Regional Workshop on Responsible Large Scale Agricultural Investment in the Mekong,
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Large-Scale Land Acquisition for Agricultural Development in the Mekong Region *(CLMV)*: *An Update*

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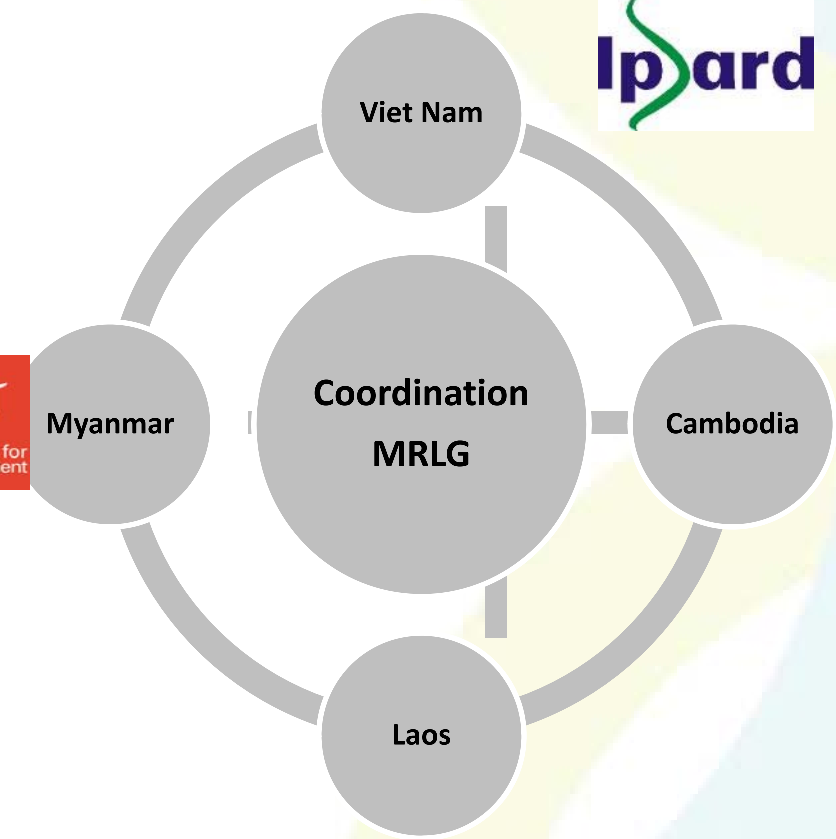
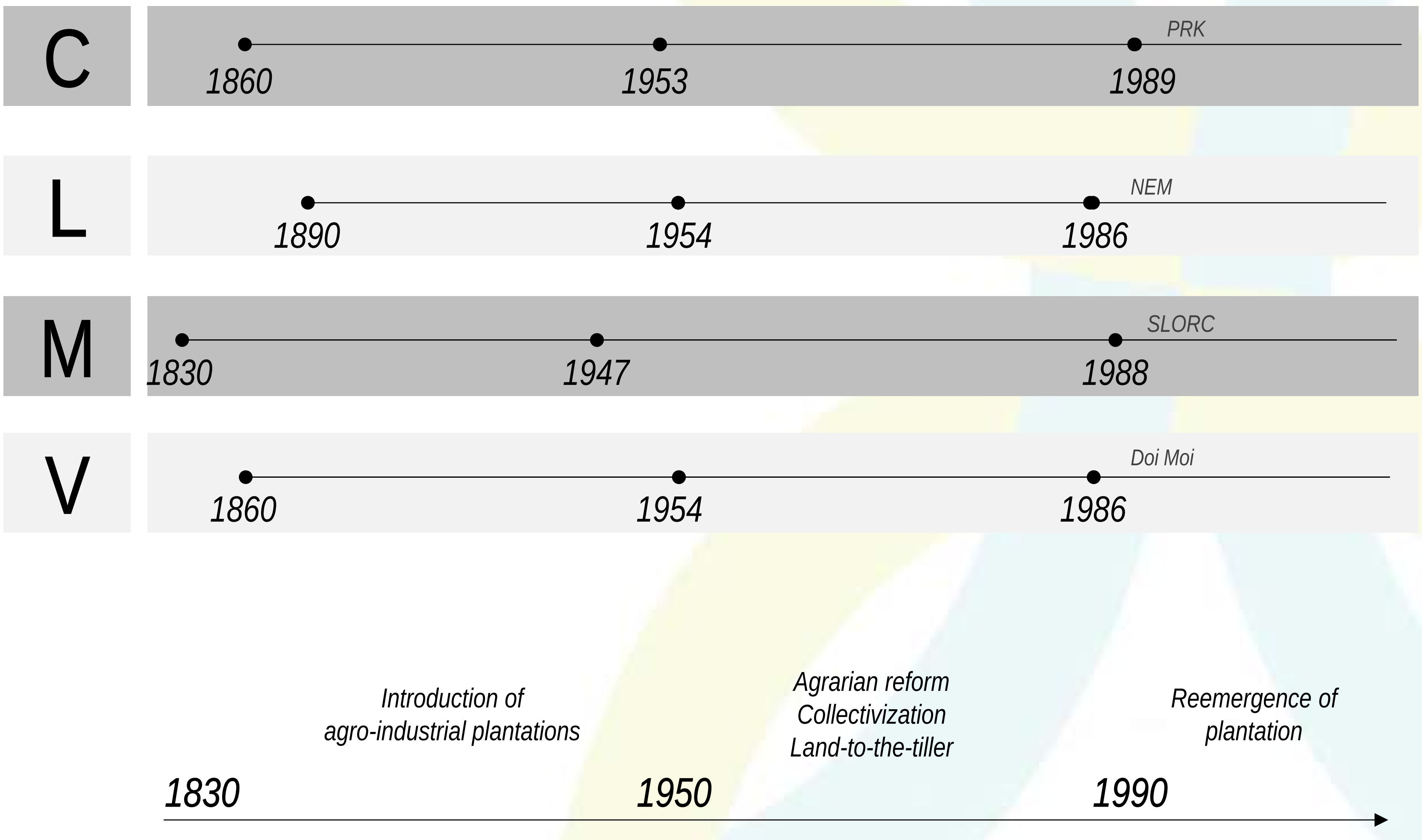
Research-based Policy Dialogue on FDI and LSLA

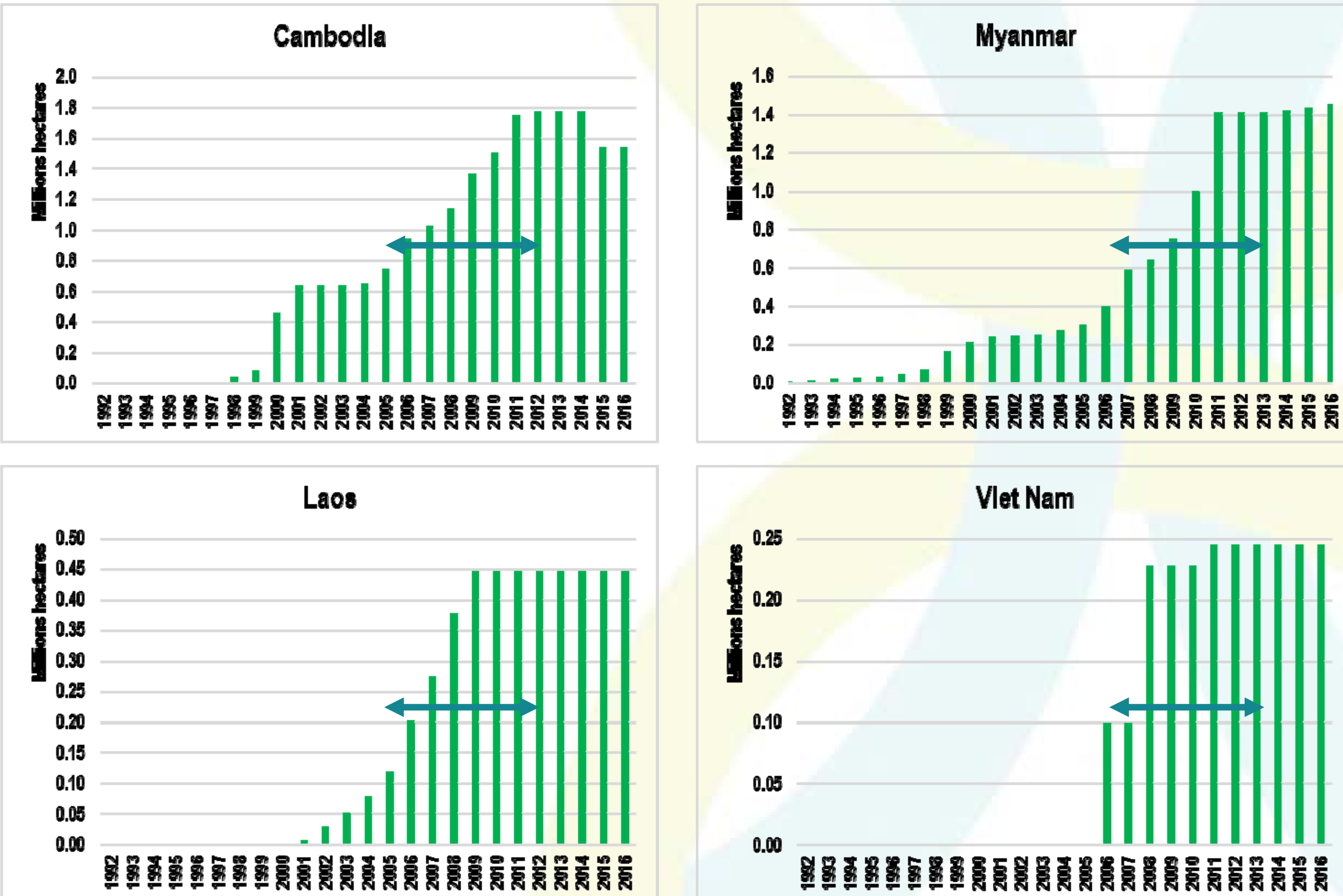


Objective: Take stock of 20 years of large-scale land acquisitions with a regional perspective

