POLICY BRIEF
Large-Scale Land Acquisitions and livelihoods in Cambodia 
and Laos: Increasing Vulnerability

Knowledge of the consequences of large-scale land acquisitions (LSLAs) remains scarce, often limited to the immediate impacts measured in terms of hectares of land loss. In-depth field research in Cambodia and Laos shows that LSLAs are intermingled with other processes of dispossession that undermine local livelihoods. The development of large-scale non-food export-oriented agriculture offers opportunities only to a few, whereas the majority of local populations cannot adapt and are left without sustainable alternative. Furthermore, land transactions are often arising amidst a framework of weak governance that aggravates its challenges and negative consequences for populations. National governments have not taken any substantial measure that can significantly prevent further acquisitions.

Findings

Large-, medium- and small-scale land acquisitions
‘Land grabbing’ research has focused mostly on large-scale land leases to foreign corporations. In Cambodia and Laos, land acquisitions involve a broader range of stakeholders, including domestic investors and immigrants. Medium- and small-scale land acquisitions might be less visible, but their magnitude and impact can be as important as the large-scale ones.

National governments played a key role in the current wave of land acquisitions
Public policies prior to the acceleration of land acquisitions from the mid-2000s had made indigenous populations vulnerable to all types of land acquisitions. Government interventions, e.g. restrictions on access to upland areas, prohibition of traditional agriculture and displacement/relocation, undermined customary structures of access to valuable resources and paved the way to the acceleration of land acquisitions and grabbing practices.

Communities are experiencing an encroachment of their natural resources.
In addition to the evident loss of farmland, land acquisitions hamper native populations’ access to forests, rivers and pasture land, impacting vital aspects of their livelihoods. One recurrent issue is the selling-off of livestock due to companies’ threats of fines if animals damage their property whilst grazing. The clearing or fencing of forests impedes villagers from collecting non-timber forest products. River contamination and reduced water levels also negatively affect villagers’ activities.
“In the past we used to collect NTFP in that area - it had secondary forest and young fallow - but now there is no forest anymore, and we are afraid to collect the NTFPs in the area with the rubber plantation, because the company uses the fertiliser and the chemicals on the rubber”

“In the past we could drink the water in the river, it was very clean - now the company uses the chemicals in the plantation, so you can’t drink the water and the colour is very dirty”

Lao farmer, interviewed November 2012

Economic environment is more dynamic but more insecure
The current wave of land acquisitions and the development of new crops have contributed to urban development, urban-rural interconnectedness has increased, market places have emerged in rural areas and local economy has diversified. Though, this is not systematically synonym with betterment for the majority of the population; the commercialization of agriculture benefits traders rather than farmers who lack financial capital and know-how to engage into commercialization or other non-farming activities.

Growing inequality within communities
Only a few households have been capable to engage in the rubber boom, and an increasing difference in income with the rest of the population is already visible. Ordinary households lack appropriate land, financial capital and skills to engage in cash crop booms. Inequality in income is compounded by inequality in assets: the few are increasing their land area, buying land from ordinary households in some cases, whereas the rest of the population has experienced a process of decapitalization.

Coping might not be sustainable
Populations have deployed efforts to engage in crop intensification and diversification, petty trade and services activities, logging and coal production, wage labour and migration, or taking out loans, to cope with loss of assets. Although they are proving resilient in the short-term, many strategies used will not be viable for long, as illustrated by cropping systems that undermine soil fertility, increasing indebtedness and the sale of assets.

For households whose lost land was their sole means of survival, the effects are more immediate: the current agrarian transition is endangering food security. For most impacted populations, it is not possible to fully compensate for the loss of their land through wage labour, as new companies do not create enough jobs and/or provide low salaries. Furthermore, job opportunities are restricted to young people, and some companies predominantly hire migrants.

Contract farming may become a mechanism for acquiring unsustainable debt
Although contract farming can be viewed as a better option than losing its land to concessions, the long developmental phase many cash crops require before they yield any profit (eucalyptus and rubber require 5-7 years) is pushing many farmers to accumulate debt. Some could not pursue the contract and remain indebted to companies. Debt is accrued not only for cash crop development, but as farmers now cultivate fewer subsistence crops they must also borrow money to buy food.

