

**Talk given by Jean-Charles Castel**  
Head of the French Solidarity Priority Fund for Southern Laos Heritage

**“The Socio-economic stakes of heritage policies at the service of tourist development in Laos, as seen through the example of UNESCO Heritage Sites”**

**1. A pressing question for French Cooperation**

Support for heritage protection is a central part of French cooperation in Laos. This policy came about in the middle of the 1990s with the Luang Prabang UNESCO World Heritage Site project. The second phase was support for the Champasak classified site in the middle of the last decade.

France’s assistance to Laos bears witness to a constant policy orientation: to develop heritage sites thus creating a lever for economic development. For this, French cooperation has concentrated its efforts on UNESCO sites, which show great heritage and tourism potential. These sites attract important financial means and are used to experiment different heritage policies under the watchful eye of the international community. Other sites are in the process of classification, such as the Plain of Jars and the Hin Namno forest on the Vietnamese border.

The theme of this present workshop corresponds to a pressing issue for French cooperation, since the programmes funded by the French Ministry of Foreign Affairs and the French Development Agency are soon coming to an end. The time is quickly approaching for an accounting and redefinition of a possible follow through for these projects.

**2. Tourism, the country’s second largest source of income.**

Tourism is beating all records. The number of visitors to the country has gone up an average of 20% per year every year between 1993 and 2012. Official statistics number 4.2 million visitors in 2014 and 3.7 million in 2013, an increase of 10%, while the country only numbers 6 million habitants. The increase was 13% between 2012 and 2013.

Tourism generated a total revenue of 641 million dollars in 2014 and has hence become the second largest source of revenue since 2010, after mining and before electricity<sup>1</sup>. It is worth noting that more than 51% of all this revenue comes from tourists outside the ASEAN zone, who are only 14% of all visitors. These tourists also stay the longest with an average visit of 7.9 days in 2014, 8.4 days in 2013, as compared to only 2 days for local visitors. International tourists, such as Europeans and North Americans, represent therefore a priority market for Laos in economic terms, as is their direct impact on the local development of visited areas.

This sector is expected to continue growing since the country is expecting 4,332,000 tourists in 2015, 4,680,000 in 2016 and 6,000,000 as we head toward 2020.

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<sup>1</sup> Source: 2013 and 2014 statistics reports from the Department of Tourism Development, Research Division, Ministry of Information, Culture and Tourism.

### 3. Luang Prabang, a growth model in search of sustainability

Luang Prabang fills the role of first project in terms of economic success. Last year the authorities celebrated the 20<sup>th</sup> anniversary of Luang Prabang as a heritage site and paid homage to the French actors who contributed to this exceptional development which is unique in Laos. Veteran residents tell us that the old city was dying before the project began. Tourism today brings more than 130 million dollars per year in revenue to the Province.

The official measure of development, as put forward by the press, puts the accent on GDP growth indicators and the number of visitors to the city. In order to discover analyses which go deeper than economic aggregates, we must turn either to academic studies or foreign literature.

French authors have mostly dealt with observed social mutations since the development of the site. Last year, Francis Engelmann gave a conference at the INALCO where he highlighted socio-cultural aspects of Luang Prabang's development. A publication by Arnaud Dubus and Guillaume Payen delves into modifications in the ethnic make-up of the local population. Another, even more taboo, subject studied by the anthropologist David Berliner, is the development of sexual tourism and prostitution, brought about by the influx of cash, and especially gay networking tourism.

The rise in real-estate prices has led to population replacement. Although this is plain for all to see, no inventory has been done to quantify these changes. On the positive side, it must be said that thanks to these new-comers, the first of whom were pioneers in the culture of heritage conservation, a policy of heritage preservation was implemented. Heritage defenders today watch the new wave of Chinese investors with a wary eye.

The most thorough freely accessible economic study we can find is a publication edited in London in 2006 by Caroline Ashley. In it, she attempts to evaluate to what degree the economic development of Luang Prabang has helped poor or reduced capacity populations. The result is that about one quarter of the wealth created was able to go to these populations, especially those who make a living by selling food and drink products, followed by crafts people.