Rise, fall and rise again of large agricultural plantations

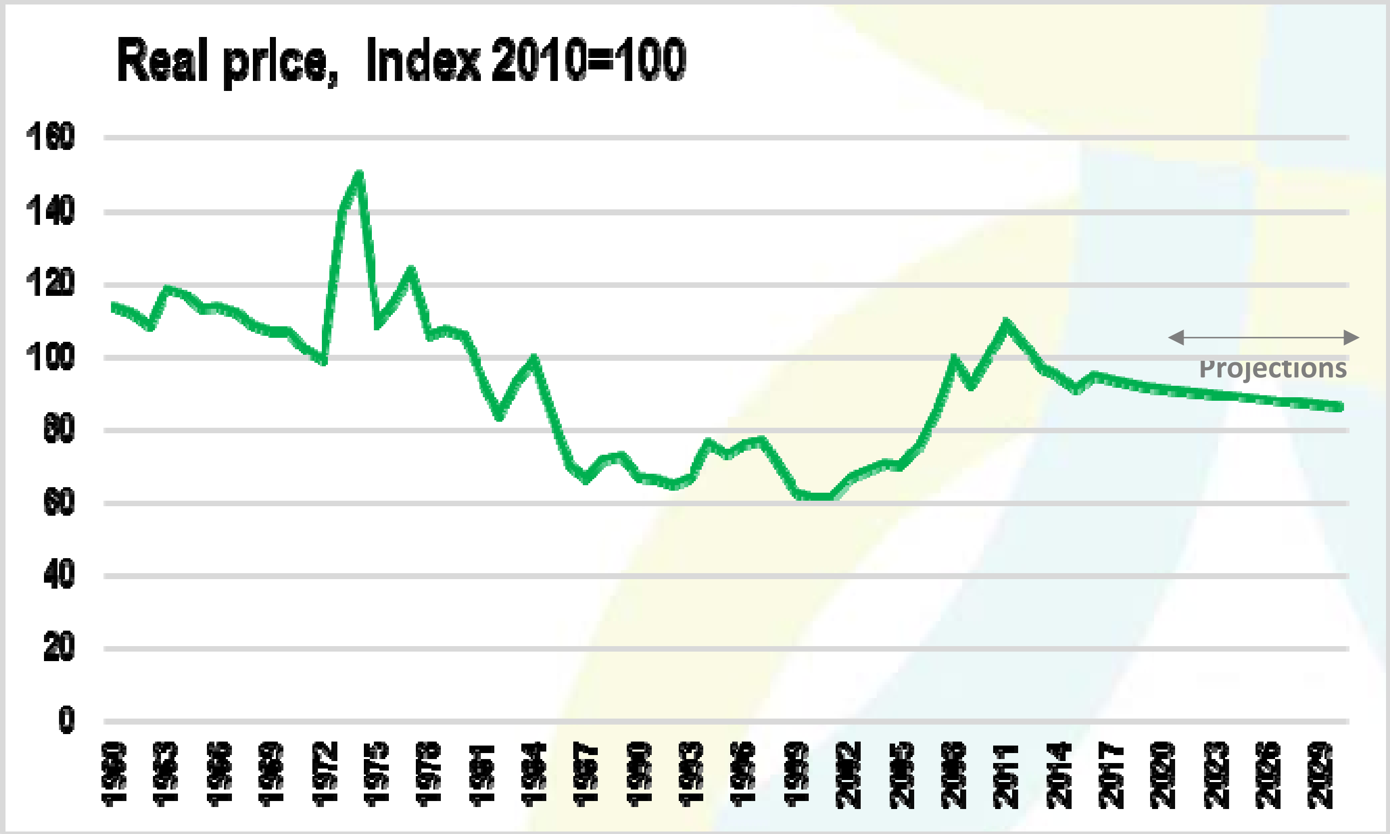


The rise again of large agricultural plantations



Why?

→Ups (and downs) in the agricultural commodity price



Data: World Bank

Why?

→The Large-Scale Agricultural Development Model

- Large Scale is an option in countries with yield gap and land availability (Deininger et al 2011)
- Underlying assumptions: investment, scale, labour, revenue and agro-processing
- Seek complementarity between large-scale and small-scale models

→Opportunities for governments: promote development, territorial control and geo-strategic interests

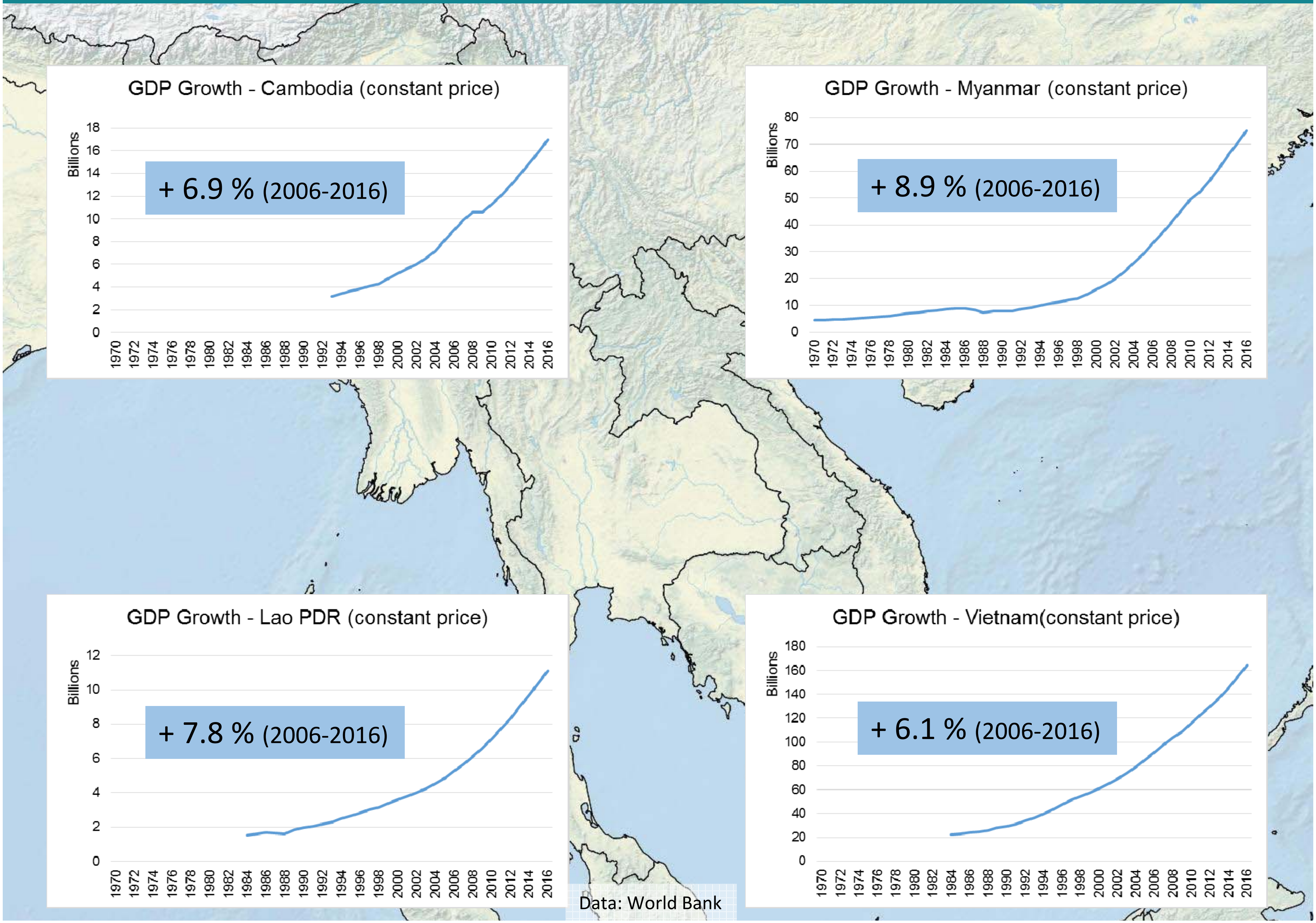
Changing regional context

→Structural economic transformations in CLMV countries

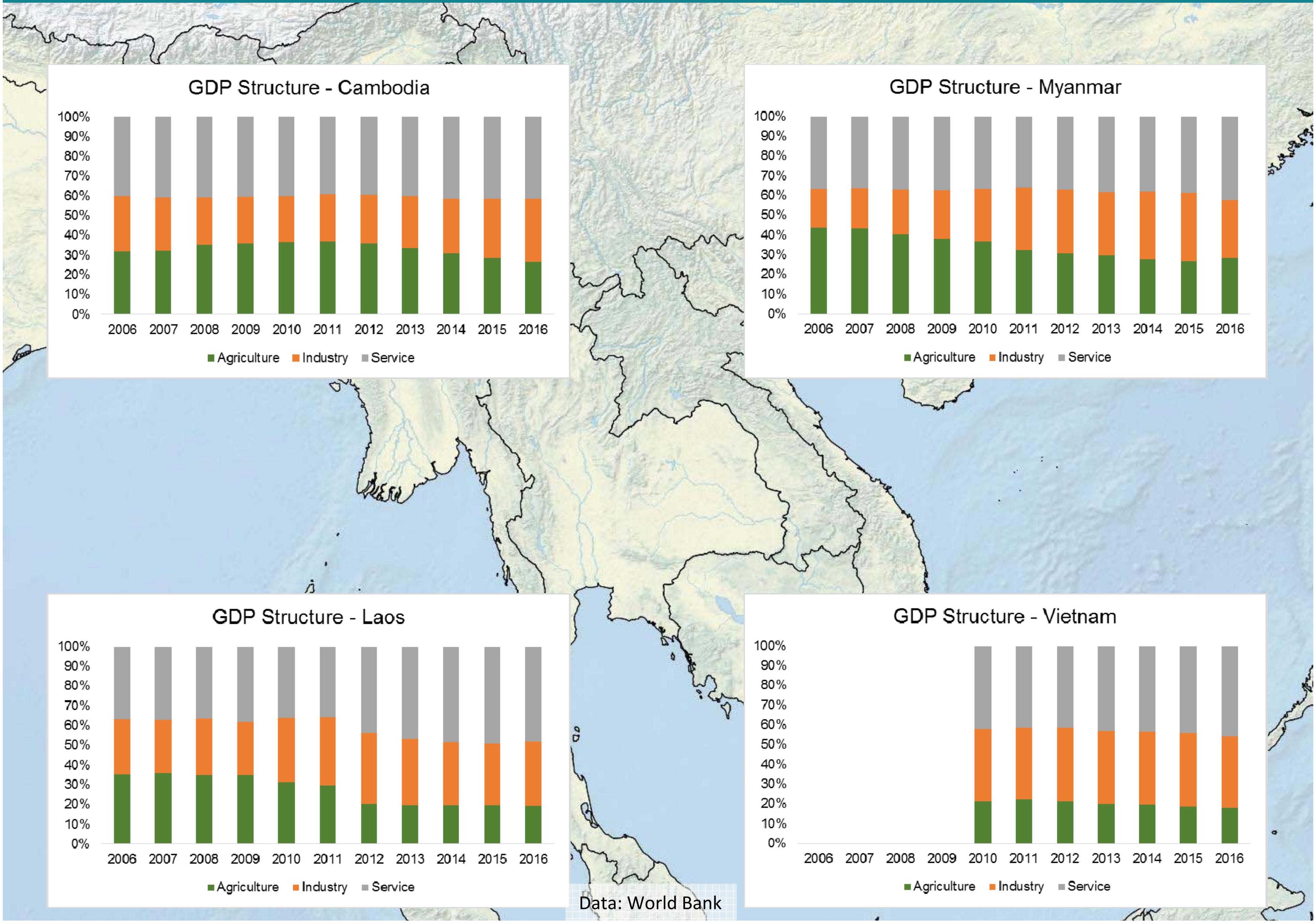
→Economic asymmetries and the central role of China in regional agricultural commodity trade flows

