Cassava and timber trade along the Cambodia-Vietnam border

Sango Mahanty

While cassava cultivation in Cambodia and Vietnam is keenly promoted by governments and donors, timber is usually illegally sourced and transported. When we calibrate commodities according to their legality, however, we can overlook similarities between frontier market networks. In this piece, I share some insights from my recent paper in the *Journal of Contemporary Asia* about shadow economies and how they operate in borderland frontiers.[1] By comparing networks for two commodities that are usually placed at very different positions on the legality spectrum – cassava and timber – I show that networks for resource-based commodities can have as many similarities as differences. By grasping these ambiguities, we can better understand the opportunities and constraints for intervention in frontier markets.

Shadow economies are networked, economic exchanges that fall outside formal state regulation. Although we often focus on the illegality or criminality of specific shadow economies, I have found that illicit transactions are commonplace across a wide range of resource-based commodities in frontier regions such as the Cambodia-Vietnam borderland (see map below). I compared the commodity networks that circulate cassava *(manihot esculenta)* and illegally harvested timber. Selected for their large volume of trade and economic significance, I traced these commodities from their production in Cambodia through border crossings to buyers in Vietnam. In both networks, state actors are crucial in mediating resource access and facilitating cross-border trade. Furthermore, shadow transactions are endemic to diverse resource-based commodity networks in frontier regions such as those along the Cambodia-Vietnam border.

Comparing timber and cassava networks

Timber and cassava have some distinctive characteristics in this border landscape. Access to Cambodian timber is mediated by diverse state actors, such as local authorities and the military, as well as state-connected elites. Cutting and transporting timber out of still-forested regions of Mondulkiri involves a range of local actors as well as migrant labour from other parts of Cambodia. Once extracted, the timber is transported in cars and trucks through a range of checkpoints across the Vietnamese border, a process that involves Vietnamese middlemen, as well as Cambodian and Vietnamese border authorities. Once it is across the border, timber is shipped to domestic workshops in Vietnam, as well as ports and international buyers, often bringing provincial and national state actors into the mix. Social network analysis shows that the most *connected actors* in this network are timber transporters, Khmer middlemen, Vietnamese buyers and the Khmer military, while timber transporters, middlemen, buyers and Vietnamese and Khmer border officials are the most *strategically positioned*. The following historical overview helps to contextualise these roles further.

Timber extraction was important to this borderland before and during French colonisation. In the 1960s, forests served as a refuge for insurgents, as a revenue source to fund fighting during the Khmer Rouge period in the 1970s, and as a base for Vietnamese troops in the 1980s. By the time of the 1991 peace agreement and the scaling back of external post-conflict support, timber continued to fill an important revenue niche. As Le Billon describes, an intricate interplay of factional interests meant timber exploitation became a key mechanism for capital accumulation by private as well as high-ranking government and military actors, who "were able to extract large benefits for turning a blind eye, protecting, or even organizing these activities".[2] Unsurprisingly, the military has remained one of the most cited and connected actors in the timber network.

Although Cambodia enacted regulations to control timber extraction in the 1990s, illegal extraction continued apace – its role going beyond personal enrichment to one of sustaining Cambodia's neo-patrimonial politics. With the upgrading of border checkpoints under the Asian Development Bank's Greater Mekong sub-region initiative,[3] checkpoint personnel came to occupy an influential place in these transactions. Those most cited in this study were the Vietnamese border military and the Cambodian border police, who facilitated cross-border timber flows in return for personal benefits, and who also channelled revenues to higher levels of government in both countries.

In contrast with timber, cassava has a more recent history in this border region, experiencing a boom since the early 2000s. The cassava variety grown in this area has a high starch and cyanide content, which suits processing rather than local consumption. Cassava production has targeted Vietnamese processing industries, which in turn service Chinese markets for stock feed, starch and biofuel. Cassava appeals to farmers with few assets and/or insecure landholdings, as it requires low capital investment to commence production, its cultivation methods are easily learned and the stems readily shared and planted. At the time of my research, the crop was widely cultivated by smallholders in Mondulkiri and Tbong Khmum, targeting the cross-border market. In this network, local officials and state-connected elites are influential in mediating land access. Middlemen and transporters are also well connected, given their role in aggregating cassava in a locality and organising cross-border transport. As with timber, border officials on both the Vietnamese and Cambodian side mediate cross-border flows. The network analysis also revealed that Vietnamese traders and processing factories have an influential role in driving trade.

Although the two networks differ in many specifics, the frontier setting of Mondulkiri means that cassava and timber have some important intersections. Cassava is often the first crop planted on newly-cleared soils (see Fig.3), creating an inexorable link between forest clearance and frontier cassava. Indeed, an important end game in the case of both timber and cassava, beyond the immediate revenues associated with the commodities themselves, is the securing of land. Certain shared categories of actors – particularly state actors – are therefore significant at the initial stages of both networks, notably village, commune, district and provincial authorities and state-connected elite landowners.

