

# Land grabbing, conflict and agrarian-environmental transformations: perspectives from East and Southeast Asia

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### Authoritarian Resource Governance and Emerging Peasant Resistance in the Context of Sino-Vietnamese Tree Plantations, Southeastern Laos

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## Abstract

Over the past decade, Laos has experienced a land rush by foreign investors seeking to gain large tracts of land for hydropower, mining, and plantation projects. The rapid pace of the phenomenon has prompted significant concern by international observers, Lao civil society, and certain sections of the government, regarding the impacts upon farmers that are dispossessed of their land and communal resources. However, both investors and peasant communities alike have differing experiences with the investment process. Depending upon the power of the investor and their relationship with the state, some projects have been implemented much more quickly and forcefully than others. This paper argues that the relationships formed between international resource capital and the Lao state affect the opportunities for peasants to resist conceding their land and thus impact the success of the project in fulfilling their land quotas. Variations in resistance and project implementation have important implications for the pace of agrarian transformation resulting from plantation investment, and who is able to win or lose from the process. The paper problematizes the conception that investors from the Global South, particularly Brazil, Russia, India, China, and South Africa (BRICS) and middle-income countries (MICs), are able to grab large amounts of land from weak states, dispossess marginalized peasants, and engender rapid agrarian transitions without constraint or resistance. These arguments are demonstrated by analyzing the process of investment for two tree plantation companies in Laos: Quasa-Geruco Joint Stock Company, a subsidiary of the state-owned Vietnam Rubber Group, and Shandong Sun Paper Industry Joint Stock Company, the largest private paper company in China. Field research was conducted in Vientiane Capital and eastern Savannakhet province, Laos between June 2013 and February 2015, and data were collected through semi-structured interviews with government officials at all administrative levels, plantation companies, village leaders and households, and civil society organizations.

**Keywords:** Resource governance, authoritarianism, peasant resistance, land grab, Vietnam, China, Laos



## Introduction

Over the past decade and a half, the rise of land-based investments in the Lao People's Democratic Republic (Lao PDR or Laos) has generated critique by international observers, Lao citizens, and even certain sections within the Lao government concerning national sovereignty, poor governance and management, local land rights, and ecological destruction and degradation. This is in part due to the rapid pace and extent of the land rush in Laos. While investors began leasing land from the government as early as the 1990s, the number and scale of investments increased dramatically around 2005, amounting to 2,642 projects covering 1.1 million hectares (ha) (Schoenweger *et al.* 2013).<sup>1</sup> Much of the conceded land falls within the boundaries of rural communities—land that is accessed, cultivated, and managed by Laotian peasants, particularly indigenous groups—depriving them of much-needed subsistence resources (Barney 2007, Kenney-Lazar 2012).

The rise of land investments in Laos has set off a reactive analysis of the processes and power relations at play in the Lao land rush. Media and development reports often paint a simple picture that depicts Laos as a victim of a global process of land grabbing initiated by land hungry states and corporations, occurring within the Lao context of non-existent or weak governance, while complacent, repressed, and inactive civil society groups and peasants stand by helplessly, in part because of their lack of secure land tenure, as all land supposedly belongs to the state. An article in the *Economist* (2013) titled *The future of Laos: A bleak landscape* makes the geographically deterministic statement that “From a window seat flying above Laos a visitor gets a sense of the state’s weaknesses. Deforestation stretches all the way to the Chinese border”. A discussion paper prepared by the World Bank Group on investment and access to land and natural resources in Laos—incidentally one that was not intended to be widely circulated or cited, but which found its way onto a public online database for documents related to agricultural and resource development issues in Laos—claimed that “many land areas under concession are operated in a management vacuum and are increasing threat of conversion to alternative uses or even abandonment” (World Bank 2010a, 1). Similarly, a recent report by Global Witness (GW) titled *Rubber barons: How Vietnamese companies and international financiers are driving a land grabbing crisis in Cambodia and Laos* claims that “The reality on the ground, however, is a chaotic and opaque ‘free-for-all’ due to lack of political will and weak rule of law, legal ambiguity and little clarity of responsibilities between varying levels of government administration ... Tenure and user rights are poorly defined in Laos and all land officially belongs to the state” (GW 2013, 11).

These narratives over-simplify the processes by which foreign investors secure in land in Laos and the complexities of the roles that the government, civil society, and peasant communities play in this process. Such simplifications are typical of the way in which investments originating from and also targeting countries in the Global South are often represented in the media. One way in which the current phenomenon of global land grabbing can be differentiated from earlier historical rounds of enclosure and dispossession is the role of investors from the fast-growing group of countries called the BRICS (Brazil, Russia, India, China, and South Africa) and from middle-income countries (MICs). Investors from BRICS and MICs are often represented as awash with capital for investment, but limited in available domestic resources and land, thus necessitating their need to expand internationally into poorer countries of the Global South with more land and resources and poor governance structures. Their investments are characterized as opaque and conducted with little regard for corporate social and environmental responsibility or even the laws of the target countries, and thus such investments are understood to have particularly significant agrarian transformations and social

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<sup>1</sup> This figure excludes mineral exploration areas as they cover large areas of land, but only a small percentage of the area is eventually exploited.

and environmental impacts upon peasant farmers without resistance from civil society and farmers. Investments from BRICS and MIC countries are also characterized as being highly effective at securing land in weak states, resulting in massive economic, social, and environmental agrarian transitions. BRICS and MICs land investments, however, are much more constrained in reality due to the active role that host states and peasant communities play in shaping and even resisting land grabs.

Tan (2014), investigating the rapid influx of Chinese migrants and capital into Laos in a report titled “China in Laos: Is there cause for worry?”, provides a welcome counter-analysis to the representation of Global South investments, in this case from China, as predatory: “Contrary to common assumptions, the Lao communist regime is not a helpless spectator and passive victim of Chinese expansion in capital and migration. The Lao rulers rely on their Chinese partners to serve as essential mediators between the state and the global economy in order to cope with the challenges of globalisation and to maintain their power at the same time” (Tan 2014, 2). Additionally, incursion into village land by foreign plantation developers has created tension, resentment, and anger among rural residents, yet only a handful of cases of open and direct protest have transpired since the rapid rise in land investment, largely due to the threat of authoritarian state repression (Baird and Le Billon 2012). Additionally, village resistance against state-sponsored plantation projects does occur and has been successful when working *through* rather than *against* the legal and bureaucratic mechanisms of the state, such as by making claims to customary and statutory land access rights or claims against the illegal action of plantation companies (Baird and Le Billon 2012, Kenney-Lazar 2012). The ability to enact such refusals of external land acquisition is often aided by villagers’ everyday acts of resistance that slow down the process of plantation development and provide the necessary time and space to contest projects through official channels (McCallister 2012).

