

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

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Highlights

- The forces behind land concession and their connection to land policy are examined
- Farmers use different strategies to cope with land loss relying on their assets
- Understanding these strategies is eminent for agrarian transformation processes

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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.

Keywords: land use policy, land concession, rubber plantation, state territorialization, Laos

1. Introduction

Baird (2014) highlights the need to question the concept of universal truth implied in the global land grab meta-narrative (GRAIN, 2008) and shows how land dispossession is occurring in diverse ways, and for different reasons. Or 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; Peluso and Lund, 2011; Rigg, 2006,). Peluso and Lund (2011: 668) write how ‘the nature of [land control], its importance, how it is struggled over, and the effects of these struggles’ have become products of active creation by various actors including national ministries, civil society groups, administrative government agencies, and international organizations.’

Current research on the impacts of land grabbing focus primarily on farming households who have been forced out of agriculture and towards agricultural labor or off farm employment (e.g. Kenney-Lazar, 2012; Baird, 2011; Dwyer,

2007). While important, this approach does not consider the differential impacts of the land grabbing processes on farmers of differing socio-economic status and resources and how they may be affected by and respond to land dispossessions in different ways. Moreover, it does not examine farmers' multiple 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 total land area under foreign control (UNDP, 2010). 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 (Kenney-Lazar, 2012; Laungaramsri, 2012; Barney, 2009; Baird, 2011; Baird and Shoemaker, 2007).

Taking a village in central Laos as our case study, we link the driving forces behind land grabbing with the multiple strategies farming households use to deal with land loss and minimize the risk of losing land. More specifically, we examine how: 1) international and national efforts to gain control over land manifest in the Lao government's agricultural and rural development policies that promote land concession which often result in land dispossession; and 2) how farming households respond differently to the actual land loss and the risk of losing land as a function of socio-economic assets, political connections, and land holding composition. 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 nature conservation 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. Peluso and Lund (2011) highlight the dynamics in the struggle over land in 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 (Scheidel et al., 2013; Peluso and Lund, 2011; Baird 2009; Barney, 2009; Kenney-Lazar, 2007; Glassman, 2006). 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. For example, by taking possession of land as property through government instruments of law and policy, the wealthiest landholders assume they have established immutable hegemonic positions of land control (Bagdai et al., 2014; Kumar and Kerr, 2013; Sikor and Lund, 2009; Roberts, 2005).

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).¹ In the early 1990s, the GoL introduced the Land and Forest Allocation (LFA) policy to separate farmers' farmland from delineated forests (Kenney-Lazar, 2012; Lund, 2011).² By the late 1990s, the central positioning of land concession in the government's agricultural development strategy is 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).³

Current discussion on territorialization and legalization positions both the state and private investors as powerful, dominant actors in acquiring control over land. While such positioning 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 homogenizes 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

¹ 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 (Ireson and Ireson, 1991; Pholsena, 2003; Ducortieux et al. 2005). See also Hirsch (1997) on how international conservation organizations have also promoted the idea to eradicate shifting cultivation as means for forest protection.

² 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). Unlike the earlier policies, LFA was formulated also as part of the 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 (Kenney-Lazar, 2012).

³ 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).

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 (Peluso and Lund, 2011; Borras et al. 2011; Borras et al. 2008; Ribot and Peluso, 2003) 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. Does this difference matter to the outcomes of land dispossession? Are there structural effects to land dispossession with wider implications for the overall process of rural development/impoverishment? These are the questions explored here.

3. Research methodology

To understand the interconnection between dispossession processes, impacts on farm households, and farm households' differentiated responses, we examined the case of Nadee⁴ village were incorporated into a land concession agreement between the Government of Laos (GoL) and a foreign joint venture rubber company, resulting in the dispossession of 800 hectares of farmland. Our work incorporates the history of Nadee village and in-depth case study research (Burawoy, 1991; Yin, 1994) focusing on farming households' different strategies to cope with the actual land loss as well as the risk of losing land.