→Convergence of investments and trade negotiations

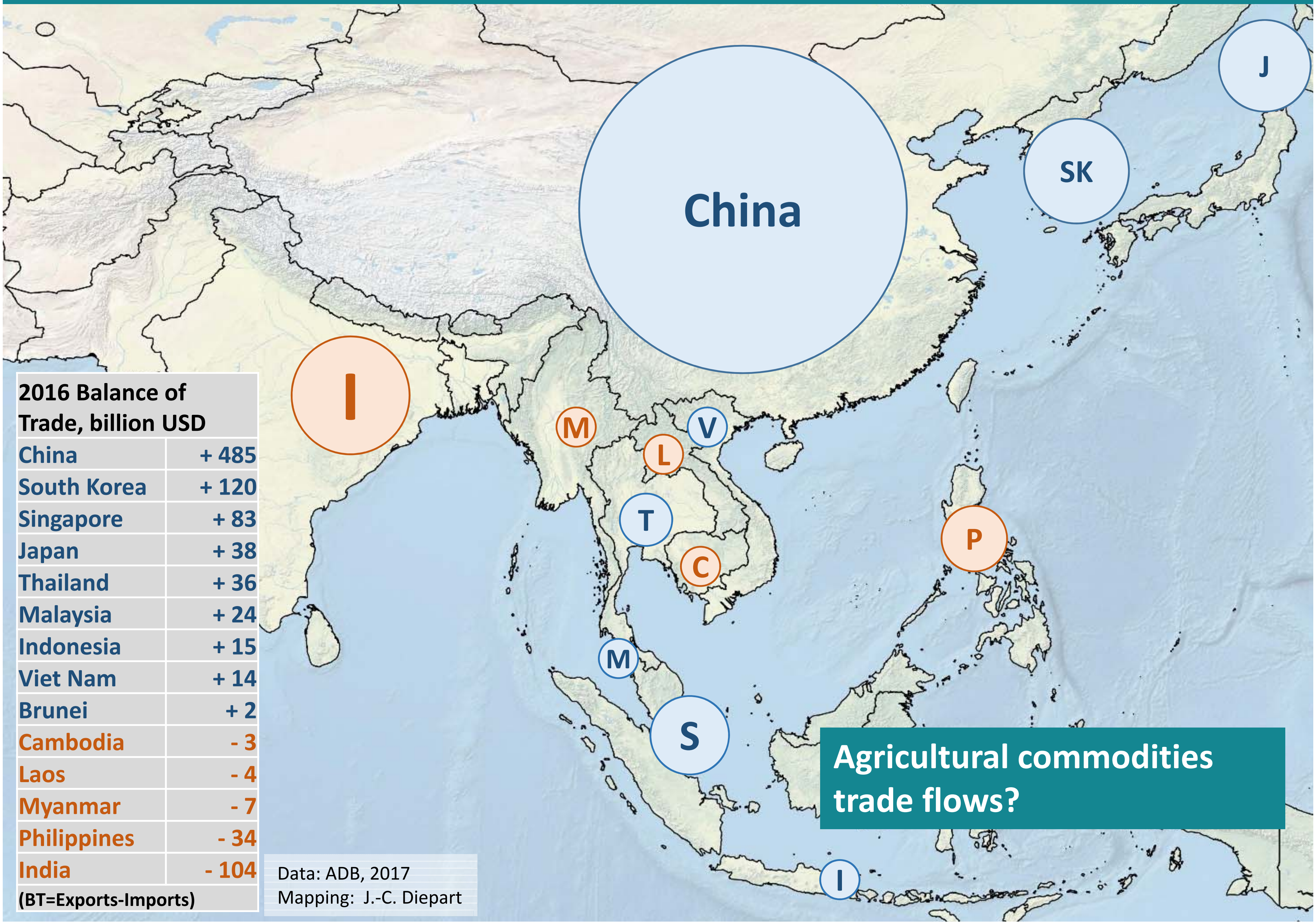
Structural transformations in CLMV countries



Structural transformations in CLMV countries



Asymmetries of economic power



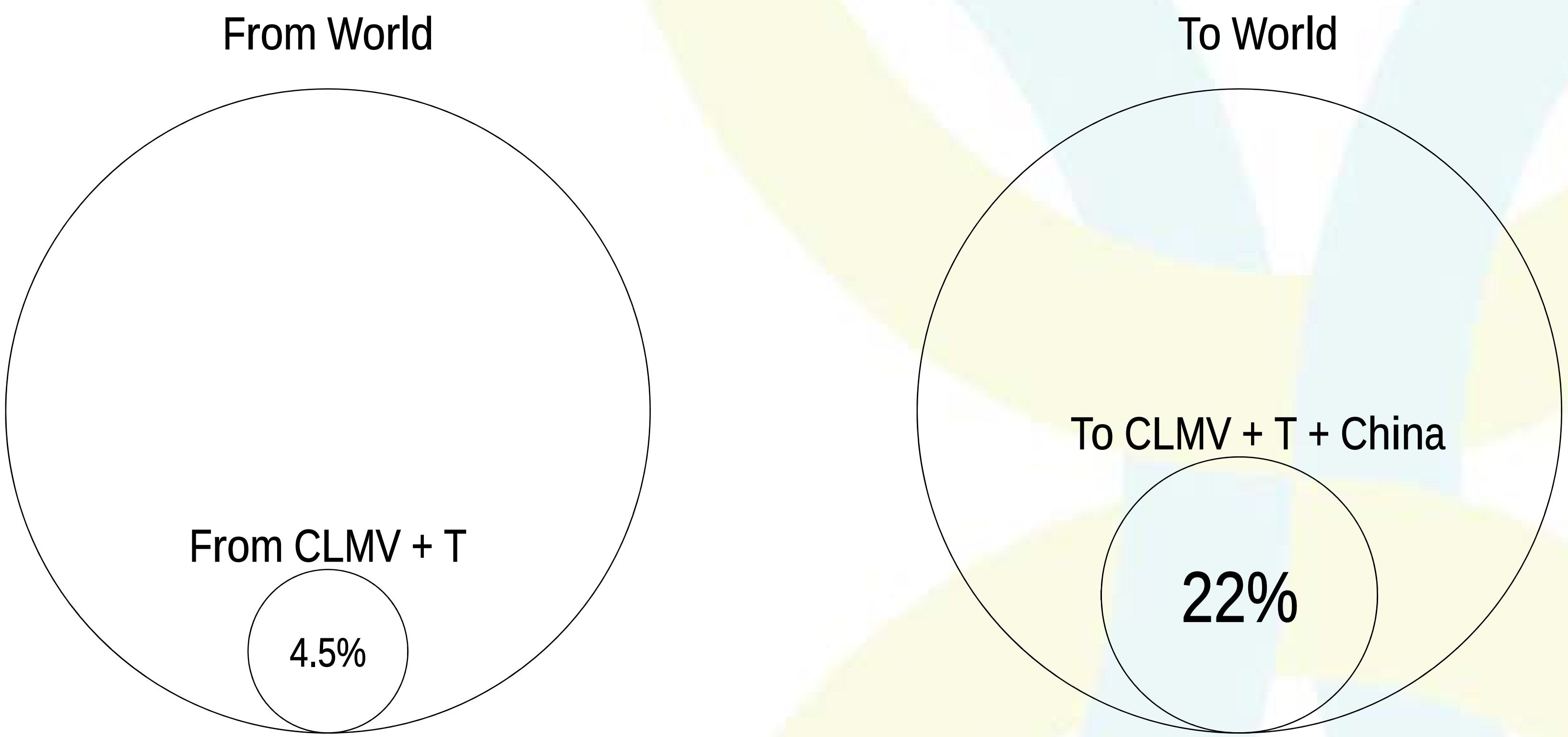
2016 Balance of Trade, billion USD	
China	+ 485
South Korea	+ 120
Singapore	+ 83
Japan	+ 38
Thailand	+ 36
Malaysia	+ 24
Indonesia	+ 15
Viet Nam	+ 14
Brunei	+ 2
Cambodia	- 3
Laos	- 4
Myanmar	- 7
Philippines	- 34
India	- 104

(BT=Exports-Imports)

Data: ADB, 2017
Mapping: J.-C. Diepart

Agricultural commodities trade flows?