The second point of intersection is at border checkpoints, where Vietnamese military and Cambodian border police are crucial actors. These checkpoint staff receive routine payments from traders taking timber or cassava through their posts, which are then distributed through established mechanisms and practices among the different agencies represented at particular checkpoints. Border payments of this kind are explained by both timber and cassava traders as an integral cost of doing business, and are managed, albeit grudgingly, as part of trading practices and sale price. For example, one Vietnamese timber trader said that he regularly under-reports his timber load to recoup his lost revenue:

> "Any kind of timber can cross the border; however it is expensive. We increase the number of logs we take through to compensate for the expenses ... For example, *Huong* [Pterocarpus spp. or rosewood]. If the papers show there is one unit, you actually import three ... the hidden fees take 15-20% of the sale price."[4]

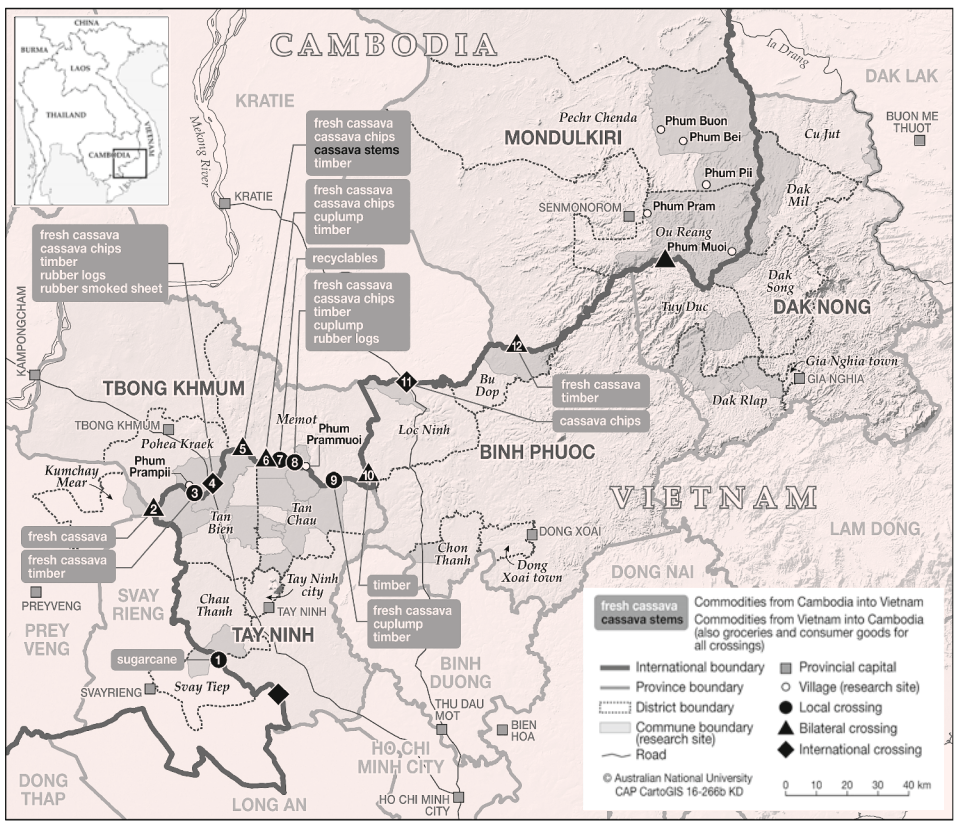
His account shows that timber traders perceive and deal with payments to checkpoint staff as an operating cost, rather than a barrier to the movement of goods. Similarly, to transport cassava, traders consistently reported checkpoint fees of about US$50 per truck on the Cambodian side of national and international checkpoints and less for smaller scale crossings, with a further US$10 on the Vietnamese side. Depending upon the strength of their relationships with border officials, these payments are either made through an agent, involving additional agent fees, or directly by the trader.

Although local and border officials engage in many informal practices, their presence within the network has a regulatory basis. Their opportunities for rent seeking has been strengthened by land regulations and interventions to strengthen trans-border trade. Finally, there was evidence that revenues not only enrich border officials, but also flow upward to senior officials and, in Vietnam, to provincial governments, highlighting the broader and systemic political-economic role of these networks.

Conclusions and implications for governing borderland commodity networks

Although timber is a more highly regulated and lucrative commodity than cassava, both trading networks have important commonalities. The two networks coalesce around actors that mediate access to forest resources and land, and that facilitate border crossings. Each of these intersections points to the systemic role of state actors in these resource-based market networks operating in a frontier landscape.

These findings raise important implications for how we govern and intervene in frontier markets and cross-border trade. Rather than an unfortunate by-product of efforts to open up regional trade, I show that shadow economies are actively facilitated by nodal state actors that operate across several commodities. Interventions to influence shadow economies therefore need to work with a deep knowledge of these underlying network configurations and critical actors. Without it, interventions may either strengthen the hand of such actors, for instance giving them greater regulatory power without increasing their accountability, or be ineffective, as was the case with Cambodia's timber crackdown of 2016.



Above: Study sites. Source: author's data and ANU CartoGIS.

Sango Mahanty Australian National University, sango.mahanty@anu.edu.au

Notes

1. Mahanty, S. 2018. 'Shadow economies and the state: A comparison of cassava and timber networks on the Cambodia-Vietnam frontier', *Journal of Contemporary Asia* 49(2):193-215; DOI:10.1080/00472336.2018.1545917
2. Le Billon, P. 2000. 'The Political Ecology of Transition in Cambodia 1989-1999: War, Peace and Forest Exploitation', *Development and Change* 31:785-805; https://doi.org/10.1111/1467-7660.00177
3. Asian Development Bank. 2011. *Greater Mekong Subregion Cross-border Transport Facilitation Agreement: Instruments and Drafting History*. Manila: Asian Development Bank.
4. Interview, Tay Ninh, May 2015