To understand how the land concession process unfolded over time, we conducted key informant analysis with 5 village elders and the current village head. This work was supplemented by interviews with 6 government staff members working in the village, 1 resident staff member from the Army Academy, 1 official from the Provincial Army Authority (PAA), 3 officials from the Land Management Authority of Nadee village's district and 2 representatives from the rubber company in Vientiane. All interviews were conducted in May 2014. To supplement and corroborate interview findings, we collected a variety of secondary data including land concession agreements and maps from government agencies as well as samples of land certificates and land tax payment receipts from farmers.

To understand how farmer response to land concessions varied, we first conducted a survey of 80 randomly selected households from the village's 243 total households to profile their socio-economic characteristics in general, and their land holding composition and status in particular. We interviewed the household head, sometimes accompanied by other members of the households. Based on the results, we divided the households into small, medium and large paddy farmers, those with grazing land (but no rice paddies), and landless. Table 1 shows the breakdown of households by category and the number of households experiencing land loss due to concessions.

⁴ Names and locations of villages and other actors involved in the paper have been removed or changed.

Household type	Paddy area	Number of households (percent of surveyed households)	Number of households with land loss (percent of category)
Small farm	<1 hectare	52 (65%)	26 (50%)
Medium farm	1 to 2.5 hectares	12 (15%)	7 (58%)
Large farm	> 2.5 hectares	4 (5%)	3 (75%)
Farming but not paddy	0	9 (11%)	1 (11%)
Landless	0	3 (4%)	0 (n/a)
Total		80	37 (49%)*

Table 1: Farm households by type and land loss, Nadee Village, Laos, 2014. Source: Authors' survey (April 2014) * excluding landless

We then conducted 3 separate focus group discussions with 11 of the small farmers who had lost land, and all medium and large farmers who had lost land. We invited 26 small farmers but only 11 choose to participate or were available to participate in the focus group discussion. The overall purpose of the discussion was to understand the strategies used to cope with land loss and how they are linked to land holdings, other capital assets, and other factors. For our focus group discussion with large farmers, we also gathered information on their strategies to minimize the risk of losing land. The initial information gathered was also used to inform semi-structured interviews carried out with all but one of the small farmers and the single farmer without rice paddy who had lost land. Our interviews focused on farming strategies, the rationales behind the strategies, and how these may be related to specific household characteristics.

4. Results

To provide context for the ways in which farmers adapted to land acquisition, we begin with a historic reconstruction of Nadee village and the government's various land use policies including internal resettlement, land and forest allocation (LFA) and land concessions impacted land access. We then examine the various strategies used by farmers to cope with land loss related to the land concession agreement between the rubber company and the Army Academy and to a certain extent the Provincial Army Authority (PAA).

4.1 Reconstructing the history of Nadee village

Nadee village⁵ is located in the Vientiane plain. The village is made up of 252 families organized into 243 households and with a total population of around 1900 (village head report, 2014). Residents come primarily from the Hmong

⁵ Note that in the Lao context, "village" refers not only to the area of human habitation but also to the larger land area farmed or otherwise controlled by residents.

(1618 people), Khamu (201 people), and Lao Lum (42 people) ethnic groups (village head report, 2014).

The village was initially formed in 1976 by the merger and relocations of three 'temporarily' established villages into a new village called Nadee with around 100 households. Most Hmong farmers from these three villages arrived from Xieng Khouang and Houaphan provinces following a series of resettlements beginning in the early 1970s. Prior to reaching Nadee, the farmers settled in other temporary villages. By the time they arrived in Nadee, most easily farmed land had already been claimed by existing residents from a different (mainly Lao Lum) ethnic group belong to another village. Some Hmong farmers with sufficient capital bought lowland rice fields from other farmers. Others went to nearby forests to open new lands for upland rice cultivation and tree crops (e.g. teak).

In 2007, the government merged two additional villages into Nadee village, bringing the total number of households to the 243 reported above. This merger was in response to the Political Bureau of the Central Committee of Lao People's Revolutionary Party (2004) Order No. 09/PB/CP on Establishing Villages and Developing Village Groups, which stated that villages with less than 200 households should be merged with other villages. The policy rationale provided was that consolidating small villages would enable the government to provide better rural services. This merger is mainly an administrative one and did not involve relocation of the three villages. However, it did convert two former village heads into sub-village heads reporting to the Nadee village head.