China –Mekong trade relations: only one part of a much wider picture

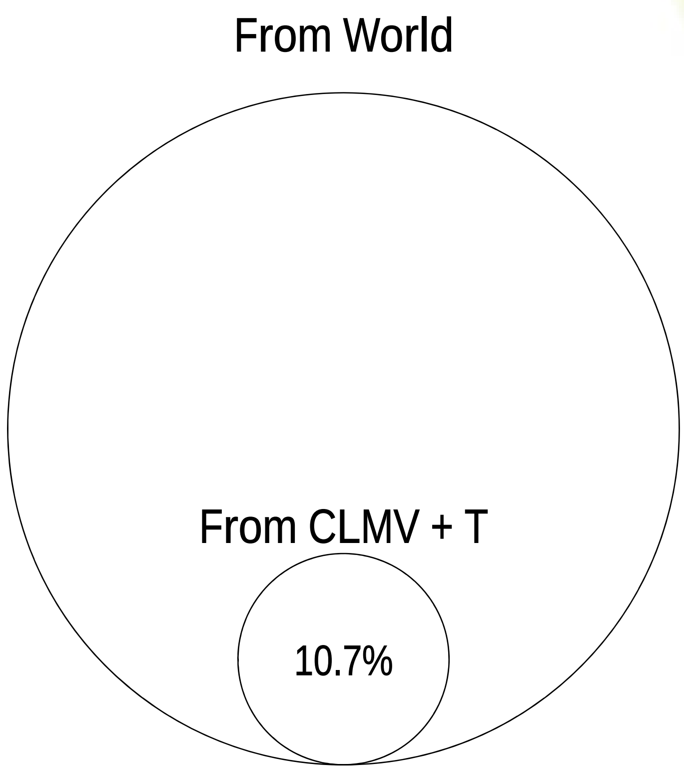


Chinese imports
All commodities

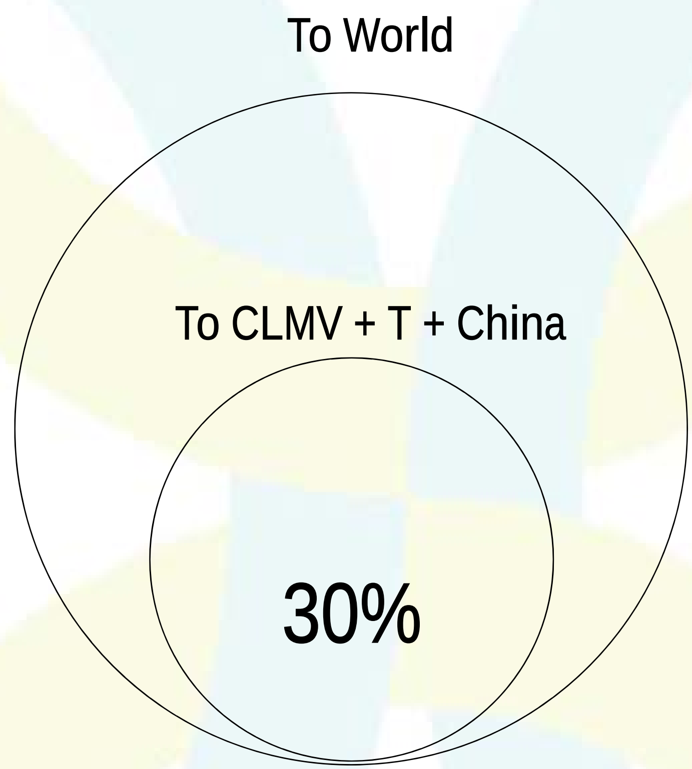
Total exports from CLMV+T
All commodities

Data source: Comtrade, 2015

But trade of agricultural commodities is more important regionally



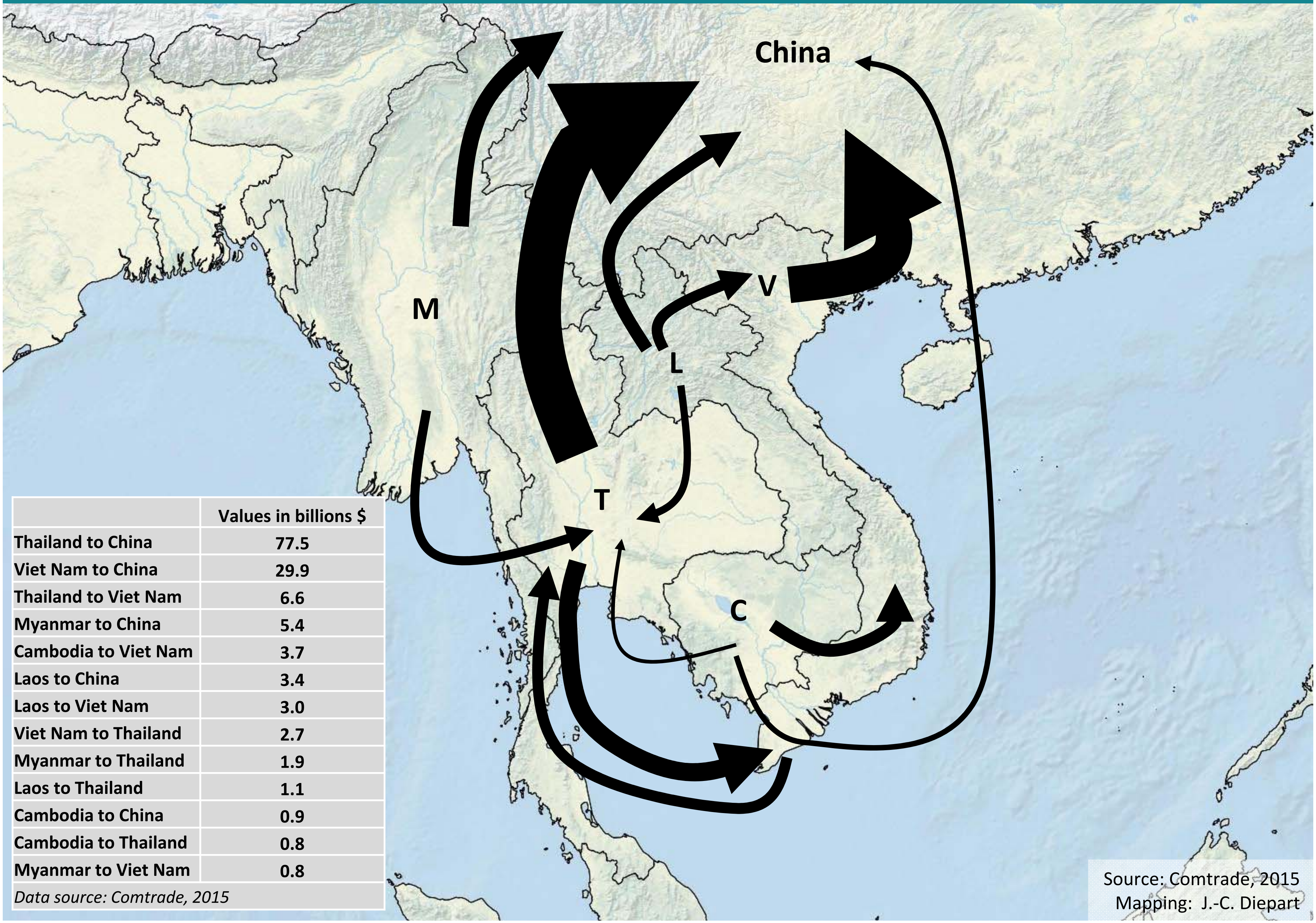
Chinese <u>imports</u>
Agricultural commodities



Total <u>exports</u> from CLMV+T
Agricultural commodities

Data source: Comtrade, 2015

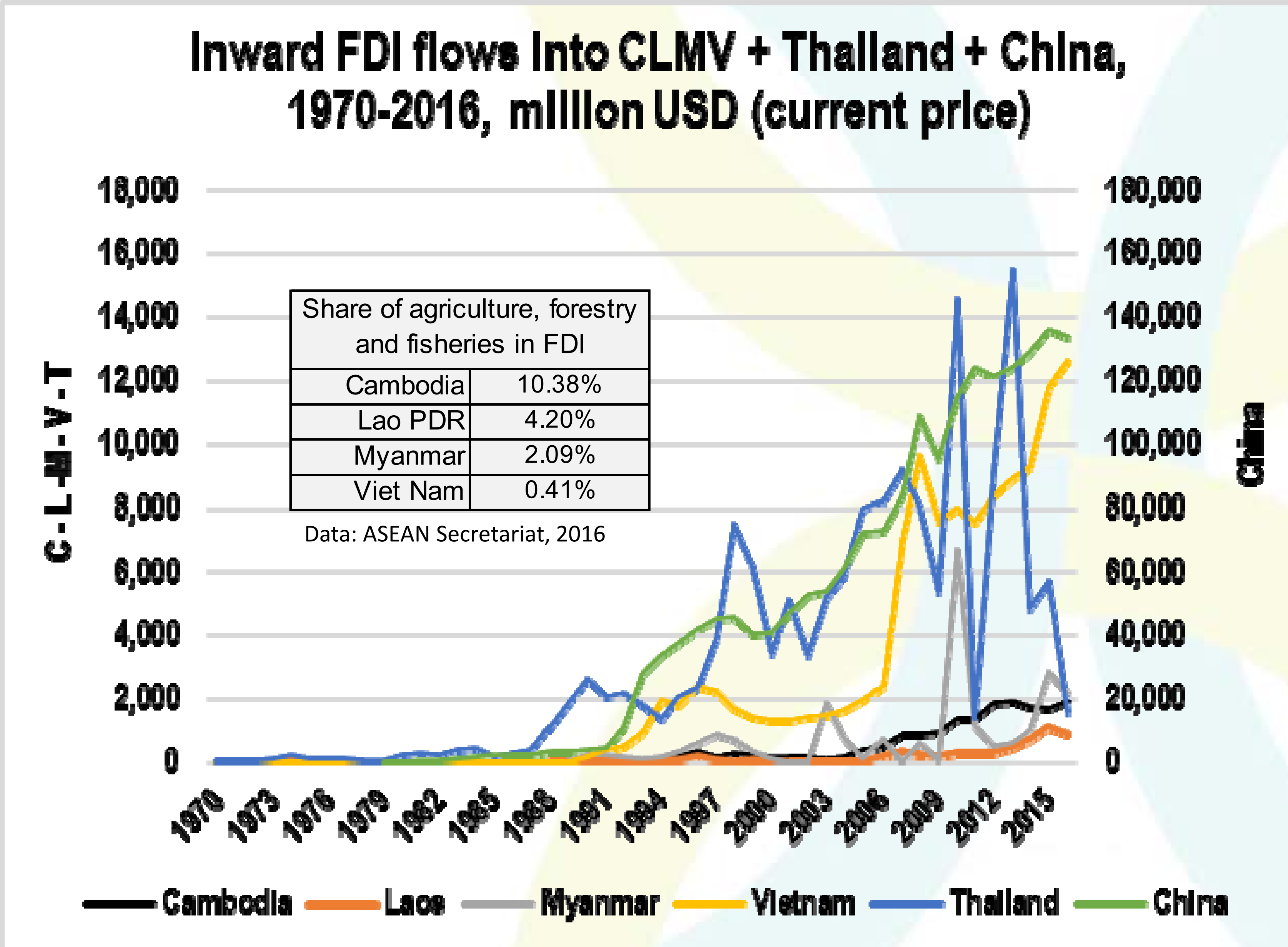
2006-2015 Aggregate trade flows of agricultural commodities (2 levels)



