically by high national economic growth.

Development of Northeast Thailand is historically associated with the national energy development. Thai Government and Electricity Generating Authority of Thailand (EGAT) constructed Pak Mun Dam in Uboratchathani Province in 1994 with World Bank financial supports.

However, Pak Mun Dam could not make more power generations than project expectations, and its dam also decreased the scale of local livelihood by the decline of fishery (World Commission on Dams, 2000). In another water resource development, Kong Chi Mun Irrigation project still exist in development discourse, whereby huge amounts of water are to be diverted from the Mekong River to feed agriculture in Northeast Thailand. If large projects like Kong Chi Mun are to go ahead in the future, the poverty reduction in the Northeast of Thailand is not only a domestic issue, but also increasingly an issue concerning the Mekong Region. Water resource development is most important development topic for Thai Government and GMS countries, while a number of large population still depend on the river water and natural resources in their livelihood, and the dependency on Mekong River is largest among people along Mekong River. Although Thai economy is high market economy in GMS, the local economy is still semi-subsistence and subsistence economy, and there is large gap in the economic structure and the quality of livings around Thailand.

Vietnam: Human Resources and Expansion of Inequality

In Vietnam War, North Vietnam deployed the guerrilla warfare and tactics against South Vietnam, while the U.S. military spread defoliant in deep forest areas in North Vietnam. The long tem of fighting, large number of death including individual people, and the use of defoliant were international problems; finally, both of which had Paris Peace Agreement of 1973, and North Vietnam had the liberation in 1975. North Vietnam established Socialist Republic of Vietnam in 1976. Vietnam adapted to the economic cooperative productivity under the communist regime and had the high investment into the education and social sectors which Ho Chi Minh's education and social philosophy strongly influenced, which now makes highest human resources in the same amount of GDP countries. Human Development Index increased from 120th in 1995 to 108th in 2005 in the decade. Life expectancy is age 71 and adult literary is 94 percent.

In 1980s, the Perestroika policy made Vietnam adapt to the economic transition in 1986. Vietnam endorsed the comprehensive reform package known as Doi Moi. The aim of the package was to build 'a

wealthy nation, powerful country and to establish an equitable and civilized society' (UNDP, 2001). The Doi Moi gave freedom to individuals, giving them incentives to increase food production, consumption goods, and the export products. Transition makes second rice export countries next to Thailand in the world, whose income increased at 950 million dollar in 2004 from 247 million dollar in 1995. Following to the rice export, the coffee export is also the second export country, next to Brazil. Transition with the liberalization and high human resources recovers the international relations and leads the bilateral trade agreements and investments, and GDP per capita in PPP terms was 2,700 US dollar in 2005.

On the other hand, transition now increases the inequality, because the majority of the poor is isolated geographically, ethnically, linguistically, socially, and economically. Northern Upland, Mekong Delta, and North Central Coast accounts for more than two-thirds of poverty, and the ethnic minority sharing 15 percent of total population live in the remote rural area, represents 30 percent of the poor. The poverty is 6 times higher in the rural area than the urban, and the scale of poverty is 7 times higher for the ethnic minorities in Vietnam. Despite high economic growth, the poor have small landholdings without irrigation, informal credit with high interest, low access to market, and low off-farm employment. Malnutrition remains high among children under age 5, 30 percent of whom are underweight due to the low mother's educational level in the rural area. In health sectors, the maternal mortality rate is 10 times higher in the isolated rural areas than the urban area. In HIV epidemic, more than 100 people get infected every day, and the number of people living with HIV more than doubled in 2000-2005 from 122,000 to 263,000 (UNDP Vietnam, 2005).

Transition upsets the past equal social and economic distributions, whereas the competitive society is growing by the money economy, increases poverty and inequality as well as increases the economic mental pressures in Vietnam. Although Vietnam transition with high economic liberalization is highly evaluated in the world economy, wage labour market is totally underdeveloped, and its scale is still small, which is not correlated with the high economic growth and high foreign direct investment. On the other hand, the role and productivity of state enterprise

is still larger in the economic structures, because the scale of private companies are too small to employ more than 100 people in food processing, wood products and textile/garment factories, and the foreign investments are concentrated on Hanoi and Ho Chi Min City and cost areas. A large number of rich human resources are left in the labour market, causes both unemployment and migration. In the unemployment, the youth unemployment was 4 percent in 2002. The unemployment rate among age 15-19 was 11 percent, and age 20-24 unemployment rate was 7 percent. The urban youth unemployment is 8 times higher than the rural area (World Bank, 2003). In the migration pattern, youth and adult migration is higher than other generations, which is twice as high as other generations and directs for urban cities such as Hanoi and Ho Chi Min City. The recent high regionalism make the young and poor people migrate from South Vietnam to Cambodia illegally for working in Phnom Penh, Siem Reap and Sihanoukville.

Conclusion

Regional development, especially under the framework of ADB was evidently creating growth. However, people of the Mekong countries seem to experience growth differently. Cambodia traditional institutions were dismantled, and the market economy of Cambodia was newly re-established, well-being of people seems to rest on being the clients of specific competing fraction of the politics. In this their well-being in the future is uncertain and risk, due to uncertainty in politics. In Laos PDR where natural resources are ample, the path to achieve material wealth was to export natural resources, especially in a form of hydro power. Well-being of the population is therefore significantly dependent on the availability of natural resources. Meanwhile exporting natural resources may cause environmental degradation at the site where natural resources were removed. In this light well-being that was achieve through selling natural resources to Thailand may be cause ill-being of people who their livelihoods are relied on natural resources that were degraded. In Vietnam, where human resources are abundant but formal labour market was relatively small, competing among labourers themselves in order to obtain employment will be high. This will result in the persisting low wage, in the

meantime drawing foreign investment into Vietnam, therefore driving economic growth. Inequality will be expected to intensify. This is very consistent with what has happened to Thailand that has adopted market-led economy earlier than these countries. People of Thailand have had experience of inequality such as the growing of infrastructures and congestion of 'modernity' in Bangkok. This is in contrast to rural and country sides where small farmers were relied on farming small plots of land. From the macro picture of development in each countries in Mekong region described above, it can be said that the outcome of economic growth of the region does not necessarily lead to well-being of the population.

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