This paper builds upon the literature that recognizes the complex interactions between trans-border capital, the state, and peasant communities, by examining Laotian peasant resistance against Chinese and Vietnamese plantation investments in southeastern Laos. First, the paper argues that land investment in Laos does not take place within any sort of vacuum, politically or socially, but instead operates within a politically and socially “thick” environment, that requires heavy-handed political force in order to ensure that the projects are implemented at each stage and level of government. Most challenging for investors is their reliance upon state power and repression to forcibly and permanently separate peasants from their ancestral lands and resources, without which they would be required to engage with peasant communities on their own terms. In order to mobilize the political will of the state, investors must embed themselves within state structures at multiple levels, within multiple agencies, and using a variety of strategies, while still maintaining enough distance to act independently and freely when necessary and convenient. Second, when the ability of investors to utilize the full power of the state breaks down, opportunities for peasant refusal and resistance open up in a political context in which citizen protest and opposition to the government is highly circumscribed, as political repression and symbolic violence are the monopolized domains of the Lao state.

The paper develops this argument as follows. The second section examines theoretical literature on the state, resource development and governance, and resistance, particularly the ways in which the state is always, to greater or lesser degrees, part of a large social configuration of capital, power, and popular legitimacy. The third section reviews the rise of land investment in Laos, particularly the role of Chinese and Vietnamese investors and their integration within the state, and the history of resistance and popular participation in the country, showing that the factors influencing resistance at the local level have largely gone unexamined. Fourth, the paper details the implementation of tree plantation projects by two companies in eastern Savannakhet province, south-central Laos—the state-owned Vietnamese rubber company Quasa-Geruco Joint Stock Company (QSG), a subsidiary of the massive Vietnam Rubber Group (VRG), and a private, multinational Chinese paper and pulp company, Shandong Sun Paper Industry Joint Stock Company (SP), planting eucalyptus and acacia trees—and

the ways in which openings for resistance have developed in different ways for peasants in the face of each investment. The conclusion analyzes the ways in which the two companies have integrated with the state in varying degrees, how this has affected the strength of their plantation implementation, and how state integration has affected processes of popular resistance, refusal, and dissent, with reflections upon how this contributes to the theoretical literature.

This paper is based upon primary field research conducted as part of the author's dissertation research project over a period of 20 months, focused on the two companies' operations in Phin and Xepon district of eastern Savannakhet province. Primary data were collected through semi-structured interviews and focus groups, field site visits, ethnographic participant observation, participatory mapping, and the collection of government and investor documents, maps, and GIS shapefiles. Individual and focus group interviews were conducted with the following actors: 1) government officials at the central, provincial, and district levels within line agencies of the Ministry of Natural Resources and Environment (MONRE), the Ministry of Planning and Investment (MPI), the Ministry of Agriculture and Forestry (MAF), the Lao Front for National Construction (LFNC) and the provincial and district level administration offices, including the governor of Phin district, 2) company managers and staff managing the plantation investment at the provincial and district levels, 3) the village leadership (*khana ban*<sup>2</sup>)—including the village chief and deputies (*nai ban* and *hong nai ban*), village party secretary and deputies<sup>3</sup> (*lae kha phak ban* and *hong lae kha phak ban*), village elders (*neo hom* or *thao kae*), village-level representatives of the Lao Women's Union (*sa ha phan mae gning lao*), village police or security (*kong lorn*, *por kor sor ban* or *pong kan ban*), and village foresters and land officers (*pa mai ban* and *thi din ban*), 4) village-level households as a focus group and on an individual basis, 5) village-level women focus groups, and 6) staff of Lao non-profit associations and international non-governmental organizations and academic researchers. Interviews with government officials were conducted in Lao while most interviews in the villages (*ban*) were conducted in the ethnic minority language of Brou (Makong and Katang sub-groups) with translation to Lao, and company interviews were conducted in Lao and Chinese or Vietnamese, with translation provided by the company. Preliminary interviews were conducted at 23 visited villages, which were then narrowed down to 10 villages, five affected by QSG and six by SP (one village was impacted by both), selected to represent a range of types of and experiences with resistance. In the focus villages, more time was spent visiting the plantation sites and other types of key land uses in the village as well as time spent with villagers observing their daily life, understanding their perspectives, and learning additional information about the plantation implementation through informal discussion. A number of different key documents and spatial data were collected from government agencies, companies, and villages, such as land concession agreements, land survey maps and reports, concession area shapefiles, and proposals, requests, complaints, and other forms of official communication between the companies, government offices, and villages.

## **Authoritarian resource governance, state-capital relations, and emergent resistance**

### ***Resources and resistance***

Theories of resource governance and extraction examine the relationships between the transformation of resource environments and capital accumulation, with particular attention to the institutional and

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<sup>2</sup> Italics are used throughout the paper to indicate the use terms in Lao language.

<sup>3</sup> In many villages the village chief and village party secretary are the same person, which is also often the case for the deputy village chief and deputy village party secretary.

regulatory—yet also political and normative—dimensions of resource management and regulation (Lemos and Agrawal 2006, Bridge and Perreault 2009). Since the early 1980s, biophysical environments across many geographic settings have become increasingly governed by private actors and market forces through processes of neoliberalizing environmental governance, whether for resource extraction or conservation (McCarthy and Prudham 2004, Bakker 2007). Neoliberal governance regimes reconfigure resource management away from state-centric *government* to poly-centric combinations of state, private, and community *governance* (Heynen and Robbins 2005, Lemos and Agrawal 2006). In the neoliberal model, property—the socially recognized right to benefit from and access material resources (Ribot and Peluso 2003)—is formalized and private, taking the place of public, common, or customary property systems (Mansfield 2007). Often accompanying the marketization of biophysical environments and the privatization of property are processes of enclosure (Vaseduvan *et al.* 2008), dispossession (Harvey 2003) and exclusion (Hall *et al.* 2011) from the land and resources that rural residents use to construct their livelihoods (Sneddon 2007).

Despite the amplified role of the market and private actors in resource governance, nation-states continue to play an important role in relation to the extraction, cultivation, and production of important national resources, especially in developing countries where rents and royalties from resources comprise a major portion of state revenue (Coronil 1997, Emel and Huber 2008). This is particularly salient for East and Southeast Asian regional contexts, where ostensibly neoliberal forms of governance are not necessarily paralleled by an erosion of the state, but often bolster state power (Ong 2006), especially in the (post-)socialist states of China, Vietnam, and Laos (Watts 1998). Processes of land and resource management and investment in Laos fall directly under state management, including the surveying, demarcation, and allocation of land to investors. While foreign investors can gain control over large tracts of the country's land for periods up to 75 years, such investments legally require the consent of village leadership, who comprise part of the Lao government (Schoenweger and Ullenberg 2009). Thus peasant dissent can emerge in the local space of confluence between state implementation of foreign investment and communal consent to new forms of land use.

Karl Polanyi theorized that societal opposition, and thus social movement, occurs in response to the transformation of nature and human labor into “fictitious commodities”, threatening vital functions of life and sparking social protest and increased demands for market regulation, termed the “double movement” (Polanyi 1944). When resource investments jeopardize rural livelihoods—the material and social resources that provide people with the capability to enhance their quality of life and confront social conditions that produce poverty (Bebbington 1999, Scoones 2009)—impacted groups may react through various types of resistance and social movement (Escobar 1995, Perreault 2006). McAdam *et al.* (2001) term such reactions “contentious politics” when the interactions are episodic, public, and collective, involving claims directed towards or mediated by governments. For resource investments, contentious politics can transform the dynamics of company-community relationships (Himley 2013) and the ways in which rural livelihoods are co-produced by civil society, resource investors, and the state (Bebbington *et al.* 2008).