	Values in billions $
Thailand to China	77.5
Viet Nam to China	29.9
Thailand to Viet Nam	6.6
Myanmar to China	5.4
Cambodia to Viet Nam	3.7
Laos to China	3.4
Laos to Viet Nam	3.0
Viet Nam to Thailand	2.7
Myanmar to Thailand	1.9
Laos to Thailand	1.1
Cambodia to China	0.9
Cambodia to Thailand	0.8
Myanmar to Viet Nam	0.8

Data source: Comtrade, 2015

Increase in FDI but FDI in agriculture is small

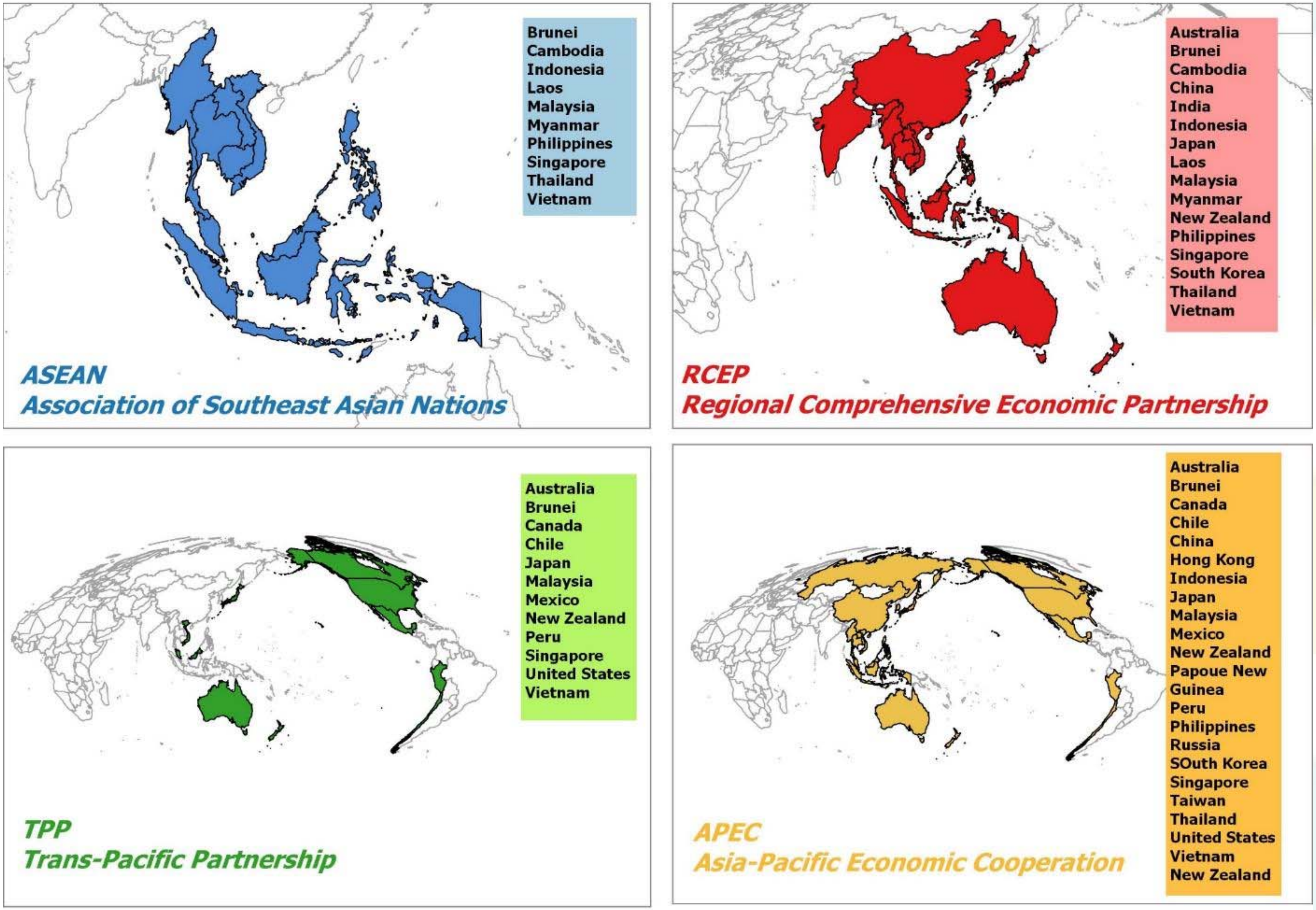


Share of agriculture, forestry and fisheries in FDI	
Cambodia	10.38%
Lao PDR	4.20%
Myanmar	2.09%
Viet Nam	0.41%

