



# Revealing the hidden effects of land grabbing through better understanding of farmers' strategies in dealing with land loss



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## ABSTRACT

This article examines changing contexts and emerging processes related to “land grabbing.” In particular, it uses the case of Laos to analyze the driving forces behind land takings, how such drivers are implied in land policies, and how affected people respond depending on their socio-economic assets and political connections. We argue that understanding the multiple strategies farmers use to deal with actual land loss and the risk of losing land is crucial to understanding the hidden effects of land grabbing and its potential consequences for agricultural development and the overall process of agrarian transformation. From a policy perspective, understanding the hidden effects of land grabbing is critical to assess costs and benefits of land concessions, in Laos and elsewhere, especially in relation to current approaches to turn land into capital as a policy strategy to promote economic growth and reduce poverty.

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## 1. Introduction

While some scholars have laid out patterns and drivers of land grabbing (GRAIN, 2008), others have also shown that there is no single, global land grab meta-narrative and that land dispossession is occurring in diverse ways and for different reasons (Baird, 2014; Adnan, 2013; Borrás and Franco, 2013; Li, 2011; Peluso and Lund, 2011; Potter, 2009; Rigg, 2006). As stated by Peluso and Lund (2011: 669): “There is no one grand land grab, but a series of changing contexts, emergent processes and forces, and contestations that are producing new conditions and facilitating shifts in both *de jure* and *de facto* land control.” While land grabbing is a global phenomenon, its manifestations are contingent on national and local forces that promote and facilitate the rent and sale of land by foreign companies and governments (Baird, 2014; Nolte 2014). Even within a single country, there is no reason to think that the drivers and impacts of land grabbing will be uniform (Kenney-Lazar, 2012; Shi, 2008; Thongmanivong et al., 2009).

Research on the impacts of land grabbing in general has highlighted the role of various actors (e.g., state and other local actors) in shaping and dealing with the overall process of land dispossession (Hart, 2006; Harvey, 2005; Glassman, 2006; Taylor and Flint,

2000). In Laos in particular, current research on the impacts of land grabbing focus primarily on farming households who have been forced out of agriculture and into agricultural labor, contract farming (Thongmanivong et al., 2009) or off farm employment (e.g., Baird, 2011; Kenney-Lazar, 2012). While these studies have brought to light a spectrum of possible impacts of land grabbing processes on local communities, especially in relation to labor patterns (Oya, 2007) and the transformation of agrarian labor regimes (White et al., 2012),<sup>1</sup> they do not link differential impacts with farmers' differing socio-economic status and resources and thus how farmers may be affected by and respond to land dispossession in different ways. Building on Shi (2008) and Dwyer's (2014) earlier work, which respectively link the differential impacts of land grabbing with economic status and the historical reasons behind the differential forms of land grabbing, this article brings to light farmers' varying strategies to cope with land loss as well as their strategies to minimize risks of losing land.

This article attempts to move analysis of land grabbing further by examining its impacts on a range of farming households in one village of Laos. Like other countries in Southeast Asia (the Philippines, Indonesia, and Cambodia), Laos has conceded a significant amount of land to foreign investors (Kenney-Lazar, 2012; Laungaramsri, 2012) with estimates placing 15% of the country's

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<sup>1</sup> See also Julia and White (2012) on how contract farming has eroded women's access to land and rendered them a class of plantation labor.

total land area under foreign control (UNDP, 2010 cited in Barney, 2011). While land concessions are centrally positioned by the government as an integral part of economic growth and poverty reduction strategies, many scholars argue that in practice they result in land dispossession, deprive farmers' of livelihoods and increase the probability of rural impoverishment (Baird, 2011; Baird and Shoemaker, 2007; Barney, 2009; Kenney-Lazar, 2012; Laungaramsri, 2012).

Taking a village in Laos as our case study, we focus on the multiple strategies farming households use to deal with land loss and minimize the risk of losing land as a function of socio-economic assets, land holding composition, and to a certain extent political connections. We argue that understanding the multiple strategies to cope with risk of loss and actual loss is crucial to understand the long-term and gradual impacts of land grabbing as well as its consequences for the country's agricultural development and the overall process of agrarian transformation. Showing how these impacts are not always directly observable, we reveal some of the hidden effects of land grabbing. From a policy perspective, understanding the hidden effects of land grabbing is important to assess the costs and benefits of government strategies to use land concession as a policy means to promote economic growth and reduce poverty.

## 2. The creation of new frontiers of land control in Laos: mixing security concerns with economic interest

Scholars have described and analyzed land grabbing as both global and local processes (Baird, 2014; Kenney-Lazar, 2012; Lund, 2011; Peluso and Lund, 2011), looking mainly at decisive factors and forces that create and shape the overall process of land dispossession. For example, Baird (2014) and Rudi et al. (2014) both show the role of the Cambodian national elites in shaping conditions and circumstances that lead to land grabbing. Corson (2011) and Osborne (2011) highlight the dynamics in the struggle over land in respectively Madagascar and Mexico, and how this manifests in land dispossession of less powerful actors.