Yet what happens when open social resistance directly contesting the state is a remote political possibility? For Gramsci (1971), when subaltern groups resist, they are struggling against specific material and political conditions, grappled with “spontaneously”, through local and place-based experiences of domination. Scott (1987) contends that when it is too risky for subaltern groups to openly protest, they engage in everyday acts of resistance resulting in material and symbolic gains, in ways that do not directly confront the established hegemonic order. Resistance in such contexts is not always hidden, but at the very least it must be “contained” rather than “transgressive”, meaning that well-established means of claims-making are used rather than unprecedented or forbidden approaches (McAdam *et al.* 2001). Similarly, O'Brien and Li (2006) have shown how resistance in rural China directly addresses the state by requesting rights that were promised but never delivered, rather than



opposing state policies and directives, a process they term “rightful resistance”. While these authors uncover how protest occurs when direct confrontation with the state is prohibited, they do not examine why some groups rather than others resist, under what conditions they do so, and what determines whether such cases of resistance will be effective and successful. In the Lao context, cases of successful resistance move through rather than against the state, and thus it is an ideal case for answering these questions.

### *The state-capital-society relationship*

Due to the importance of resisting *through* the state in the Lao case, it is important to consider how we understand the state and the relationships between the state and society, particularly capital and the subaltern. The question of what the state is seems obvious at first—an entity with the authority, legitimacy, and capability to govern the political, economic, and social order of a particular territory. Weber’s well-known definition of the state is the most common: “a human community that (successfully) claims the *monopoly of the legitimate use of physical force* within a given territory” (Weber 1948, 78 parentheses and emphasis in original).

One of the most significant debates of state theory concerns the relationship between the state and society. There are two main aspects of this debate: 1) the degree to which state action and power is independent, autonomous, and separate from the rest of society and 2) the nature of the relationship between state and society and what this implies about the way in which the state operates. Despite the disagreements and differences concerning such a relationship, there are basic lines of agreement. The most important of these is that there is a connection and relationship between the state and society, particularly that the state is embedded within broader social forces to some degree. The questions and debates surround the degree to which such forces influence state action, or in other words the degree of autonomy that state actors have from societal forces, and the types of social groups that wield power over and through the state apparatus and the processes through which they do so. These theories of the state, such as pluralism, corporatism, and Marxism, all view the state as an expression of societal forces, whether they be polyarchic democratic interests, coordinated elite groups, or the capitalist class and the capitalist mode of accumulation more broadly (Marinetto 2007).

Mitchell (1991) provides a practical way of understanding the separations and relationships between state and society: “a third possible approach beginning with the assumption that the elusiveness of the state-society boundary needs to be taken seriously, not as a problem of conceptual precision but as a clue to the nature of the phenomenon [...] The distinction must be taken not as the boundary between two discrete entities, but as a line drawn internally within the network of institutional mechanisms through which a social and political order is maintained” (p. 78). He argues that the boundary between the state and capital is purposefully and artificially produced, and are part of the same political-social power configuration, so that state and capital interests can take advantage the differential powers of one another without appearing to be colluding.

What can be taken away from the argument by Mitchell and others is that the state and society (and all that is included within the broad category of 'society', such as capital, foreign political interests, popular legitimacy, and civil society) are part of the same social configuration. Therefore, in order to understand how investors are able to dispossess people of their land in other countries, and why they achieve varying degrees of success in accomplishing this, with different degrees of openings for resistance, it is necessary to understand the ways in which foreign capital and the state are integrated. This depends upon the case, and one contribution to the theory from this work is that in some cases the separation between capital and state, or (civil, peasant) society and state is artificial and in other cases it is real (measured in terms of the extent to which they pursue common goals, the regulatory or institutional capture of the state by investors) and thus it is important to empirically

analyze the extent to which this is the case in various contexts. In Laos, there are real separations between foreign capital and the state because it is a post-socializing state, gradually opening up to foreign capital and thus subject to all of the mis-relationships that ensue. Looking at how these divides between investors and the state develop is useful for understanding how resistance and popular participation can form in an authoritarian resource governance context (which is itself built up through revolution, violence, popular legitimacy, integration within blocs of other powerful socialist countries, and now the support of development aid and foreign investment providing the funding that partly supports a repressive state). Thus, an important contribution of the paper is the importance of empirically examining variations within the state-society-capital political formulation, or the geography of such configurations.

## **Land governance and Sino-Vietnamese investment in Laos**

Laos has been identified by development and media reports as one of the Southeast Asian countries that has conceded significant amounts of land to foreign investors in conjunction with the rise of global land acquisitions (GRAIN 2008, MacKinnon 2008, World Bank 2010b). Land concessions began to accelerate during the early to mid-2000s as investors connected to global flows of capital and world commodity markets rapidly acquired large tracts of land in the country. Many of these concessions are in the central and southern provinces, while a contracting or 'cooperative' model is predominant in northern Laos (see Alton *et al.* 2005, Shi 2008, Dwyer 2011).

The government of Laos (GoL) has increasingly recognized land concessions as a problematic mode of investment. By 2007, enough evidence mounted through media, development, and government reports to show the current system of resource acquisition was not detrimental for the country for a number of reasons (Schumann *et al.* 2006, Barney 2007, Dwyer 2007). Concessions led to an uncompensated loss of assets at both the village and state level. The former Prime Minister, Mr. Bouasone Bouphavane, recognized these losses and instituted a moratorium on all land concessions over 100 hectares for industrial trees, perennial plants, and mining (Dwyer 2007). However, it has been widely recognized that this effort failed to put an end to concessions, which continued to occur by more corrupt and illegal means, often at the provincial level (Schoenweger and Ullenberg 2009). Concessions continued in part due to the government's ambivalent policies. Moreover, central level government policies regulating land concessions are not often implemented at the provincial level due to policy misunderstanding and miscommunication, a lack of resources to implement policies, and unrealistically low ceilings for the amount of land that provincial authorities can concede to foreign investors (Schumann *et al.* 2006, Hanssen 2007).

The policy debate over land concessions reflects a longer-standing evolution of the Lao state's approach to regulating land and resources ever since the Lao People's Revolutionary Party came to power in 1975 and created a centrally planned economy based upon Soviet and Vietnamese models. In 1986, the economy began to transform as a result government-initiated economic reforms under a policy known as the New Economic Mechanism that gradually incorporated market-based elements. These reforms raised governance questions of who to allocate land use rights to and for what purpose. The central government was responsible for allocating land use rights to villages and individual households, which was principally accomplished through the Land and Forest Allocation (LFA) program. The LFA program was originally intended to manage forest resources, delimit village boundaries, reduce swidden cultivation, and allocate agricultural plots for individual household. It was not primarily intended to allocate large plots of land to foreign investors, although there was room within the program for corporate investment. Concessions were envisioned as a way to develop extra land that could not be developed by local farmers. Villages gained the right to legally use some portions of their community forestland while they were required to conserve and protect other areas.