Data: ASEAN Secretariat, 2016

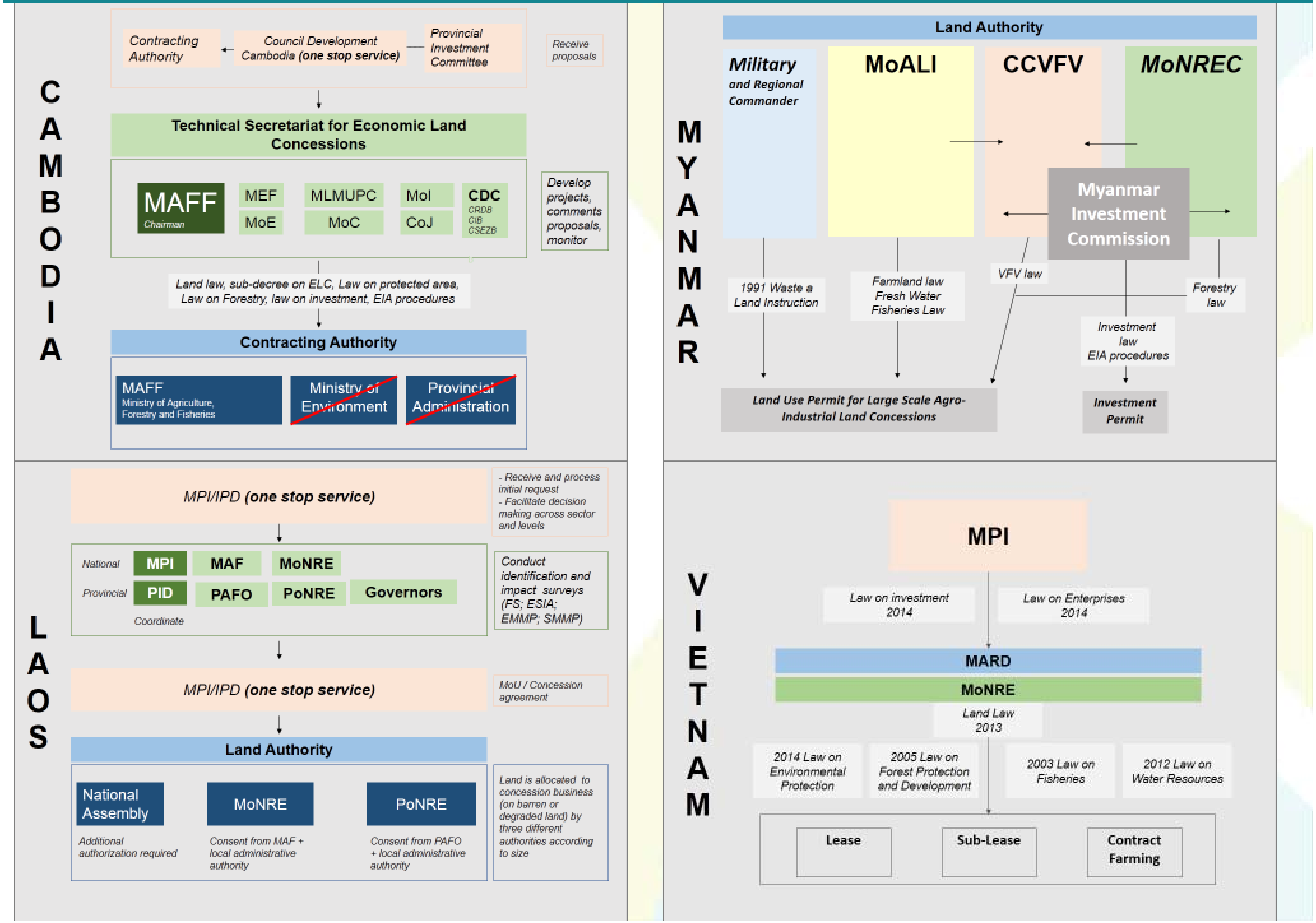
Data: UNCTAD

Convergence of trade and investment agreements as part of regional integration



Mapping: J.-C. Diepart

National institutional frameworks for LSLA



Characteristics of land deals

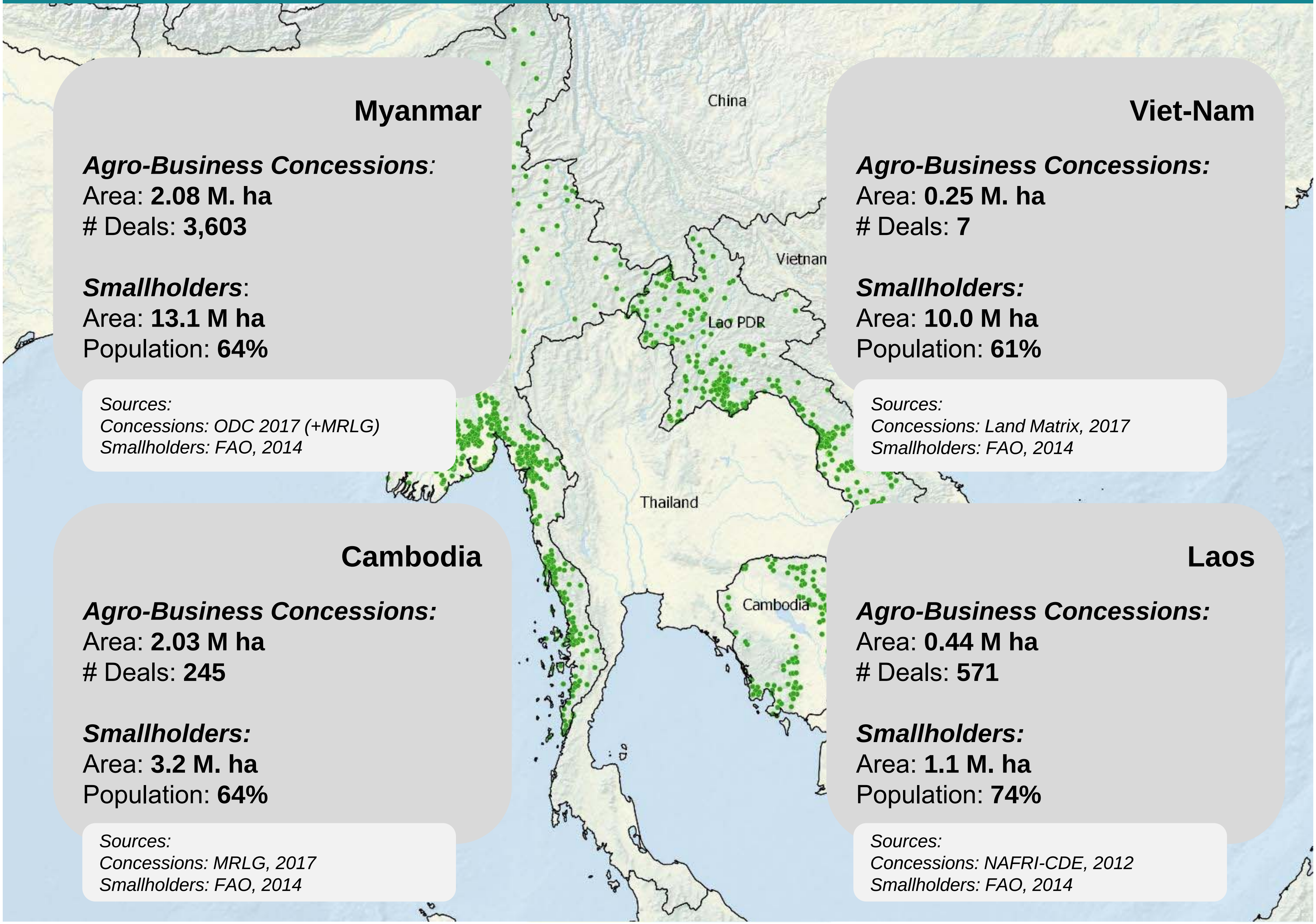
→Spatiality of land deals

→Agrarian structure: large-scale versus smallholder

→Intra-regional flows of investments on land

→Cluster of investments

Transformation of agrarian structures



Myanmar

Agro-Business Concessions:
Area: **2.08 M. ha**
\# Deals: **3,603**

Smallholders:
Area: **13.1 M ha**
Population: **64%**

Sources:
Concessions: ODC 2017 (+MRLG)
Smallholders: FAO, 2014

Viet-Nam

Agro-Business Concessions:
Area: **0.25 M. ha**
\# Deals: **7**

Smallholders:
Area: **10.0 M ha**
Population: **61%**

Sources:
Concessions: Land Matrix, 2017
Smallholders: FAO, 2014

Cambodia

Agro-Business Concessions:
Area: **2.03 M ha**
\# Deals: **245**

Smallholders:
Area: **3.2 M. ha**
Population: **64%**

Sources:
Concessions: MRLG, 2017
Smallholders: FAO, 2014

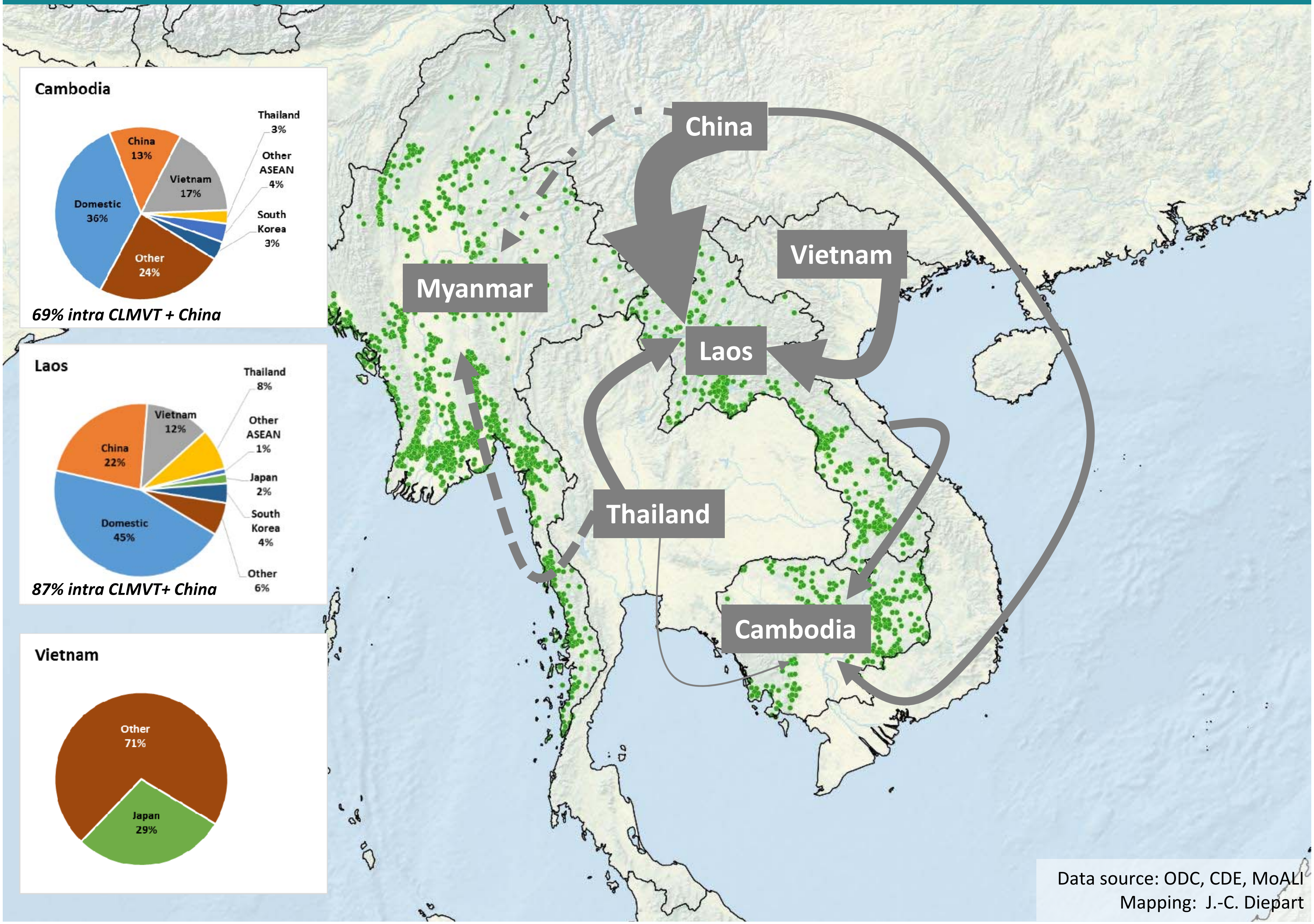
Laos

Agro-Business Concessions:
Area: **0.44 M ha**
\# Deals: **571**

Smallholders:
Area: **1.1 M. ha**
Population: **74%**

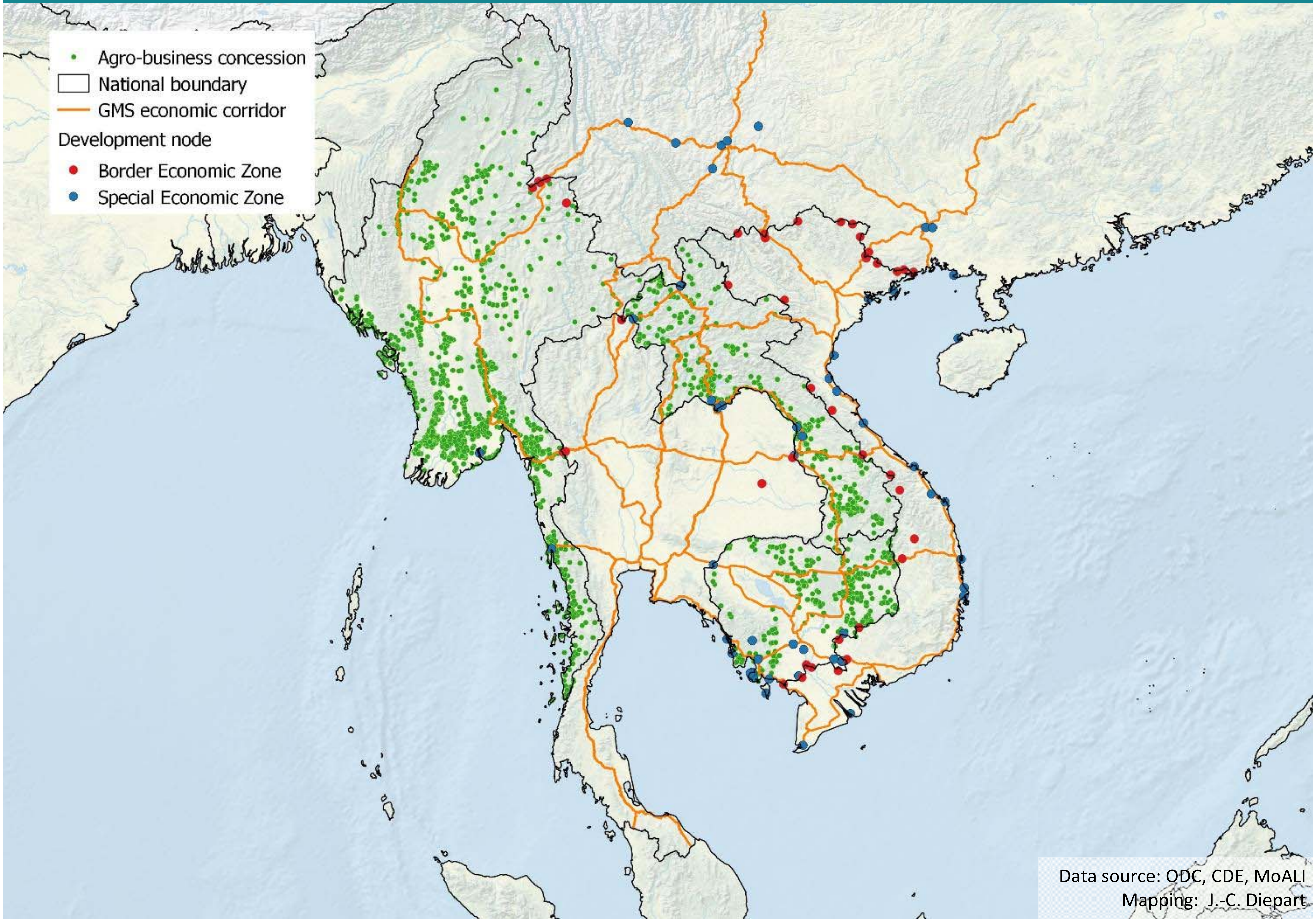
Sources:
Concessions: NAFRI-CDE, 2012
Smallholders: FAO, 2014

