



# Small-scale land acquisitions, large-scale implications: Exploring the case of Chinese banana investments in Northern Laos



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## ARTICLE INFO

### Article history:

Received 22 February 2016

Received in revised form 20 April 2016

Accepted 24 May 2016

### Keywords:

Land grabbing  
Control grabbing  
Powers of exclusion  
Banana plantations  
Scale  
Land use change

## ABSTRACT

The scholarly debate around 'global land grabbing' is advancing theoretically, methodologically and empirically. This study contributes to these ongoing efforts by investigating a set of 'small-scale land acquisitions' in the context of a recent boom in banana plantation investments in Luang Namtha Province, Laos. In relation to the actors, scales and processes involved, the banana acquisitions differ from the state-granted large-scale land acquisitions dominating the literature on 'land grabbing' in Laos. Starting from the experience of a rural village in Laos, where two Chinese banana investors leased land on six-year contracts in 2010, we trace the strategies employed by the investors to gain access to the land, the experience of the villagers in the process and the outcome of the acquisitions in terms of land use change. The findings reveal how the investors established networks of local middlemen who facilitate negotiations over land directly at the village level, thus enabling them to circumvent any formal involvement of government authorities. The informal acquisition process also ensured a rapid and successful implementation of the plantations with consequent land use change, including the destruction of field structures, plot borders and irrigation systems, as well as erosion and heavy chemical input. Drawing upon the literature on 'powers of exclusion' and 'control grabbing', the paper argues that despite the apparent small-scale and short-term nature of these leases, the forceful acquisition strategies pursued by the investors coupled with the rapid land use conversion and associated cultivation practices results in strong and longer-term alienation of land from the local communities involved. This implies the need to take these more informal forms of land acquisitions into account when designing policies to address the negative implications of land grabbing in Laos and elsewhere.

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## 1. Introduction

The first media reports on 'transnational land deals' or 'large-scale land acquisitions' by investors in developing countries surfaced around 2007 (GRAIN, 2008). Since then, critical concerns about justice and local rights to land have been raised in relation to the phenomenon now widely referred to as 'global land grabbing' (e.g. Behrman et al., 2012; Danial and Mittal, 2009; De Schutter, 2011; Li, 2011; Margulis et al., 2013; Oxfam, 2011; White et al., 2012). A multitude of studies have provided valuable knowledge on the empirics of land grabbing, as well as its socio-economic and environmental impacts at the global, regional and local level (e.g. Anseeuw et al., 2012; Borras et al., 2011; Deininger

et al., 2010; GRAIN et al., 2014; Nolte, 2014; Suhardiman et al., 2015; Thondhlana, 2015; Zoomers, 2010). A central focus in this research – as well as in media and activist circles – has been the processes and mechanisms of *large-scale* and *long-term* land acquisitions by 'powerful' foreign private and public investors in so-called 'weak states'. Indeed, the dominance of this focus has resulted in the production of what Baird (2014b) labels the '*global land grab meta-narrative*'. This narrative is underpinned by definitions of land grabbing adopted in, for example, global and regional inventories that often only include land deals above a certain size, generally 200 ha (Anseeuw et al., 2012; Anseeuw et al., 2013) or 1000 ha (Borras et al., 2012b; Cotula et al., 2009), as well as studies predominantly focusing on formal acquisitions, purchases and concessions with a duration of at least 30–50–99 years (e.g. Antonelli et al., 2015; GRAIN et al., 2014; Nolte, 2014). However, studies have begun to challenge this focus (e.g. Bräutigam and Zhang, 2013; Edelman and León, 2013; Locher and Sulle, 2014). By contextualising 'land grabbing' in ways that reveal the complexity of

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the processes and dynamics involved in contemporary transnational land acquisitions such studies have contributed to moving land grabbing research forward and demonstrated “*the importance of not fetishising particular global trends when examining local circumstances*” in ways that might “*result in other less dominant but extremely important circumstances receiving insufficient consideration*” (Baird, 2014b).

In this paper, we seek to contribute to these ongoing efforts. As part of a larger research project exploring the implications of telecoupled land use change (Eakin et al., 2014; Friis et al., 2015; Liu et al., 2013), the paper investigates a set of ‘small-scale land acquisitions’ in the Lao People’s Democratic Republic (Lao PDR or Laos). Through an in-depth analysis of the processes and dynamics of these acquisitions, we aim to challenge the preoccupation with large-scale and long-term land acquisitions that dominates the discussions of land grabbing in the Laotian context. Within the broader land grabbing debate, Laos has been identified as a hotspot for the type of large-scale and long-term land acquisitions that feed into the meta-narrative of global land grabbing (Cotula et al., 2009; Deininger et al., 2010; GRAIN, 2008). Portrayed as a rich natural resource frontier with abundant ‘idle’ or ‘marginal’ land and a ‘weak’ regulatory context, Laos has been described as an attractive target country for ‘powerful’ foreign investors (Baird, 2014a; Barney, 2009; Fold and Hirsch, 2009). At the same time, the Government of Laos (GoL) has actively sought foreign direct investments in natural resources and has granted vast tracts of land to domestic, regional and international investors in the past decades under the umbrella of the national strategy for ‘*Turning land into capital*’ (Dwyer, 2007; Schönweger et al., 2012; Schönweger and Ullenberg, 2009). While the majority of leases and concessions are relatively small, often less than five hectares, the large-scale state-granted land concessions above 1000 ha have by far attracted the most attention. Indeed, this is unsurprising since these constitute 89 percent of the total amount of land granted and have proven to have severe land loss and detrimental socio-economic and environmental implications (Schönweger et al., 2012).