Although LFA decentralized land management decisions to the village and district level, it also enrolled villagers to manage and protect forest categories that were created at the national level (Fujita and Phanvilay 2008).

LFA was initiated to create the types of legal reforms that would set the preconditions for establishing land markets and permanent land titles in rural areas, which would allow for market-led development. The government envisioned that this would be achieved by individual farming households increasing the productivity of their land rather than by conceding large portions of village-managed land to foreign companies (Ducourtieux *et al.* 2005). Therefore, there is somewhat of a contradiction between the country's two land management systems, if not historically then at least in the abstract. This contradiction may help explain why land types have been allocated to companies that by law cannot be conceded, such as conservation and protection forest and individual agricultural land (Obein 2007, NLMA and GIZ 2009). Agribusiness companies have even funded the LFA process in order to allocate village land for their own plantations (Barney 2007).

Although LFA was initially focused on smallholders and local producers, the allocation of land to foreign investors has become a critical component of the state's resource-led development strategy. Laos has often been discursively framed as an under-populated, but resource-rich country, dense with natural resources such as timber, minerals, hydropower, and rich soils (Barney 2009). Yet the country's public and private sectors do not have enough capital to extract and develop these resources and thus there is a dependence upon foreign capital. Currently, 80% of foreign investment flows in to the resource sector, mostly consisting of hydropower and mining, but also timber extraction and industrial tree plantations (Schoenweger and Ullenberg 2009). The central Lao government has made resource investments attractive to foreign capital through low land lease rates, while also trying to capture significant benefits in the form of government revenue and local economic development. To achieve this task, they have pursued a policy of state land leases and land concessions, officially known as 'turning land into capital' (Dwyer 2007). Under this strategy, state land is leased to foreign investors in return for rental fees and production taxes. However, the central government has not been able to fully take advantage of this income source. From 2004 to 2005, revenues from state land assets totaled \$7.2 million, or only 0.24% of GDP (Schumann *et al.* 2006). This is largely because leasing rates, at \$3 to \$9 annually per hectare, are incredibly low in comparison to rates between \$30 and \$70 for the rest of Southeast Asia (Schoenweger and Ullenberg 2009). Land concessions are intended to bring benefits to the local level through infrastructure development and wage employment. However, a number of reports have shown the social and ecological impacts to be devastating due to lost access to essential land and resources, polluted environments, and meager employment opportunities (Obein 2007, NLMA and GIZ 2009, Baird 2010). In order to address this wide range of problems related to land concessions, the National Land Management Agency (NLMA) was created in 2004 as a central agency in charge of all issues related to land management and administration, particularly the regulation of land concessions.

As the Lao PDR has opened its doors to foreign investment for resource production, the national government has sought to use land concessions as a strategy for capturing the development benefits of such projects. Despite investor imaginaries of Laos as an empty and little-populated resource frontier (Barney 2009), rural Laotians use most of the country's land for cultivation, foraging, and raising livestock. Not only do villagers engage in customary land tenure practices, the national government has increasingly formalized their statutory tenure rights to such land via land reforms since the 1990s. By law, all land within the Lao PDR is under the ownership of the national community, the representative of which is the national government (GOL 2003). However, the manifestations of this law in practice are much more ambiguous, depending upon the state's ability to enforce eminent domain over the land use claims of non-government actors and overcome competing attempts to access land.

The Chinese and Vietnamese investors examined in this paper fit within, but are certainly not determined by, the broader political and economic relationships that have developed between their governments and the Lao government over the past four decades. China and Vietnam are two of the largest sources of foreign direct investment in Laos, Thailand being the third important source of investment. They are also two of the biggest trade partners and providers of development aid. Chinese and Vietnamese investors have been particularly interested in resource extraction and development projects, in the fields of mining, hydropower, and plantations, which require long-term land concessions of state land. Of the 1.1 million ha of land granted to domestic and foreign investors in the form of state land leases and concessions, Chinese and Vietnamese investors have the largest share out of all foreign investors, comprising 11 and 7 percent of all projects, respectively, and 18 and 28 percent of the area (Schoenweger *et al.* 2013).

As Laos began to open up to a market economy and foreign investment in 1986 with the implementation of the New Economic Mechanism (NEM), both countries have begun to have an increasingly large economic influence and significant levels of investment, despite their differing historical relationships with Laos. Vietnam and Laos have always maintained a strong and tight political relationship since the Second Indochinese War when they fought together to repel rightist, royalist, and American forces from their countries and establish socialist states. The communist *Pathet Lao* army owed their success to support from the Northern Vietnamese army and the close ties continued with Vietnamese support in the establishment of the Lao People's Democratic Republic (Lao PDR). Since then, the Vietnamese Communist Party and the Lao People's Revolutionary Party (LPRP) have maintained a close relationship, with Vietnamese advisors playing a very active role in making suggestions for the improvement of party administration and government functioning (Stuart-Fox 2009). An important part of the special relationship between Laos and Vietnam has been to provide generous resource concessions to Vietnamese investors, particularly state-owned and military-run enterprises, especially for logging. This support has continued since 2000 in the granting of land concessions to Vietnamese investors for rubber plantations, mining, and hydropower projects, especially in the southern and eastern parts of Laos.

China and Laos, on the other hand, have experienced a much more rocky relationship. Despite initial solidarity between communist countries after the LPRP came to power, relations between the two countries deteriorated in 1979 when Vietnam invaded Cambodia to overthrow the Chinese-backed Khmer Rouge and a subsequent Sino-Vietnamese conflict ensued, Laos siding with Vietnam and denouncing the Chinese. In 1987, however, normal relations between the two countries were restored and China began providing significant development aid to Laos in 1999 when it provided a large loan to help Laos get through the Asian financial crisis. Since then, China has provided significant aid to Laos in the form of infrastructure projects, cash grants, and low- or no-interest loans. In return, Laos has increasingly approved large Chinese investment projects, particularly land concessions for hydropower, mining, and plantation projects (Stuart-Fox 2009).

These two histories of political and economic relationships of China and Vietnam with Laos have structured the context through which investments occur. Their engagements are characterized by differing goals and strategies. According to Stuart-Fox (2009), Vietnam has developed and cultivated its relationships with Laos primarily for the purpose of political goals, such as keeping its long Western border well protected. It has done so with a considerably smaller budget than China and thus has achieved this mostly through maintaining a close relationship between the LPRP and Vietnamese Communist Party that stems from the war. The economic benefits that result are an additional bonus to this political relationship, and may become increasingly important as the Lao economy has opened up to foreign investment and trade. China, on the other hand, has sought to develop a relationship with Laos primarily in order to reap the economic benefits of investment and trade, while political benefits are an added benefit. As a result of this goal, and also because of the lack of a strong historical

political relationship with the two countries, it has had to pursue this through economic aid. The benefit of this approach is that it has enabled China to gain significant land concessions, but the disadvantage is that they do not maintain the deep political connections that Vietnam has to ensure that their promises are kept. These differences are important for explaining the different ways in which QSG and SP's projects were implemented. This dimension of how the broader relationships between the Chinese and Vietnamese governments with Laos affects the implementation of individual investors' projects, which has not yet been looked at, is examined in the following section.