Intra-regional flows of investment in land and economic securitization

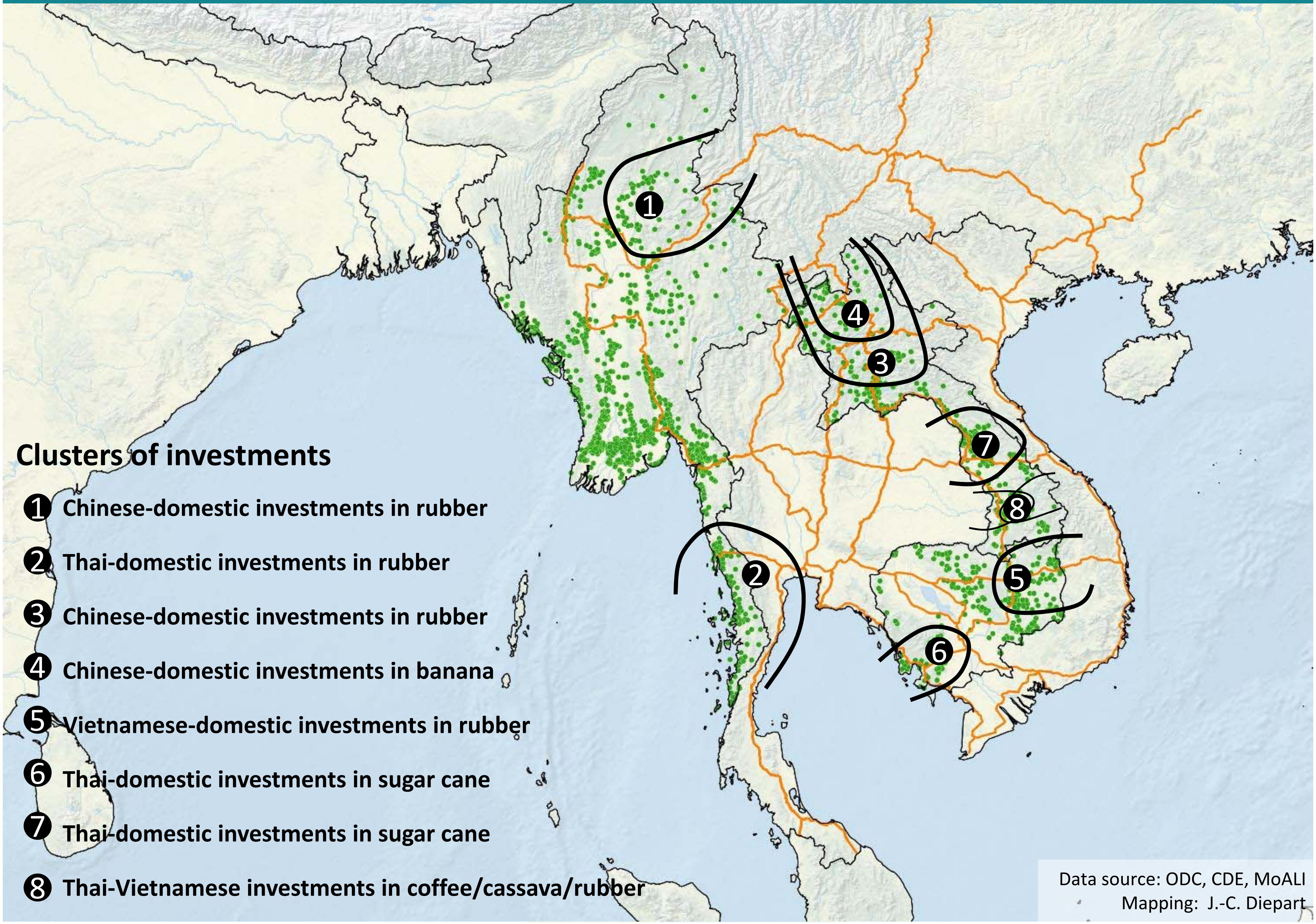


Data source: ODC, CDE, MoALI
Mapping: J.-C. Diepart

Geo-politics: GMS corridors and land concessions



'Origin-type' investment clusters



Impacts - deforestation

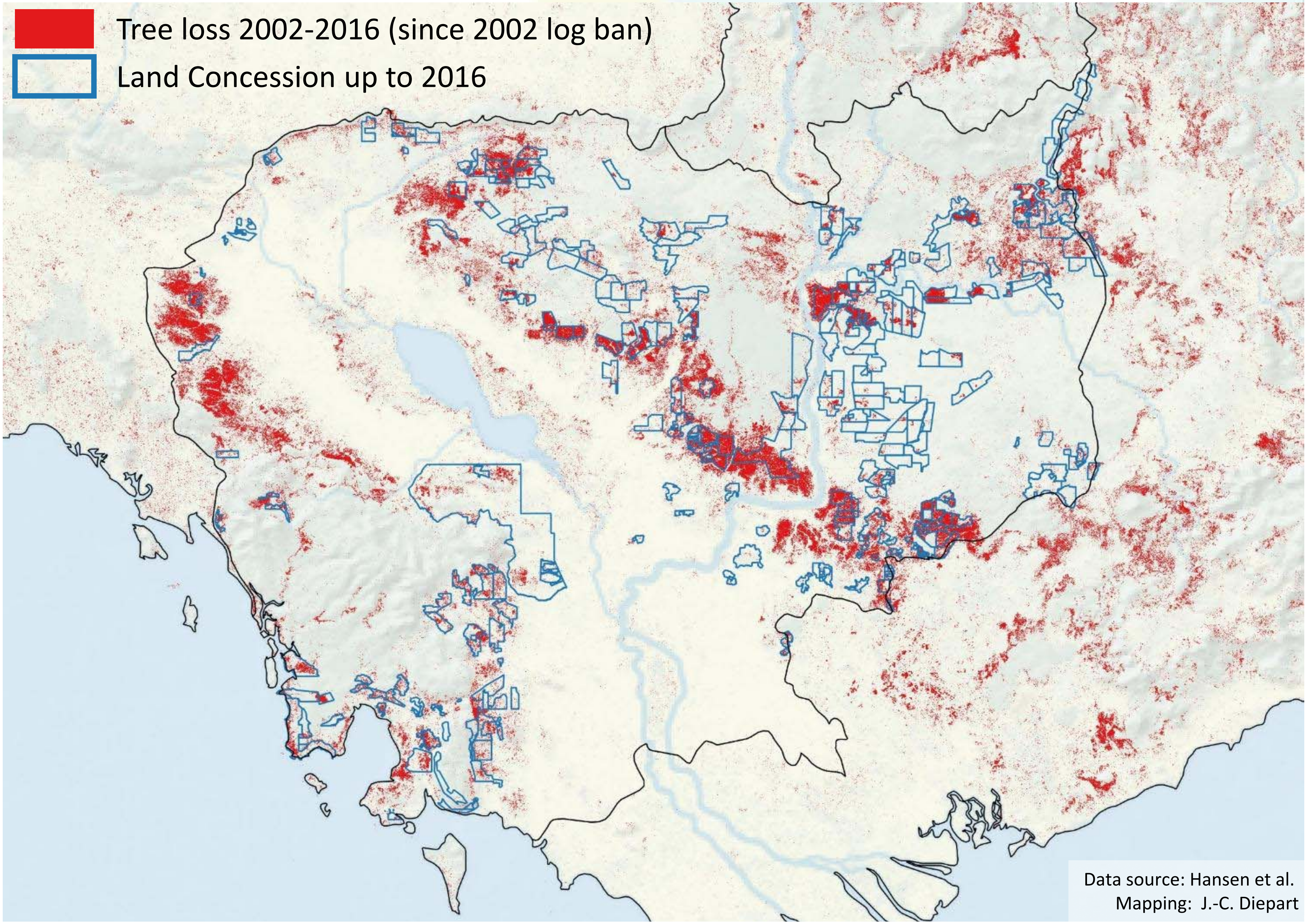
C Land acquisitions (ELC) can act as powerful drivers of deforestation (Davis et al 2015)

L

M Expansion of commercial agriculture is a leading driver of deforestation (Woods 2015)

V

Deforestation and ELC in Cambodia



Impacts - land use [in]efficiency

C

- Area planted represent only 20 percent of the total land area allocated (Fella et al, 2017)