Uncertainties about future benefit
With regards to the rubber boom occurring in both countries, the potential profits once trees begin to yield are yet unknown. We however foresee potential problems, such as monopoly
situation whereby companies could set up low prices that would not reward populations’ investment, lack of know-how during harvesting affecting crops, and imbalanced trader-seller relations.

**Rubber trade, market distortion and income:** The outskirt of Banlung city in Ratanakiri province in Cambodia is an old plantation site. The commercialization of latex in the area is dominated by a company who holds around 4000-planted hectares. The company acquired an exclusive right to buy the harvests of the area in exchange for investments in plantations and processing plants. During interviews, workers and farmers complained that the price fixed by the company is one third of the price offered in the province of Kampong Cham. As the only local enterprise capable of processing latex, it has monopoly power. The company uses its position to lower prices for farmers, for example by arguing that the coagulated rubber is not of good quality.

Findings from field research in Ratanakiri, Cambodia 2012

**Land assets: still enough, but not for long**
 Whereas local populations might be able/allowed to continue farming part of the land areas that are granted or sold to large-size companies for the time being, the on-going wave of acquisitions leads to a situation where there is already insufficient or no land left available for the future generation.

**Policy Message**

**Land acquisitions are not over** - There are no signs that the process of acquisition of agricultural land would stop, except areas where there is no more land to acquire. Land acquisitions by outside investors are continuing and local populations are left with insufficient and unsuitable land. National governments have not taken any substantial measures that can significantly prevent further acquisitions.

**Public consultations as stipulated by the law should be put into practice** – Populations are not only excluded from decision-making processes, but they are also not informed on time to be able to even attempt responding to land acquisitions. The rapid and forceful acquisition of land exacerbates tensions amongst villagers and companies. Prior consultations, negotiations and conflict-resolution mechanisms could significantly mitigate these tensions and mitigate the negative consequences for populations.

**Common goods must be protected** - As companies impact beyond their landholdings on common property resources, such as rivers and forests, national governments should request companies to provide sound environmental impact assessments. National governments should also hold companies responsible for protecting environmental common goods.

**Case Study: loss of common resources**
 When the Company started working in the area of Na Nhang Neua in Laos, the District authorities had argued that the rubber was the property of the company, and thus subject to compensation if damaged by roaming animals. It imposed a strict penalty scheme for damage caused to the rubber by any type of livestock, and villagers reported stories of penalties of up to 300,000LA. This made villagers selling most of their livestock.
“It was difficult to keep the livestock. They [the villagers] offered the idea to the company that the company should build a fence around the rubber - if the company supplied the equipment the villagers could put up the fence themselves. But the company gave them no answer on this – despite that all the villagers offered this idea”
Laos District official interviewed on October 2012

**Safeguards are needed for the poorest households**
Throughout the whole land acquisition process there should be safety nets available for those who become destitute and unable to earn a living after their farmland has been sold. Way to achieve this would be to reserve communal areas where only staple crops would be planted.

**Information is needed for the entire populations to make better decisions**
Information on land transactions and tenure is very uneven amongst populations. Some privileged well informed are able to make profitable decisions, whereas peoples who are unaware of the fast changing environment are trapped in short-term views and sometimes opt for unsustainable strategies in resource allocation.

**Vocational training can be crucial for local populations to engage profitably in cash crops**
Although financial capital is a necessary condition to be able to invest in cash crops, skills are also crucial for farmers to engage in new crops such as rubber. Governments and development organizations should support non-formal education and vocational training programs.

**Outmigation support to avoid exploitation**
Given the limited alternative to former family farming-based livelihoods, some groups might become in need of migrating. As they have neither acquaintance nor social networks outside their current place of residence to rely on, they would be more vulnerable to exploitation when migrating. This is particularly the case of ethnic minority groups. States and NGOs should provide support to these groups in order to avoid trafficking and exploitation.

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*Large Scale Land Acquisitions in Southeast Asia: Rural Transformations between Global Agendas and Peoples’ Right to Food*