However, recent studies show how the land grabbing meta-narrative in the Laotian context overlooks important processes and impacts of large-scale foreign land acquisitions and land alienation in general (Baird, 2011; Friis et al., 2016; Gironde et al., 2015; Gironde and Portilla, 2015; Kenney-Lazar, 2012; Schönweger and Messerli, 2015; Suhardiman et al., 2015). For example, Kenney-Lazar (2015) contests the ‘weaknesses’ of the Lao state vis-à-vis investors by demonstrating the importance of state power and legitimacy for the successful implementation of investment projects. Similarly, McAllister (2015) illustrates the scope of local agency in land acquisition processes by demonstrating how farmers’ acts of ‘*everyday forms of resistance*’ can obstruct the implementation of large-scale plantations. Emerging evidence at an aggregated level also attests to an increasing discrepancy between the numbers of hectares formally conceded at the central state level and the actual amount of land taken into use by investors (Hett et al., 2015; Messerli et al., 2015; Schönweger and Messerli, 2015).

While these efforts have substantially deepened the understanding of large-scale ‘land grabbing’ in Laos, more subtle forms of land acquisitions in the form of smaller land leases have hitherto received much less attention, hindering important insights into the full range of processes leading to contemporary land loss among local people. There is thus a need for in-depth analysis of the particularities of such land leases. Using the experience of Ban Sirimoon, a small rural village in Muang Long district, Luang Namtha province, we explore how two companies led by Chinese investors successfully leased around 35 and 46 ha of land in 2010 from the villagers on six-year contracts, and examine the implications of the plantations for land use and land control in the villages. This analysis demonstrates that although the actors involved, the spa-

tial and temporal scale of the acquisitions and the implementation processes differ from the land grabbing meta-narrative, the actual land use change and the perceived implications of this change in the village amount to a de facto ‘land grab’.

The paper begins by presenting recent theoretical discussions within the land grabbing literature followed by a brief introduction to the local setting and the methodology. The results subsequently detail the boom in banana plantations in Muang Long district, the land acquisition strategies adopted by the investors in Ban Sirimoon and the land use change following the rapid implementation of the plantations. Based on the notion of ‘control grabbing’ (Borras et al., 2012a) and the ‘powers of exclusion’ framework (Hall et al., 2011), we then discuss the wider land grabbing implications of these small-scale and short-term acquisitions. Finally, the paper is rounded off by a conclusion.

## 2. Theoretical perspectives

The lack of any widely accepted definition of the term ‘land grabbing’ has been a key challenge in the scholarly debate around the increase in transnational land acquisitions worldwide since 2008 (Cotula, 2012; Edelman, 2013; Oya, 2013; Teklemariam et al., 2015). Nevertheless, the bulk of research and discussion have focused on large-scale and long-term land acquisitions by foreign investors in the developing world. ‘Land grabbing’ has therefore largely come to be associated with a particular type of near permanent contractual enclosures of large tracts of land from (poor) local users. However, as the academic discussions of ‘global land grabbing’ move beyond what Edelman et al. (2013) label its initial ‘*making sense period*’, scholars have called for critical theoretical, methodological and empirical engagement with the phenomenon (Borras et al., 2012b; Edelman et al., 2013; Hall et al., 2015; Scoones et al., 2013; White et al., 2012). Such efforts have emphasised how the preoccupation with ‘powerful’ foreign actors, the ‘permanency’ and spatial scale of acquisitions have resulted in a lack of appreciation for the complex relations between the scales, actors and processes in contemporary land grabbing dynamics. Consequently, more recent studies have examined the complexity of land grabbing in various contexts by focusing on the distribution of power and agency between local and foreign investors, smallholders, middlemen and state authorities (Beban and Gorman, 2015; Borras and Franco, 2013; Smalley and Corbera, 2012; Sud, 2014), as well as between foreign investors, state authorities and domestic elites (Baird, 2014b; Bräutigam and Zhang, 2013; Wolford et al., 2013). It has been shown that such relations not only depend on the scale but also on the social, political and historical contexts in which any specific deal takes place (Dwyer, 2014; Edelman and León, 2013). Adding to this complexity, the purpose of the investment and for farmland acquisitions the ‘nature of the crop’ have been shown to influence actors’ ability to engage in or contest land grabbing. For example, Hall (2011) draws upon the literature of Southeast Asian crop booms to illustrate how crop characteristics including biophysical, labour and technical requirements mediate the capacity of different actors to gain access to and control over land, as well as influencing the actual outcome of a particular land acquisition. A further ‘critique’ of the attention to large-scale acquisitions has been raised by studies critically examining the relation between the extent and outcomes of land acquisitions (Borras et al., 2012b; Edelman et al., 2013). Such studies have shown that the amount of land involved in acquisitions does not necessarily correspond to actual dispossession and/or social and environmental conflicts on site (e.g. Becker, 2013; Kandel, 2015). Furthermore, the discrepancies between the hectares of acquired land reported in inventories and media reports, and the ‘on the ground’ implementation of land acquisitions have been widely documented (Edelman, 2013;

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