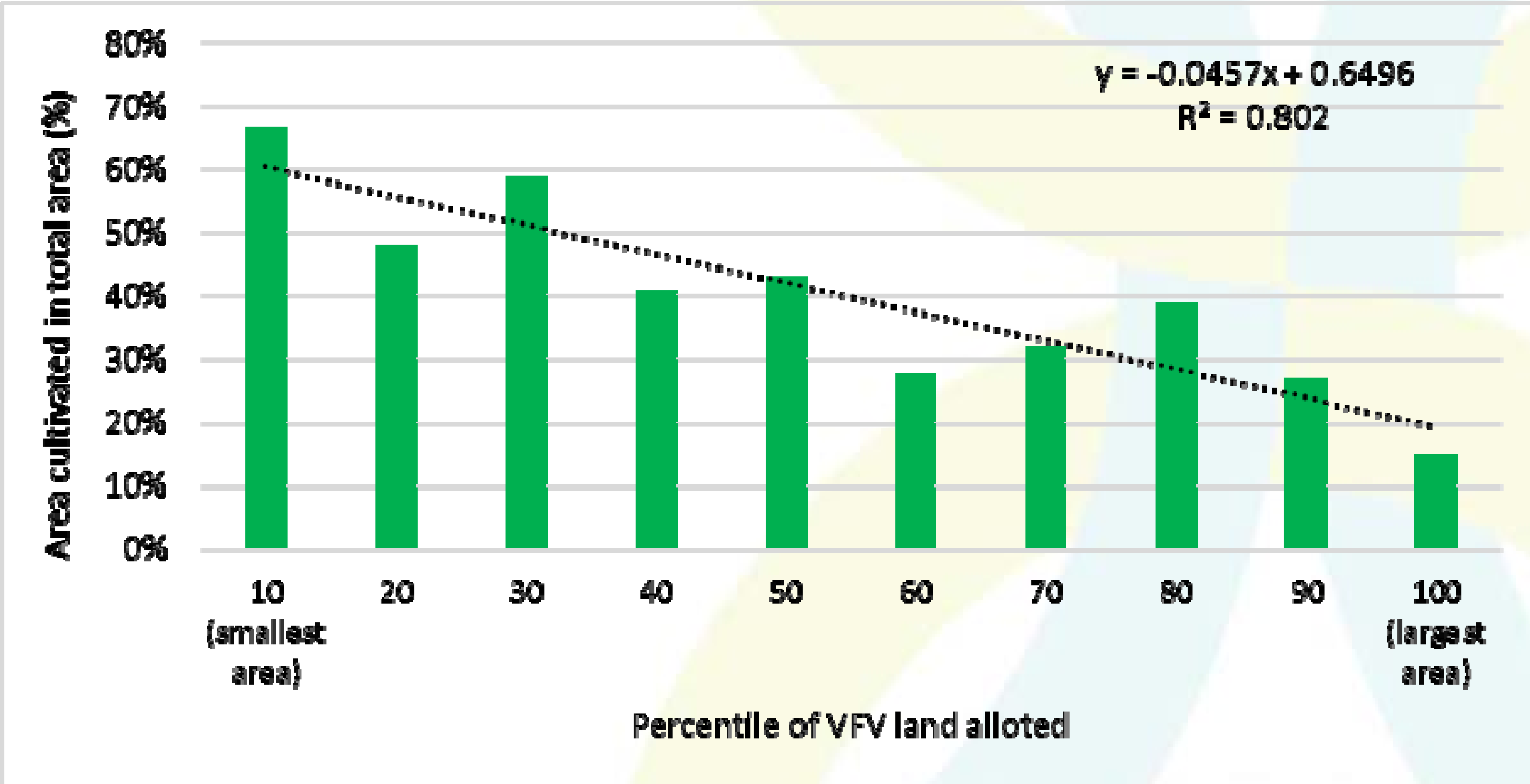
L

M

- 23% of concession area planted (Woods, 2015)
- 14.5% of concession on VFV land are planted (U San Thein and Diepart 2017)

V

Impacts - land use [in]efficiency



Source: San Thein and Diepart 2017

Impacts - land [in]availability and land conflicts

C – 770,000 people affected by 'land grab' between 2000-2013 (Adhoc 2014)

L – 'Facilitated' Dispossession (Kenney Lazar 2012)

M – Use of force by military (LIOH, 2015)

V – Dispossession through 'constrained' land allocation to large scale rubber scheme (Dao 2015)

Impacts - economic returns

Impacts on livelihood

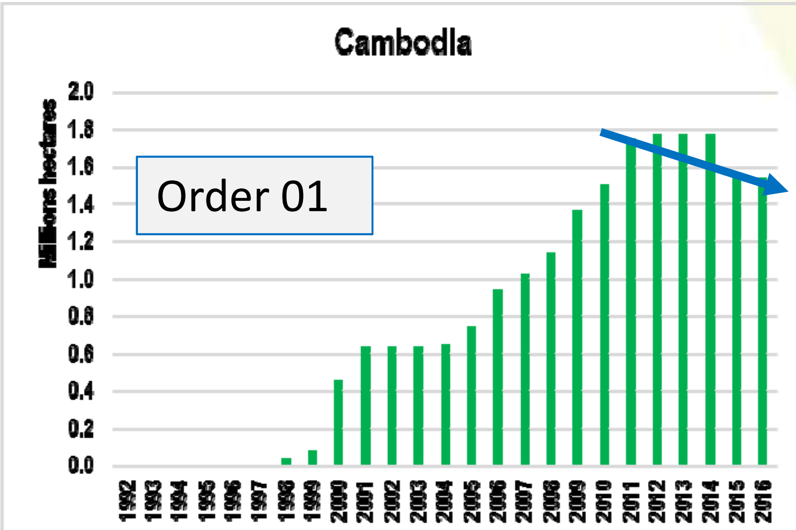
- ✓ Job creation: quite limited for locals, working conditions questionable and seasonality issues (Kenney Lazar 2012)
- ✓ Wage labor and new income formation mechanisms (Diepart and Sem 2016, Kenney-Lazar 2012, Dao 2015)
- ✓ Negative impacts outweigh positive ones (Gironde et al., 2015)

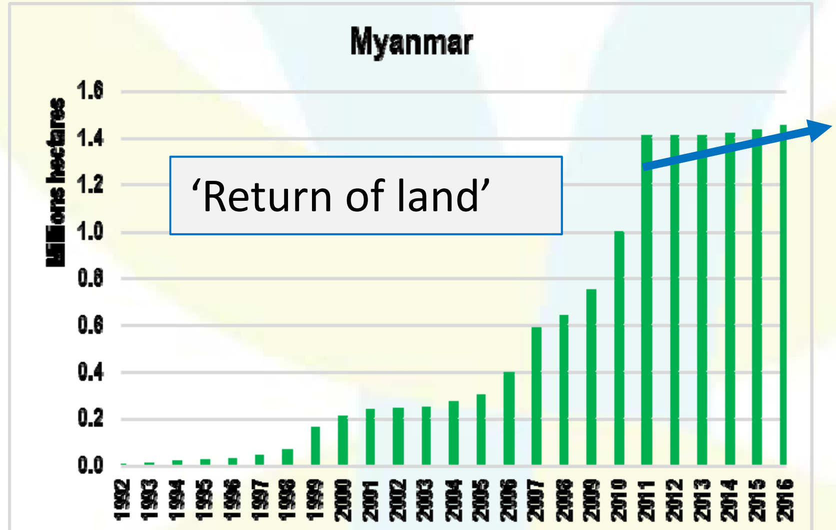
Small contribution to national revenue

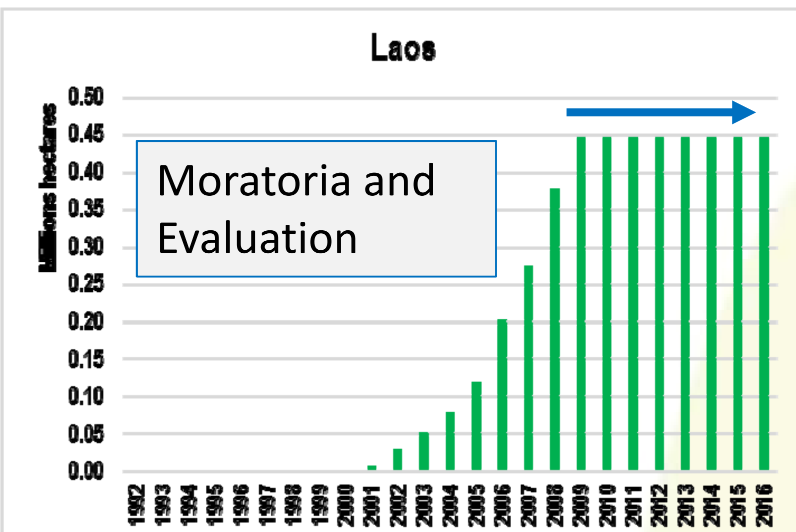
- ✓ Cambodia: 0.14 % national budget in 2015 (PPP, 2016)

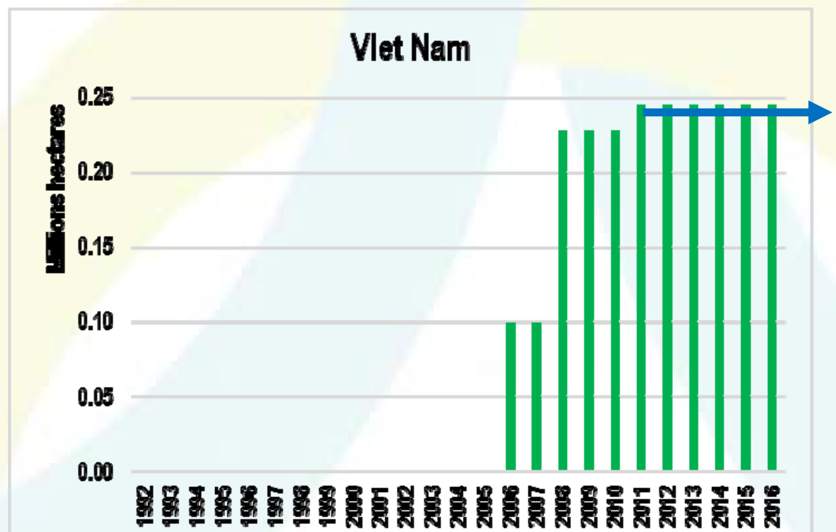
Counter-movements: Communities and civil society

Evaluations by the State ....









… the fall again of large scale plantations?

Thank you
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