## **Quasa-Geruco and Sun Paper in Eastern Savannakhet**

QSG and SP have had highly different experiences investing in Laos. QSG has largely been successful in acquiring all of the land granted to them in their contract and getting their plantations up and running smoothly. SP, on the other hand, has experienced significant difficulties and roadblocks in securing all of the land that they were granted and their whole project, including the factory, appears to be in limbo as a result. These variations have occurred largely as a result of the two companies' differing corporate backgrounds, relationships with and embeddedness within the Lao state, and engagements with local communities. As a result, the structural opportunities available for communities facing these two companies is quite different. Communities threatened with dispossession from the SP project have greater potential to refuse the investment than those facing QSG. The difference is not a result of the companies' raw power, but the power that they exude through the state, their differential ability to call upon state territorial power, ideology, legitimacy, and repression.

### ***Entering the Lao investment landscape***

One of the most important differences that explains the two companies' power to dispossess and exclude is their relationship with the Lao government and their means of operating within the Lao bureaucratic context, which is in part conditioned by their investment backgrounds and experiences entering the Lao investment landscape. SP, China's largest privately owned and managed paper business, entered Laos as its first foreign investment. On the other hand, QSG's investment is part of a larger project of external expansion by the Vietnam Rubber Group (VRG), a Vietnamese state-owned enterprise (SOE) and mirrors investments by other subsidiaries of VRG in Laos and Cambodia that span back to 2005.

SP's entrance into Laos was part of a larger, highly ambitious investment scheme. They originally planned that the plantations and factory in central Laos would be integrated with a new port in Dong Ha, Vietnam, where they would transport the processed goods back to China. The Vietnamese government did not approve the port project, but SP decided to continue with the Lao component of their investment project. They originally planned to plant 100,000 ha, with 30,000 ha in the form of estate plantations and 70,000 ha as contract farming with smallholders. SP set such high ambitions for the size of its plantations because of the raw material demands that the paper processing factory would need in order to operate efficiently and profitably.

QSG, a subsidiary of the VRG, received its concession contract in 2006 for a total of 8,658 ha in Phin, Xepon, and Nong districts of Savannakhet. This was shortly after another subsidiary of the VRG received a concession contract for 10,000 ha in 2005 in Champasak province. Thus, QSG's investment was part of a broader entry into the Lao rubber plantation sector by VRG, which already owned 220,000 ha of rubber in Vietnam. The political support and weight of the state-owned VRG was critical in facilitating the implementation of these two projects. These two projects resulted from a number of agreements between the Lao and Vietnamese governments and high-level meetings

between VRG representatives and senior Lao government officials since 2004 (Obein 2007). Their project was implemented much more smoothly in part due to QSG's smaller target size of land, the VRG's extensive experience planting rubber in Vietnam and initial experiences in Laos, and the high-level political connections between the VRG and the Lao government.

### *From central level approval to local land allocation*

SP was successful in acquiring a memorandum of understanding (MOU) with the central government of the Lao PDR that would enable them to acquire land up to 39,000 ha. Part of their success in getting such a large concession allowance was that their project included a paper processing factory,<sup>4</sup> which fits Lao government objectives of adding value to resources, enabling the country to transition from an economy that only exploits resources to one that also processes them. However, SP's excitement at getting such a large amount of land in their MOU (the only other plantation companies to get such large MOUs were the Japanese Oji Paper company and the Indian company Aditya Birla, which each received 50,000 ha), was soon dampened when the total area was reduced to 7,324 ha in the final concession contract after a government team conducted an initial land survey at the local level and determined that it would be almost impossible to locate 39,000 ha of available land. While all 7,324 ha were eventually surveyed, mapped out, and legally allocated to the company by the authorities of Phin, Xepon, and Nong districts, they eventually were only able to clear 5,000 ha because of a variety of different land issues encountered at the village level, primarily communities and farmers refusing to hand over their land to the company. SP was constricted by one of the most significant obstacles for concession investors in Laos—through the Lao government approval process, big promises are made at the central level without any certainty that they can be kept at the district level. This is in part because the land is not surveyed before the concession is granted and therefore the areas approved by the central level are not based upon the ground-level reality, or even proper communication with the provincial and district level government.

The company's biggest complaint, which they expressed multiple times when interviewed, was that they have not been able to acquire enough land.<sup>5</sup> District officials made the same claim that land is not available for the concession. At the beginning of the project's implementation, SP was able to generate significant support from local government offices, with provincial and district officials pressing villagers to give up their land, even sending out police and soldiers along with the company when clearing land to repress village protest and conflict. This support, however, quickly dwindled once the immediacy of the project and the orders, or *kham sang*, from the central level to provincial and district level government to find land for the company wore off and the company was unable to motivate the district to continue dispossessing people of their land on their behalf. At that point the company started engaging in contract farming and also trying to buy or rent land on their own, with mixed levels of success.

When SP and district officials make the claim that there is not enough land available it is a politically loaded phrase. For the government, it means that there is not enough land that can be easily claimed as belonging to the state without resistance from villagers. The land that remains is thick with villagers' social claims and only state force can break these links between peasant and land. For the company it means that the government is not doing enough to fulfill their end of the contract. For the district government, it means that district land is already in use in some form or another, whether by villagers for agricultural production or as conservation areas, and thus requires significant political force to separate people from their land and will likely create numerous land conflicts. The district

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4 Key informant interview at the ministerial level, Vientiane, October 2014.

5 SP interview, Xepon district, Savannakhet province, November 2013.

government already experienced these problems at the beginning of the SP project, and SP does not have enough political weight to be able to push the district to continue such forceful dispossession. It is in this political and social sense that there is a lack of land in Xepon rather than a physical lack of ecologically suitable land.

Part of the reason that the district stopped throwing their weight behind the project was that the benefits to the district level are minimal. All of the concession fees and taxes for the project go directly to the central level government and only filter down to them through their minuscule yearly budgets and monthly salaries. They also do not receive the large payments that the central level officials get for signing the deals (although this clearly differs between the two companies). The major financial benefits are minor bribes and daily stipend allowances (DSAs) when they escort the company to the villages and field sites. The district itself receives relatively little benefit, such as the development of some infrastructure such as roads and electric lines, but primarily within the plantation sites, which may not integrate with the district's infrastructure needs, and some job opportunities for villagers and others throughout the district, although many of these jobs often go to labor migrants from other districts, provinces, or countries. At the same time, the district government has to address all of the environmental and social damage wrought by the project, including land and labor abuses and conflicts. Therefore, the inability to locate land for the company may reflect the district dragging their feet, using their own 'weapons of the weak', as one of the least powerful institutions within the government on paper, but with significant power in their proximity to the implementation of the project on the ground. Their main motivation is to follow the directives of the central level far enough to protect themselves from criticism that they are not complying with the project, while avoiding the challenges and limited benefits associated with fully facilitating the plantation.

