

# Land acquisitions by non-local actors ...



In Cambodia there is an increasing trend of large land acquisitions, inadequate protection of land rights, and a high incidence of land disputes. About 1.04 million hectares were approved as Economic Land Concessions (ELC) for foreign and domestic companies in 2010, as a means of increasing economic growth and employment. Much of this land is located in the North-eastern provinces, home to indigenous communities that may seriously be affected as a result.

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LAND ISSUES HAVE BEEN ON THE INCREASE since Cambodia adopted a free market economy in the early 1990s. Privatisation, large-scale infrastructural development, tourism, foreign investment and agro-industry have increased pressure on the availability of land for poor people. The opportunities of the free market have led the government to promote many large-scale land concessions. These transfers of land to external investors and users, both foreign and domestic, are greatly affecting local communities' existing livelihoods and opportunities for development. In Cambodia as a whole, about 75% of people earn their income mainly from agricultural production, so access to land is a major issue in attempts to reduce poverty and social inequity. In particular, the globalisation of land acquisitions challenges the livelihoods of Cambodia's indigenous groups (NGO Forum, 2010a). Here we look at the impact of economic land concessions on the livelihoods of indigenous communities in the northeast of Cambodia. In addition to a review of existing sources on land governance and indigenous people's rights, fieldwork was undertaken in Mondulakiri and Ratanakiri provinces.

## Economic land concessions in Northeast Cambodia

Large-scale agro-industry is an emerging trend, with the Government granting large tracts of land to international and domestic investors under the 'economic land concessions' scheme envisaged in the 2001 Land Law. The main purposes of this policy are to develop an intensive agricultural base and promote a high level of capital investment in agro-industrial activities, as well as to increase employment opportunities and diversification in rural areas. The Royal Government of Cambodia (RGC) grants leases of up to 99 years with a yearly fee of \$2-10 per hectare, depending on quality. According to the website of the Ministry of Agriculture, Forestry and Fisheries (MAFF) (<http://www.maff.gov.kh/en/> - May 2010), 86 valid economic land concessions have been granted since 1995, covering a land area of about 1,041,144 hectares in 18 provinces. However, the NGO Forum database, using information from different sources, indicates 229 economic land concessions. But, out of the reported 86 valid concessions, 52% have been granted to Cambodians and 48% to foreign investors, mostly from China, Vietnam, South Korea, Thailand and Malaysia. An estimated 40% of economic land concessions are located in the Northeast of the country, populated in large part by minority groups. On paper, the indigenous people are fully protected by the Constitution of Cambodia (RGC, 2008) and laws such as the Land Law (2001) and the Forestry Law (2002) that allow collective land titling for indigenous groups (Nuy, 2010). However, since the introduction of a free market economy in the early 1990s and the gradual opening up of the Northeast through road improvements in the early 2000s, external influences have been on the rise, including (illegal) logging, settlement of Khmer families, and large-scale land acquisitions by outsiders, from about 2004 on. In group discussions, people complained about new challenges to their traditional lifestyle as a result of the inflow of outsiders. Deforestation and land grabbing were identified as the most challenging issues.

Our study uncovered a number of problems relating to economic land concessions. First, most concessions have been granted without proper environmental and social impact assessments. This conflicts with legal requirements (Ngo and Chan, 2010;

UNHCHR, 2007). Second, concessions have been allocated on forest and community land in spite of the protected status of such lands. Third, the majority of indigenous communities affected by the granting of concessions have not yet managed to register their collective land rights.

## Compensation

The survey found that 54% of all respondents reported losing land to a concession company. The average amount of land lost was 5 hectares per family (mostly shifting cultivation land). The situation was particularly critical in Bousra commune: 84% of respondents reported losing land to the company compared to 27% in Kalai commune. However, the village mapping exercise conducted in Kalai indicated that the company there is targeting community land and has been clearing community forest land for rubber plantations despite villagers' protests. Soon the Kalai villagers will have lost as much land as they have in Bousra.

Only 34% of families interviewed reported filing a complaint against the concession company for taking their land. Most villagers had participated in demonstrations and complaints to the authorities and NGOs. Local and international NGOs play an important role in mediating between communities and concession companies, providing legal advice, and transmitting complaints to authorities. However, some 70% of land disputes are said to remain unresolved (NGO Forum, 2010b). Only 16% of families had actually received compensation from the company at the time of research, but few were happy, having at times been forced to accept a deal.