Scholars have also discussed primitive accumulation, enclosure and privatization, often linked to state territorialization and legalization, as ways of establishing control over land (Baird, 2009; Barney, 2009; Glassman, 2006; Peluso and Lund, 2011; Scheidel et al., 2013). State territorialization concerns the state's claims and power – which involves a variety of legal instruments and institutional alliances between state, non-state and parastatal institutions – to control land access and is a mechanism to control people and resources by controlling territory (Peluso and Lund, 2011; Vandergeest and Peluso, 1995). Legalization concerns the laundering of power as legitimate authority (Bagdai et al., 2012; Kumar and Kerr, 2013; Roberts, 2005; Sikor and Lund, 2009). For example, wealthy and politically connected or otherwise powerful landholders use their power to establish immutable hegemonic positions of land control by referring mainly to legal contractual agreements, such as land concession, without linking these with the relevant legal frameworks.

In Laos, the state has used territorialization and legalization tactics as its means to secure control over land. Derived from the state's political security concerns, the Government of Laos (GoL) formulated and implemented far reaching internal resettlement policies to move ethnic minorities out of the mountainous area during the 1960s and the early 1970s (High et al., 2009; Baird and Shoemaker, 2007). While internal resettlement policy formulation was mainly derived by the GoL's political security concerns, in its implementation, it was often linked with attempts to eradicate shifting cultivation by upland farmers (Ducortieux et al., 2005; Ireson and Ireson, 1991; Pholsena, 2003), sometimes in connection

with international conservation organizations hoping to protect forested areas (Hirsch, 1997).

The late 1970s and the 1980s marked a period of transitional thinking with regard to control over land, with an effort to “turn battlefields into market places” (Dwyer, 2014: 386) and shift from security to capitalization concerns. This transitional period was most evident in the emergence of foreign investors (mainly Thai) into the country's forest and agricultural land. In the early 1990s, the GoL introduced the Land and Forest Allocation (LFA) policy to separate farmland from delineated forests (Lund, 2011). The system was also used to reduce shifting cultivation by declaring large areas used for the practice as ‘forest lands’ and to increase land tax revenue (Evrard and Goudineau, 2004; Vandergeest, 2003). The LFA policy was formulated also as part of legal reforms that would set preconditions for establishing land markets and permanent land titles in rural areas, allowing market-led development (Kenney-Lazar, 2012). By the late 1990s, the central positioning of land concession in the government's agricultural development strategy was most apparent from the way it promoted foreign direct investment as the major source of funds to turn land into capital and move from subsistence-based to market-oriented agriculture (Laungaramsri, 2012). A survey carried out by the Ministry of Industry and Commerce in 2007 shows that there were at least 40 foreign companies growing rubber in Laos (Laungaramsri, 2012). In Laos, however, territorialization and legalization do not always operate in parallel or by building upon one another, especially when formal authority's attempts to ‘legalize’ any illegal activity to meet its own interest (Shi, 2008) conflict with the rule of law. This is evident in the way the Army Academy appropriated farmland for a rubber plantation without any compensation.

Current discussion on territorialization and legalization positions both the state and private investors as powerful, dominant actors in acquiring control over land (Fairhead et al., 2012; Corson, 2011; Osborne, 2011; Peluso and Lund, 2011; Vandergeest, 1996; Vandergeest and Peluso, 1995). While such positioning reveals the important role played by the state in shaping the overall process of land grabbing, it tends to treat the state as a unified governing entity, rather than as a fragmented governance and development agent made up of elements with sometimes overlapping mandates, roles, and responsibilities. Wolford et al. (2013) and Dwyer (2013) highlight the different kinds of power within and beyond the state and how they manifest in corporate land deals. Similarly, in her analysis on rubber concessions and contract farming in Luang Namtha, Laos, Shi (2008) brings to light the key role played by the Army in promoting concession-based rubber plantation and shows how the Army often operates following its own ‘rules’ and not always in line with investment policies and procedures defined by the Department of Planning and Investment.

While this reveals an existing power asymmetry with regard to the institutional arrangements and decision-making processes that condition and shape the actual process of land grabbing, it also tends to homogenize farmers as a group and gives them the appearance of passive recipients. For example, Baird (2009) and Dwyer (2007) discuss the impact of land grabbing in shaping the overall process of agrarian transformation in Laos, highlighting how turning land into capital has also turned people into laborers and lead to widespread rural impoverishment. While analysis of the emergence of a new class of agricultural and industrial laborers in Laos and elsewhere (Borras et al., 2008, 2011; Peluso and Lund, 2011) has shed light on the negative impacts of land grabbing, farmers are of course not homogenous, with some better off economically than others and some more connected to broader power structures than others. This was highlighted by Shi (2008) on differing socio-economic conditions and contractual arrangements (‘2+3’ model with farmers providing land and labor and the company providing capital, technology and access to market; and ‘1+4’ arrangement

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