QSG, on the other hand, was always able to secure enough land to meet its yearly plantation expansion needs, and eventually its concession quota. If anything, QSG could acquire more land at the local level than is allowed within their MOU. District officials never talked about a lack of land available for QSG. They only complained that the company cleared land outside of the area allocated to them, and did so without notifying the district, only apologizing and making up excuses afterward.

### *Operational independence*

Government officials interviewed noted that a major difference between the two companies was their degree of independence in the way that they implemented the projects. In general, QSG has taken great leeway to implement their project independently—they take the lead in finding their own land, negotiating with villages, and dealing with village conflicts. Yet they also bring the government along when convenient or necessary, and seem to be aware of which situations require government support. In contrast to SP, QSG has cleared the land before detailed surveys of what land is available have been conducted, and they usually only conduct surveys at all if there is a conflict with villages concerning the land cleared. The power of investors in Laos is demonstrated by their ability to skirt the rules, although they are still ultimately reliant upon the power of the state and must maintain that relationship.

SP, on the other hand, is largely reliant upon the district to interact with villages and to secure land. District officials even complain about this, that SP continually asked them to implement every component of the project.<sup>6</sup> Yet, this has changed as SP's project has progressed—as SP has increasingly realized that the provincial and district governments are not allocating enough land for them, they have begun to look for land on their own. They have gone to villages on their own, often with Brou people from villages where SP has already begun operating for purposes of cultural

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<sup>6</sup> Key informant interview, Phin district government, Savannakhet province, November 2013.

facilitation, in order to convince villages to sell or lease land to them, with mixed degrees of success. Some villages were completely uninterested and turned SP away immediately, while some made deals according to what the village or village chief believed to be in their benefit. At the same time, the company has begun to engage in 'contract farming' with individual farmers, which they are currently trialling in at least one village. Different from most contract farming arrangements where both parties are involved in the production and sale of the crop, SP is engaging in an individual lease model, renting farmers' household plots of land in return for a cut of the revenue at harvest time.

So, while both companies have operated independently of the government at times, there are fundamental differences in the way in which they have done so. QSG has used state force and repression to legitimize their investment, dispossess farmers of their land, and repress complaints and conflicts, and then abused this power to clear more land than they were allocated, ignore regulations intended to reduce environmental damage and protect farmers' lands, and bribe district officials and farmers with food, jobs, and cash payments to silence their refusal. Yet, whenever conflict have gone beyond their capacity to address, they involve the district government or even police to repress even minor forms of dissent. SP, on the other hand, instead of abusing the power of the state, has sought to accomplish its goals on its own once state support dropped off, and thus they had to attempt to replace state force and legitimacy with land lease deals, which are not wholly attractive to many farmers and communities.

### *State embeddedness*

The different ways in which SP and QSG are integrated within the state in order to carry out their projects highlight and impact the different experiences of the two companies in acquiring land. QSG's success was due in part to the ways in which they have become embedded within the state structure. Part of this success, inevitably, is due to the fact that they are a state-owned enterprise of the Vietnamese government, and the interconnected history of the Lao and Vietnamese governments discussed above. One way in which QSG has embedded itself within the structures of the local government is through intensive and relatively open corruption—almost every aspect of the company's engagement with the district government involves some form of corruption and thus there are many examples. They planted 10 ha of rubber on the land of the former district governor, who was in office when the project began. They have paid for the daughter of a senior official within the district natural resources and environment office to study Vietnamese language in Vietnam so that she can work in the company's rubber processing factory when it opens within the next few years.<sup>7</sup> When this author joined a team from MONRE on a research survey trip to evaluate the quality of land concession investments, along the lines of legal compliance and economic, social, and environmental impacts, and we interviewed QSG at their district office, they openly gave out envelopes with \$25 enclosed to each of the five research participants and subsequently treated us to a large lunch and Vietnamese beer. It seems that such “gifts” are not aimed at a specific outcome, but are given in order to buy the goodwill and future favors of government staff and offices in power.<sup>8</sup> This type of bribery does not buy them specific allowances or favors, but it enables them to capture the institutional, juridical, ideological, and regulatory power of the state to use to their advantage at opportune times.<sup>9</sup>

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7 Key informant interviews, Phin district government, Savannakhet province. November 2013 and August 2014.

8 In the case of our research project, they were likely worried that we would report our findings to the central government, or even international organizations, which would create future roadblocks to their project continuation and expansion once their abuses were found out, and thus they wanted some degree of insurance that this could be prevented.

9 Whether such corruption is actually economically efficient is another matter. VRG has recently gotten into trouble with the Vietnamese government for its operations in Cambodia that have involved serious financial



SP has also likely engaged in some degree of corruption, considering the extent and depth of corruption in Laos. However, it is not as blatant as that of QSG and likely is not as significant and extensive. Also, much of their corruption may have occurred at the central level as they assumed from the beginning that once they had central level approval then everything would fall into place at the local level—they did not realize that they would also have to coordinate closely with local offices, and give them some sort of financial benefit in order to enable their project to progress on the ground. Corruption was not visible or discernible from local-level research, including interactions with the company and government officials. Additionally, district officials made a point of this difference between QSG and SP: although they complained about the renegade nature of QSG in their failure to follow the guidance of the district and Lao laws—and noted that SP was much better at following the rules—their biggest complaint of SP was that “they don't take care of us like Quasa [QSG] does”, which in the cultural context of the Lao government meant that they are not treating them well with material benefits, such as by giving them gifts, money, or taking them out for meals.<sup>10</sup>

There is also an interesting difference between the companies in terms of the amount of pressure they put on the government. SP often seems quite meek, quiet, apologetic, and cautious in the way they engage with the government while QSG is much more aggressive. I have witnessed this in my own interactions with the two companies—QSG has questioned my every attempt to interview them. They are always suspicious and avoid interviews, despite that I had approval from MONRE to interview them and the meeting was set up through the district government. SP, on the other hand, was available to interview immediately. In the interview with SP they seemed almost depressed and embarrassed about their inability to find land. They made complaints about their inability to acquire enough land in an official and very polite proposal, or *bai sa ner*, to the provincial government, rather than just calling up their government contacts, which seems to be what QSG does. The difference in office locations between QSG and SP is symbolic. QSG's office is right in the middle of the district with a large sign advertising the success of the project and they rent the old district cabinet office for their employees to stay in. When Phin district held a yearly government meeting, QSG put up a congratulatory sign on their office wall and the same types of colorful flags that the district cabinet office hangs. SP's office, in contrast, is far off the main road, nine kilometers away from the district center, at the location of the factory, where they have already constructed housing and offices in preparation for construction.<sup>11</sup>

### *Opportunities for resistance*

The two companies have very different experiences of resistance to their projects at the local level. Villages targeted for the SP plantation sites have been able to resist much more easily. QSG, on the other hand, has met much less resistance to their plantation, despite acquiring over 8,658 ha in over 30 villages. This has largely been due to a combination of the company's aggressive approach toward clearing land and implementing their project and also their ability to call upon repressive state force to separate farmers from their agricultural and forest lands. As mentioned above, there was no prior consultation with villages as the project was being implemented, only that village leadership was informed by the district authorities and QSG staff that their land would be incorporated into the Vietnamese plantation, which was proclaimed to be necessary because it was state land and because the project would help develop the village and provide jobs for the villagers. Two different types of resistance and refusal did occur, but with limited success.