Companies usually offer three options. First, villagers are persuaded to sell their land at a price of \$100-500 per hectare. Second, villagers are offered the opportunity to join the venture by planting cash crops on their land (with the company taking half the harvest and deducting their operational costs and calculated interest). Third, villagers may be resettled, usually far away. Most respondents selected the first option, and as a consequence had to surrender their land rights. On average, compensation amounted to \$200 per hectare, depending on the negotiating skills of the families. Village chiefs and local authorities tended to receive better compensation, as did local people who managed to get a job with the companies (Ngo and Chan, 2010). The compensation, however, is not sufficient for recipients to buy new farmland locally – especially since companies have normally taken all available land.

## Household incomes

Estimates in the household survey concern the period between July 2009 and July 2010. They are tentative in the sense that respondents found it hard to recall their income from different sources, such as wild fruits and vegetables, herbal medicine and other non-timber forest products (NTFP). However, household incomes of indigenous people are based mainly on agricultural production and NTFP collection. Agricultural incomes derive from production of rice, other cash crops (e.g. sesame, beans, cashew nuts) and livestock. NTFP incomes arise from resin, honey, bamboo, vines, rattan, wild fruits and vegetables, herbal medicines and handicraft production. Wage labour for work with a concession company emerges as a possible new source of income.

Rice production is considered the main source of household income as expressed in cash, although most of the harvest is kept for consumption. A total of 88% of respondents reported an income from rice production (mostly in shifting cultivation), generating an average of \$212 per year; 26% of total household income. Interviews revealed that rice yields have decreased dramatically since concession companies cleared the forest and took over community land; harvests had decreased by an average of 60-70% compared to years before.

The second type of household income from agriculture comes from cash crop production. Indigenous people integrate sesame, beans and other vegetables into their shifting cultivation of (mostly subsistence) rice, earning on average \$59 per household per year. Cashew nuts are a significant source of income, planted mostly in Ratanak Kiri province, but also expanding in nearby provinces. Cashew nut production can generate a massive average of \$326 per year for a household, which is why most respondents had transformed their shifting cultivation plots to enable the growing of permanent cash crops such as cashew nuts, with an average cashew nut plot size per family of 1.8 hectares. This conversion unfortunately represents a challenge to the collective land titling of indigenous communities, as it may contradict the criteria for qualification (Andersen et al, 2007).

Livestock generates an estimated average income of \$104 per family per year. Most indigenous households raise chickens, ducks, pigs, cows and buffalo – whereby the latter three are rarely sold because most families use them in spiritual ceremonies, praying for regular rainfall and high yields, as well as giving thanks for a good harvest. The survey showed that indigenous families retained an average of three buffalo and two cows, down from an average of 10-20 buffalo or cows. In-migrants and company security workers were said to have stolen the animals, and most of the grazing land has been converted to rubber plantations. Furthermore, companies do not allow livestock to roam free on their newly acquired land.

Non-timber forest products (NTFP) are another source of income for around 96% of indigenous families, yielding an average value of \$115 per year. However, availability of NTFP has decreased dramatically. Thousands of hectares of forest cleared for rubber plantations no longer provide NTFP, and any remaining forest lands are occupied by the companies and locals are prohibited from accessing them to collect NTFP. A male respondent in Kalai 3 village said, "I was threatened that I would be shot when I was walking on the company's forest land where I usually go to find wild vegetables and to hunt." Similarly, a very distressed woman in Lam Mes village, Bousra commune, said, "I, along with other villagers, was not allowed to walk across the company rubber plantation to another forest near Phnom Nam Leah to take care of my farm and collect food in the forest." In the survey, 87% of respondents mentioned a significant change in distance for NTFP collection, with an average increase of 8.4 kilometres. Some families now travel 20-35 km to gather NTFP and carry out shifting cultivation.

Handicraft production is a further source of income linked to NTFP. On average, households earn \$35 per year from this production. Most common products are bamboo baskets (kapha), chicken cages and rice cooking baskets (cha ang), among others. These products are part of the traditional culture and are mostly sold to community members and used at home. People complained of a shortage of raw materials such as rattan, bamboo and vines as a result of forest clearance.

Hunting and fishing are also important livelihood activities for indigenous households, mostly for subsistence. Families make an average of \$151 per year from this, with 50% of survey households reporting some involvement. In fact, the percentage is probably higher as hunting is illegal and may well have been underreported. Most respondents complained that concession companies had destroyed wildlife habitats, with the noise of bulldozers and tractors also being a factor in chasing away wildlife.

Above: Slash and burn agricultural practice in Kalai commune, Ratanakiri province.

Below: Group of indigenous people carry agricultural products to the provincial town market – walking distance: 7-10 km.



