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CONSULTATION ON
MEDIA AND ECONOMIC DEVELOPMENT
IN CAMBODIA, LAOS AND VIETNAM

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By

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Media and Economic Development in the Laos

1. Country Background
The Lao PDR is a landlocked nation and has the total land of 236,800 square kilometres. The 1995 Population Census recorded the country’s population at 4.6 million.

Since the government adopted the New Economic Mechanism (NEM) in 1986 - a move towards a market-based approach that accelerated in 1988 - much has changed in the Lao PDR. The NEM was an economic reform package that transformed economic activity from a central command system to a market-based approach, decentralising economic decision-making, and allowing the private sector to take an active role.

From this movement, the economic growth rate has accelerated, and there has been increasing emphasis on social sector spending. Nonetheless, the Lao PDR remains among the world’s poorest countries. Yet if current growth rates continue for another five years, as they are forecast in the Five-year Plan for 1996-2000, the nation will move to considerably higher rank between the group of the world’s low-income countries.

2. Economic Underpinnings
The Lao PDR is a low-income country. In 1992, the World Bank estimated the per capita GNP to be US$250, a figure below the average for the Bank’s category of Least Developed Countries (US$390). In Asia, only Cambodia, Nepal, Bhutan and Bangladesh were ranked below the Lao PDR. According to the different criteria used by the UNDP to calculate its Human Development Index, the Lao PDR was the 138th out of 174 countries in 1993.

The Lao PDR has a high incidence of poverty, with 46 percent of the population below the poverty line. Agricultural productivity is low; only 1.8 percent of cultivated rice land is irrigated. Unexploded ordnance left over from the Indochina war, frequent natural disasters, and poor access to markets and social services all exacerbate the poverty situation. The lack of access to sea ports hinders the development of export industries. The country has massive infrastructure needs, a poorly trained workforce and a low capacity to mobilise domestic savings.

Agriculture accounts for 59 percent of GDP and 85 percent of the labour force. Less than 5 percent of the nation’s land area is under permanent cultivation, mostly for wet rice that a single cropped on rain-fed paddies. There is negligible irrigation for dry season production - only 2 percent of the rice growing area. Swidden farming is the dominant farming system in the upland areas, thinly populated by various ethnic minorities. The absence of irrigation makes Lao rice production very weather-independent, particularly in the upland areas. All land is owned by the state; however, use rights that are transferable and inheritable.

Four factors serve as key, interrelated constraints to economic and social development in the Lao PDR, the first of which concerns structural constraints to
be overcome in the agricultural and forestry sectors. The second relates to the nation's narrow, relatively weak export base. The third is associated with the poor conditions of the country's transport infrastructure and the limited access it provides to domestic and external markets. The fourth constraint is the lack of skilled personnel in key development sectors. These constraints appear to remain crucial and need to be addressed on an integrated basis.

Nevertheless, there are many positive factors conducive to development. A favourable land to population ratio, a relatively egalitarian distribution of assets and income, a valuable natural resource endowment, beautiful scenery and strategic location within a dynamic regional economy, are some of them. In recent years, impressive economic growth rates have achieved: an annual rate of 6.4 percent for the past five years. In 1995, GDP growth estimated at 7.1 percent and per capita GDP at around US$350.

The Lao PDR's Five-year Plan for 1996-2000 has drafted with the aim to carry forward the rapid economic development achieved in recent years, and to raise per capita GDP from about US$380 today to US$500 by the year 2000. This plan will continue to promote the market economy, and places particular emphasis on regional development planning, integrated rural development including agro-forestry, improving transportation and communication system, and increase attention to expanding and upgrading education and health systems.

3. Lao Media Infrastructure

Lao media are mainly under the ownership of the Lao People's Revolutionary Party, state bodies, mass organisations and official institutions. When launching the five-year plan in 1996, the Government emphasised the need for upgrading and expansion of the national media infrastructures in all fields related to print media, radio and television broadcasting. It is recognised that such expansion would largely concern the updating of information technologies and the training of communication personnel in order to achieve the national goals.

The communication sector in the Lao PDR is considered one of the least developed. Both print and electronic media as well as telecommunications services are inadequate. The problem becomes even more acute in the provinces. Due to its limited revenue, several bilateral and multilateral donor agencies have signified interest in assisting the Lao PDR in upgrading its telecommunications and broadcasting facilities. If we compare this development to those of the neighbours, Lao media are still far not only in terms of techniques but also in contains.

KPL, the national news agency, also utilises HF/computer systems to gather and disseminate news in some of the provincial centres. Throughout the Lao PDR, there are approximately thirty different newspapers, magazines, and news bulletins. The print media of the country are concentrated in Vientiane, where they are about 20 newspapers and magazines in established competition; about 5 magazines published in provinces. In breakdown, there are 2 dailies, 3 bi-weeklies, 5 weeklies, 2 fortnights and more than 10 monthlies.
The national radio broadcasting service consists of twelve sites, 3 of which are located in Vientiane capital and the rest are at provincial locations. As land transport systems are very limited due to road conditions, especially during the rainy season, print media subscribing to many provinces and remote region is so limited. For this reason, radio broadcasting plays the most important role in reaching recipients throughout the country.

With a view to attaining its national development plan, the Lao PDR has put its efforts with regards to improve and expand TV broadcasting facilities, including the renewal of the TV transmitter, renewal of studio equipment and construction of studio building as well as remodelling studio facilities. The national television service comprises 2 capital and 15 provincial broadcasting sites. Programming consists of local transmissions in the province as well as of relays of news and national interest items from the capital. The two national TV stations broadcast 17 hours a day during which 70% of the programmes are also transmitted via satellite to various relayed stations located in different parts of the country. But still, only 60% of the whole population inhabiting in main towns are able to capture local TV signals.

4. Lao Media Role in Promoting Economic Development Region

Rapid economic development has been taken place in many countries in Asia and the Pacific in the last few decades. Economic development is bringing about an improved standard of living. As the world forges ahead into the 21st Century, it is awakening to the realization that the best way to ensure a steady flow of knowledge is by getting on what is commonly referred to as “liberalization and globalization”.

In the long history, the peoples of Laos, Vietnam and Cambodia have shared many common hardships and joys. Relating to the past traditions, experiences and common needs among the peoples, the Lao government has ever since promoted economic development on the Indo-China Peninsula. Nowadays, the Lao government has signed different minutes of understandings as well as agreements vis-à-vis economic cooperation with its Vietnamese and Cambodian counterparts. Besides that, peoples living along respective borders between our countries are carrying out certain trade affairs, which importantly contribute to the improvement of their daily life.

Today the Southeast Asian nations are facing up to the “economic turmoil” and it would take a certain period of time in order to gain back normal situation as before, especially in financial management. In front of such situation, Laos, Vietnam and Cambodia should extend more economic cooperation. And as far as we are concerned, the entire media organizations in the 3 countries should also pay closer attention to the dissemination of their products, either in print or in broadcast systems. The media of the 3 countries should have frequently professional consultations and visits, thus informing media process in their respective countries and exchanging experiences as well as getting feedback from their professional carrier. By so doing, the media of the 3 countries will only be able to get closer to each other in promoting economic development in the region on the basis of mutual-understandings and interests.