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mismanagement.

10 Key informant interview, Phin district government, Savannakhet province, November 2013.

11 SP previously had an office in the capital of Savannakhet province, but have abandoned it for their field office.

First, villagers that were well connected politically had the opportunity to use such connections to get some, but not all of their land returned. Three villages to the west of Xethamouak town had a connection to the Vice President of Laos, Bounnhang Vorachith, an ethnic Brou (Katang) person himself, who is from western Savannakhet province. He has relatives in Xethamouak, one of whom lost paddy land to the plantation and asked him if he could help her get it back. He said that it would look suspicious for him to use his position to help only her, but if many farmers in the area that had lost paddy land wrote a proposal to the government then he could step in to help. So, she talked with three villages in the area impacted and they all agreed to write a proposal and include the names of everyone that had lost paddy land, and eventually this land was returned to them.<sup>12</sup>

Second, two villages that were hesitant to give away land to the company were able to refuse to give away some of their land by giving away other areas. When QSG came to negotiate, at first they refused to give away all of the land requested and came up with excuses as to why they should only give away part of the land at first, and then said that they could give away the rest of the land later. However, QSG failed to follow through with a number of promises made for the first plot of land, such as to pay for the installation of electricity to the village, to build a road, to build a school, and also after the company had broken a number of regulations, such as clearing up to the edge of streams and paddy land. As a result, they refused to give away any additional land until the company honored its contract, which it never did.

SP has experienced much more resistance to their plantation at the local level than QSG, although the experience has been mixed in that the government pushed the project through more forcefully in some villages than in others. These differences are partly due to the uneven repressive support provided by the state. In villages where the government pushed the project more heavily, there was little if any consultation with the village before clearing land, and hardly any space for refusal. In villages where there was less heavy-handed support from the local government then there was more opportunity for village input and consultation from the beginning, and space for villages to voice their opposition to the project, enabling easier and greater levels of resistance. Once state support for the project had decreased, and SP had to look for land and negotiate with villages on their own, villagers were free to decide whether or not they wanted to accept the project, and if they did consent then they could play a greater role in determining the conditions.

There were a few different factors that enabled villages to resist the project. First, there were villages where there was more open consultation and a lack of heavy repression from the local government. One of these villages was where the company originally intended to locate the paper factory as well as some plantations. However, they immediately did not agree because they claimed they had very little land in comparison to their village population and that all of the land that was planned out for the factory was paddy land, which had a higher economic value and was highly important to their livelihoods and carries greater legitimacy with the government than upland swidden cultivation fields. After a number of months of negotiation, the district and company decided to move the plantation site to the neighboring village. This village also did not agree, but the company was increasingly desperate and came back to the village five times—the village refused each time. Eventually, a list of all of the names of the landowners was posted, including the amount of compensation that each would receive. The posted compensation rates were extremely high, about \$7,000 to \$10,000 per ha, much higher than anyone had ever proposed to buy their land for, and by that point they worried that if they did not accept the cash payout then they might lose their land for nothing.<sup>13</sup>

Second, there was a village that outright refused the request for their land and this refusal was

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12 Village leadership interviews, Phin district, Savannakhet province, February 2014.

13 Village-level interviews, Xepon district, Savannakhet province, June 2014.

immediately respected by the district government and company, who left and went to look for land elsewhere. The village was successful, in part, because it was small in land area with little available for the plantation (although there was enough forest land to place some of the plantation there and connect it with plantation areas in adjacent villages). More importantly, though, the village was composed of ethnic Phou Tai people, rather than Brou, who are culturally very similar to the Lao majority and also make up a large percentage of the district government. Additionally, the village had a variety of different types of connections with government officials at multiple administrative levels.

Third, there were the villages where SP had tried to buy or rent land on their own without government escorts, or even government approval. Villagers refused because they did not find the deals attractive. Additionally, the villages that refused had discussed the proposed project democratically as a community and agreed together not to accept it, thus preventing corruption among the company and *nai ban* which has occurred in some of the SP villages.<sup>14</sup> Villages may have also refused if they worried about making an agreement with the company without government approval or oversight and potentially creating problems with the government later on.

Fourth, there were villages where SP was able to exert a strong show of district government force to acquire land and thus these villages were not able to resist for the most part, despite complaints and grievances that they aired with the district government later on, which were mostly ignored. There was one village in Phin district that was forced to give up communal forest land, which included a great deal of land that had been reserved by villagers to be converted to agricultural land in the future, to the company. However, they were resolutely against the plantation and stayed in their fields day in and out to try to prevent the bulldozers from clearing the land. Eventually, they pooled money from all of the households to travel to the National Assembly (NA) in Vientiane, where they had a personal connection with an NA official. A team from the NA in Vientiane and the regional office of the NA in Savannakhet came to visit the village and plantation sites to learn about the problems. Not long after, the company stopped clearing land and only cleared 200 of the 400 ha that they had been allocated in that village. There was some disagreement as to what caused the company to stop clearing land, with the villagers believing it was the NA and their contact there intervening, while a district official expressed that it was because the villagers had protested the plantation so much and the company did not want to deal with them anymore.

In the case of QSG's plantation, successful resistance required significant levels of political connections to the highest levels of leadership in the Lao government as well as intensive village organization and strategizing. Even these levels of resistance only enabled villages to prevent the acquisition of part of their land. For SP, the experience was mixed, with a number of villages that were able to resist and refuse because they were given the opportunity to do so, or in other words because a structural opportunity opened for them, including for villages where SP had no state support and villages with strong local connections. While there are many important factors not related to the company that affected the landscape for resistance, such as village organization and political connections, the political power of the companies as expressed through the state and determined by their political relationship with the state was an essential dimension affecting the structural opportunities for refusal, dissent, and resistance.