# and the consequences for food security of indigenous communities

## Timeline of indigenous communities marking key events and trends:

1980-93	1994-2006	2007-present
<p><b>Economic</b></p> <ul style="list-style-type: none"> <li>Shifting cultivation and NTFP collection the main forms of livelihood</li> <li>Good yield of rice, enough to eat and sell the remainder each year</li> <li>A lot of wildlife, so hunting was easy</li> <li>Land for farming could be taken up anywhere in the community</li> </ul> <p><b>Environment</b></p> <ul style="list-style-type: none"> <li>Good landscape because a lot of forest</li> <li>River and lake water good quality (pure and natural) because no pollution by outsiders</li> <li>High and regular rainfall</li> <li>Vietnamese forest concession companies logging in indigenous community area in 1985, cutting big trees only</li> </ul> <p><b>Socio-cultural and security</b></p> <ul style="list-style-type: none"> <li>Freedom to access land and forests anywhere in the community</li> <li>Good security (no thieves)</li> <li>Good health (natural environment)</li> <li>A variety of medical herbs could be collected from the forest</li> <li>Good traditional practices and spiritual ceremonies</li> <li>Good solidarity among community members during traditional ceremonies</li> <li>Belief in spiritual forests and ritual practices (spiritual forest land well protected)</li> <li>Use of traditional costumes by some indigenous families</li> </ul> <p><b>Infrastructure</b></p> <ul style="list-style-type: none"> <li>Poor or nonexistent roads: difficult to travel to provincial town</li> <li>Travel by (bare) foot, elephant or oxcart</li> </ul>	<p><b>Economic</b></p> <ul style="list-style-type: none"> <li>Still good yields from shifting rice cultivation (enough to eat)</li> <li>Still sufficient wildlife and hunting easy</li> <li>Shifting cultivation and NTFP collection still the main forms of livelihood</li> <li>Cashew nut plantation expanded among communities, especially in Kalai, from 1996</li> <li>Deforestation emerging, affecting NTFP collection (especially resin production)</li> </ul> <p><b>Environment</b></p> <ul style="list-style-type: none"> <li>Logging by local powerful people and foreign concession companies from 1998</li> <li>Still regular rainfall</li> </ul> <p><b>Socio-cultural and security</b></p> <ul style="list-style-type: none"> <li>Local and international NGOs and Cambodian Red Cross promoting agricultural extension, human rights, community forestry, natural resource management, literacy</li> <li>Good security (no thieves)</li> <li>Good health</li> <li>Still practising traditional cultural and spiritual ceremonies</li> <li>Belief in spiritual forests and strict ritual practices</li> <li>Some indigenous families still wearing traditional costumes</li> <li>Some Khmer families migrating to settle in indigenous communities</li> </ul> <p><b>Infrastructure</b></p> <ul style="list-style-type: none"> <li>Some bicycles and motorbikes</li> <li>Travel across Vietnamese border possible without restriction (open border)</li> <li>Roads to provincial town still in poor condition</li> <li>Community paved roads started to be built in 1997</li> <li>School and commune health centres constructed in 1995</li> <li>Open shallow and pump wells and latrines constructed by government and NGOs</li> </ul>	<p><b>Economic</b></p> <ul style="list-style-type: none"> <li>Loss of shifting cultivation land and cashew nut farms</li> <li>Loss of NTFP and difficulties accessing forest because of concession companies</li> <li>Much less wildlife for hunting</li> <li>Rice needing to be bought from market</li> <li>Need to work on rubber plantations (concession companies) with wages used to buy rice from market (mostly Bousra)</li> <li>Loss of buffalos and cows: no place to raise them as companies have cleared forests and do not allow them on their land (threats of confiscation); many have died</li> <li>Need to work hard (get up early, that is, 2-3am); 'just work for food' (Bousra)</li> </ul> <p><b>Environment</b></p> <ul style="list-style-type: none"> <li>Forest cleared by concession companies for rubber plantation</li> <li>Water pollution as companies use chemical pesticides and pest controls</li> <li>Irregular rainfall</li> <li>Climate changing: hotter than previous years</li> <li>Plastic bags wasted by the company (from rubber seedling bag)</li> </ul> <p><b>Socio-cultural and security</b></p> <ul style="list-style-type: none"> <li>Loss of traditional medicines: harder to find owing to forest clearance</li> <li>Loss of spiritual forest lands and burial forest lands</li> <li>More health problems</li> <li>Insufficient food to eat as wild fruits and vegetables no longer available in the forest</li> <li>Spiritual beliefs and traditional practices marginalised as spiritual lands destroyed</li> <li>NGOs working on agricultural extension, human rights, natural resource management, literacy, credit and savings, health education, advocacy, etc.</li> <li>Many Khmer families from other provinces in the area working with companies</li> </ul> <p><b>Infrastructure</b></p> <ul style="list-style-type: none"> <li>Better roads and bridges built in community</li> <li>Most indigenous families have bicycles, motorbikes and better houses</li> <li>Better access to quality water (e.g. shallow and pump wells) and electricity</li> </ul> <p><b>Source: Focus group interviews, Bousra, Mondul Kiri, and Kalai, Ratanak Kiri, July-August 2010.</b></p>