An important step was taken with the 2013 publication of a work by two American professors, Lynne Dearborn and John Stallmeyer, dedicated to Luang Prabang entitled *Inconvenient Heritage*, which severely criticises the inopportune character of accepted heritage policies. This publication was given an award when it came out. This is even more interesting since it was written by authors from the Urbana Champaign University in Illinois, near Chicago, which is a resource centre for UNESCO consultative organisations, in order to help them improve their classification methods and heritage impact studies.

The Luang Prabang project initially addressed problems of heritage building protection and renovation. The approach was then widened to include environmental objectives relative to the preservation of wet zones. Social stakes later became a subject of enquiry, although they had not yet taken their rightful place in public project funding, as can be seen by the rarity of studies on this subject.

Now that wealth is pouring into Luang Prabang, questions relative to social impacts and development aid equity should logically be addressed. A new project, funded by the European Union, is being programmed in order to favour sustainable tourism in line with responsible cultural heritage management.

UNESCO is also increasingly involved in social stakes via the preservation of intangible heritage. A new programme was thus launched with South Korean assistance. Its implementation began in 2016.

#### **4. The case of Champasak, where structural handicaps must be overcome for development to help the local people**

The situation in Champasak is very different from the one in Luang Prabang. This is mostly thanks to the fact that the Province has several tourist sites. This geography favours the tourism operator market which can propose tours lasting several days, organised from the regional capital of Pakse.

The question of local community involvement and development equity has been raised in current international cooperation projects, although it has been met with difficult obstacles.

Amongst the tourist areas mentioned above is the UNESCO Heritage Site, in a rural setting 50 km south from Pakse. Due to this, the influx of visitors brings little revenue to the inhabitants of the Site. These residents mostly see tourists who stay for only a few hours before going back to Pakse to eat and sleep or heading south to the Four Thousand Islands, the primary tourist destination in the region. The relationship with UNESCO has been tense for the past several years, since the local population blames it for slowing down development while they do not reap the rewards of tourism. Thanks to this, the local population is at little risk of gentrification. New building in the area is mostly residential and linked to local demographic growth.

The problem of tourism profit sharing with the regional capital seems to be unsolvable, for in order to remedy the situation one must be able to imagine a sort of redistribution of the wealth earned in Pakse to the population of Champasak, which suffers from constraints imposed by the UNESCO classification.

Another difference with Luang Prabang is that visitors to the Champasak Heritage Site mostly come to visit one single monument: the Vat Phou Temple complex, which in fact represents a very small surface area of the classified zone. Temple visits bring in 200,000 dollars a year, not including the period of the annual festival. However, in 2011 management of the temple was handed over to a private firm holding the monopoly on all major tourist site concessions in the Province. This private firm collects all the entrance ticket fees and we have no transparent information as to turnover or the use to which this money is put. The principle of implementing a heritage fund to skim part of temple revenue for preservation and restoration was agreed upon by the Province in 2013, but nothing has come of it.

The two main foreign backers who have supported tourism development in Champasak have been the AFD and the Swiss NGO, Swiss Contact. An action plan was decided upon with local authorities in 2015 in order to diversify the tourism offer and favour an economic windfall for residents. The objective is to try to keep more visitors to eat and sleep at least one night at the Site, which has 60 villages, some of which are attractive enough to draw tourists if they can offer quality lodging.

AFD supports setting up eight tourist circuits within the Site and the creation of information panels, signs and works. It has also helped develop tourist greeting spaces at Vat Tomo, another monument which is managed by the villagers themselves. The Swiss Contact NGO develops training programmes for firms to improve their tourism services as well as the quality of their guest-houses and restaurants all throughout the Province. The Asian Development Bank also began investing in tourist development of the classified site. This development is much less visible than in Luang Prabang, although its territorial scope is more vast.