## Conclusion

The empirical section above demonstrates that as foreign investors seek to acquire large tracks of land for plantation development by way of state land concessions, such land is not already available for clearing and planting, but instead its availability must be produced. Despite the perspective of

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14 Village-level interviews, Xepon district, Savannakhet province, June 2014.

investors, the media, and even certain parts of the Lao government, Lao territory is not empty of people. Instead, it is full of social, economic, and political relationships between people and land, forests, rivers, fields, animals, and ecologies. Despite the authoritarian and undemocratic nature of the Lao state, the lack of oppositional groups, the repression of open protest, and the nascent and limited role of civil society in the country's politics, the relationships between people and soil—that peasants depend upon for their subsistence livelihoods—are not easily dissected. Few of the villages interviewed agreed to give up their land to the government out of choice. They all disagreed with the project in one way or another, but felt that they had no choice but to follow the state's plan and most were too afraid to refuse. They only hoped that the project would benefit their village within a context of restricted freedom of choice.<sup>15</sup>

To divorce peasants from their land requires something that investors are unable to provide independently: the full intervention of state force, power, legitimacy, and ideology, the mechanisms of which investors like SP fail to understand. Investors do not dispossess villagers of their land, the state does by symbolically transforming village and household land into state land and then allocating it to investors for long-term use. Without such power, investors are required to engage with villagers on their own terms, because without the state to force villagers to recognize land within their boundaries as belonging to the state, the village is the administrative unit that controls the land. As seen in SP's interactions with villages when working without state support, such as their attempts to buy and lease village land or conduct contract farming with individual households, they have to strike deals that suit the interests and needs of the villagers, or at least those of the village leadership, even if the company is able to abuse the terms of the contracts later on due to a lack of involvement of state regulators and the inability of villagers to regulate company behavior on their own.

Yet in order to take advantage of and utilize state power, investors need the full support of all levels of government, especially key figures that have the power to put the weight of the local government behind the process of finding, surveying, securing, and keeping control of land. Despite the seemingly centralized nature of political power in Laos, many dimensions of the *realpolitik* of Lao political power are highly decentralized and the country's political system has a history of *de facto* decentralization since the revolution. The structure of implementing concession projects is quite top-down—the province and district has to follow the directives of the central government—but they have to sign all the documents and actually implement the project on the ground, which gives them a degree of decentralized power. Nonetheless, they do not have the power or mandate to change the direction of the project, so the best they can do is stall, a common obstacle for land investments in Laos. The role of the village and their own foot-dragging adds another layer of gridlock, backing up the whole system.

The arguments by Mitchell (1991) are salient—the boundary between the state and capital is artificial and produced, created to mask the blurred boundaries that demonstrate how they are part of the same configuration of social and political power. Yet the degree to which this holds true depends on the type of relationship between capital and state that has emerged in specific cases, and variations of this relationship affect the degree to which they are acting in unison upon similar goals and desired outcomes.

QSG's relationship with the Lao state exemplifies Mitchell's argument in many ways, showing how the investor and state operate together to achieve similar goals. QSG uses the power and legitimacy of the Lao state in the eyes of the peasantry to force them from their lands and quiet any dissent. Any critiques of dispossession can be defended by claiming the legality of their project and approval by the Lao government. They additionally use their political power as a Vietnamese state-owned enterprise and their close integration with the local government, including favors bought in advance, to give them the space to implement certain parts of their project on their own, breaking laws,

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15 Village and household interviews, Phin and Xepon districts, Savannakhet province, February to October 2014

regulations, and their contract without punishment. The Lao government, from the perspective of the central level, uses QSG to generate revenue in concession fees and taxes, boost the country's GDP to reach goals of fast-paced economic growth, and ostensibly create jobs at the local level in general, but especially in order to transition farmers away from undesired land uses such as shifting cultivation. Any criticism of the project, from other parts of the government, international commentators or organizations, and villagers can be deflected by claiming that QSG does not follow the rules and the government is not able to do anything about it.

At the same time, however, the relationship between QSG and the Lao government has been one-directional in many ways, largely for the benefit of the investor, apart from a select number of key government authorities. The concession fees that QSG pay, only begin the year that rubber is being tapped, which for rubber is about seven years after the trees are planted, starting in 2014 for QSG. They also did not follow through with many of its promises to install electricity and build roads to affected villages, thus reducing the district-level development benefits. The district has had to deal with the resulting environmental, land and social conflicts of the project. The most significant benefit for the district government was financial benefits through corruption. Therefore we can build upon Mitchell by saying that in some cases, the divide between capital and the state, even if artificial and produced and part of a broader configuration of social and political power, in many cases biased to the benefit of one side or another, and in this towards capital.

For SP, the variation is quite different because they have not been able to integrate within the state as closely as QSG has and as a result have encountered significant difficulties in freeing up land from its social ties to the peasantry. This has occurred as a result of a legitimate break between the company and the government, a misunderstanding of goals, perspective, and political power by the company and a lack of political will on the part of the local state to fully implement the project, partly due to a lack of top-down political force placed upon them and in part due to the lack of benefits they see for themselves and the district in implementing the project. In SP's case, capital has failed to integrate with the state in such a way that an artificial division between the two could be produced in order to effectively implement the project and accomplish goals of both. Instead, the division between the two remains real and the project is only partly completed and far behind schedule and scale.

Potential for resistance is not only structured by the relationships between capital and the state, but also investors' ability to acquire land is conditioned by the always present dimensions of resistance on the ground, their relationship with the communities where they seek land and resources and especially with the state. Thus, the triangular relationship between state, capital, and community, and the implications for land investment implementation versus resistance, is dialectic and recursive—agency lies in multiple locations.

This paper also complicates common representations of the role of investors from BRICS and MIC countries in the global land grab and the resulting economic, social, and environmental agrarian transformations. Global South states and investors are major players in the global land grab phenomenon and are often seen as highly effective at securing large amounts of agricultural and forest land from low-income and weakly governed states, leading to a massive loss of peasant land and far-reaching agrarian transformations. While such investors have been able to implement large projects with tremendous impacts, their projects are hardly without contestation and obstacles from host states and peasant communities. Investors like SP are unable to reach their land quotas several years in to the project due to effective peasant resistance and lackluster government support to overcome such impediments. Other investors, like QSG, appear to acquire land easily, but are only able to do so as a result of the strongest possible level of political support and relationship between the Vietnamese and Lao governments, as well as their strategic (and highly corrupt) approach of integrating closely with the Lao state and manipulating state force and repression to their advantage. Despite all of this, they have still encountered direct and indirect peasant resistance to their project, which in a minority of

cases has effectively protected parts of village lands.

The fact that success is dependent upon authoritarian state power does not bode well for the land concession investment landscape in Laos, particularly the potential for peasants to negotiate deals with investors on their own terms and generate some degree of benefit. The land concession model is not feasible for investors that on the one hand do not integrate closely or embed within the state (involved in corruption at all levels) or do not work in a genuinely cooperative and consultative way with villages such that there are tangible benefits for villagers. The model is much more appropriate for investors like QSG that integrate closely with the government, engage in corruption at all levels, and take full advantage of state force, while also ignoring state regulations when it works to their advantage and when they know that they can fix the damage afterward.

The implications for resistance, refusal, dissent, and the assertion of peasant land rights in Laos, more broadly, are actually quite positive. In comparison to common understandings that peasant resistance and agency in Laos is non-existent, this work shows that this is not the case and furthermore that there are many opportunities opening for resistance and refusal that did not previously exist. These opportunities, however, are highly uneven and depend upon pre-existing structural power relations. Yet, there are many cases in which the interests of capital and the state do not match up evenly and as a result, investors' ability to remove peasants from their land is constrained and peasant power to refuse is bolstered, creating potential for more democratic and just resource governance.

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