Above: Forest land cleared by Dak Lak Co. Ltd concession Company (about 5000 hectares).

Left: KCD Co. Ltd Land concession border (yellow line) in Bousra, Mondul Kiri province (land was previously a wildlife sanctuary).

### Employment on economic land concessions

While the activities above concern traditional income sources suffering from the loss of land, work in agro-industrial ventures could possibly provide an alternative livelihood. Most employment opportunities are on rubber plantations. On average, indigenous families earn \$249 per year from waged work, at \$3-5 per person per day. The focus group interviews revealed that wages have decreased to \$3.65 or less per person per day due to job competition from migrant workers. Only 30% of households interviewed said they had worked with concession companies. This corresponds to statements made by a concession company representative in Mondul Kiri province, that 39% of rubber plantation workers are indigenous (Phnong) people from nearby villages and 61% are migrants from other parts of Cambodia. Interviews with NGO representatives suggested that companies prefer migrant workers because they have more skills and accept lower pay. Interestingly, only 24% of households claimed they would accept a job offer from a company; not because they agreed with the situation, but out of the desperate need to work to survive. A woman in Bousra village said, almost in tears, "I forced myself to work for the company because I have no farm land anymore and it's hardly possible to find food from the forests now. There is no forest anymore. I don't know how to find money besides working on the rubber plantation. I don't know how to do business. I have no idea how to protest against the company to get my land back. We have already demonstrated but with no result. I want to return to work on my farm. It is hard to work on the rubber plantation."

The 76% of respondents who declared themselves unwilling to work for the concession company gave several reasons for this. 26% of respondents complained that the work was too hard with too little freedom – they would also have to get up in the middle of the night to travel to work and have limited time for lunch and rest. At least 12% were too angry with the company for taking land and destroying spirit forests to be able to work for them. In Kalai commune, a 58-year-old man said, "I am very angry with the company that destroyed our spiritual forest land and grabbed our farm land. I can say that I and my generation will not work for those concession companies even if we are starving." At least 11% claimed the company cheated people when paying wages, and that wages were too low anyway because of competition from migrant workers. Another 4% of respondents said their health prevented them from working for the company. Health is a challenge for indigenous communities, as facilities are limited. However, local authorities and a company representative revealed that one company has allocated funds for upgrading the health centre in Bousra commune.

### Discussion and conclusion

The policy of granting economic land concessions to outside companies in the North-eastern provinces of Cambodia has had a largely negative impact on indigenous communities' livelihood and food security. Economic land concessions are not providing the benefits for local communities as proposed in policy discourse. At least 92% of respondents felt that concessions had not brought any significant economic benefits to their families and communities and that they had in fact harmed traditional livelihoods. Some wage employment has indeed been created, but local participation has remained limited and migrant workers actually appear to be preferred by the concessionaires.

Beyond the immediate impact on local livelihoods, economic land concessions have been found to raise even more issues than those discussed here. The allocation of concessions presents a challenge to the collective land titling process of indigenous communities. The concessions undermine the observance on a daily basis of indigenous traditions and culture, such as practices around spirits and ancestors, which are important criteria in granting communities legal entity status. Moreover, economic land concessions have created new challenges for the work of civil society and development organisations in support of indigenous community development. Civil society representatives complained that local people's participation in development programmes was decreasing, as villagers see little point in taking part in natural resource management and preservation initiatives if companies are allowed to clear forests.

The most important recommendation that can be offered is to prioritise the registration of collective land titles of indigenous communities and halt the economic land concession allocation process, at least in areas where indigenous communities' rights have not yet been registered. These initiatives could help minimise the negative impacts of concessions on indigenous livelihoods and eventually offer more opportunities for indigenous people to voluntarily access job opportunities with companies. Meanwhile, the food security of indigenous people in Northeast Cambodia seems better served by supporting initiatives from within local communities than by bringing in large scale investors from the outside.

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