In the 1990s the government asked farmers to map and register their land use activity as part of its Land and Forest Allocation (LFA) policy. Many of the Nadee farmers who had opened new land also went back to earlier village to claim and register their former farmland. However, in most/all cases they found that new settlers (farmers from other villages who had since settled in their previous villages) had already claimed most of the available land. In order to claim and register new farmlands, they went into forested areas near the boundary of what later would become a national park.

Following land registration under the LFA, farmers received land certificates from the district government.⁶ It is important to note that the land certificates only specify usufruct rights and do not serve as a legal basis for sales. To sell land, farmers need to apply for a land title. In practice, most farmers with land certificates did not apply for titles, as the process was expensive and time consuming. Informal sales between farmers did take place though based on land certificates.⁷

⁶ See Lund (2011: 901) on how the government seized institutional control over land through LFA, by 'claiming sovereignty to give it away'.

⁷ During our interview the current village head of Nadee expressed his thought that he did not understand why the district government did not directly supported farmers to get their land title when farmers registered for their land certificate. He said that in the past there was a project that

In 2006, before all land had been registered, the village authority received information from the Army Academy, a unit under the Provincial Army Authority (PAA) that an 11,000 hectare army training ground, initially established in 1979, would be expanded and incorporate some village farm land. While reporting directly to the PAA under the Ministry of National Defense (MND), the Army Academy is fully in charge for the overall management of its training ground.

Following this incorporation, Nadee Village authorities received instructions from the district government that they could not proceed further with registrations, since land covered by the training ground expansion were no longer eligible. Authorities were also informed that even those farmers with registered lands had lost their use rights and were no longer obligated to pay land taxes.⁸ According to the village head, the Army Academy actually expanded the area of army personnel training ground beyond the 11,000 hectares, encroaching on farmland from Nadee and other surrounding villages as well as a newly established national park (Schoneveld, 2014).⁹

The government established the park as one of 20 national parks created under the Prime Ministerial Decree 164/PM (29 October 1993). The park is managed by a Council comprised of the MND, the Ministry of Agriculture and Forestry (MAF), the Ministry of Natural Resources and Environment (MoNRE), the PAA and the provincial government. The national park boundaries were set to cover most of the remaining forest land in the area. While reporting to the PAA, the Army Academy is not part of this Council.

In 2006, the government also signed a land concession agreement with a rubber company under the Law of Foreign Promotion Investment licensed 095-06/FIMC (3 October 2006). The rubber company is a 100% foreign-owned joint venture with investor from Thailand, Japan and China and a value given as U.S. \$35 million (MPI data base). Under the agreement, the company was granted control of up to 30,000 hectares of agricultural land for a period of 50 years. In line with the agreement, the company could choose any areas deemed suitable for their rubber plantation. The companies land concession includes some 3,000 hectares of land in a development zone in the province in which Nadee is located.¹⁰ About 800 hectares are located in Nadee village land, with the remaining land part of other villages adjacent to the national park.

supported farmers to get their land title. But the project was finished before the land title application process for all farmers' households was completed.

⁸ In Laos, land registration obliges farmers to pay land taxes to district land management authority, even when farmers lack official land title.

⁹ This claim of encroaching national park boundary and incorporating some farmland was denied by a staff member from the Army Academy we interviewed.

¹⁰ It also included 2,396 hectares of land in Outhoumphone district, Savannakhet Province; 1,213 hectares of land in various provinces in Central Laos (including Borlikhamxay and Xayabuly); and 500 hectares of land in Thakek district, Khammuan Province. In addition, LTHRC has also plantation projects in Saravan Province and Xayabuli Province.

According to the land concession agreement, the company should engage in rubber planting through contract farming following the '2+3' model, where farmers contribute land and labor and the company provides them with inputs, technical advice, and access to market. The '2+3' model is linked to the government's policy to establish partnerships between investors and farmers in order to share responsibilities and benefits. In reality, however, the practice is far more complicated as contract farming in Laos is often shaped not only by investors and farmers, but also involves other parties (e.g. village heads, district officials, the Army Academy), and practice and responsibilities vary from case to case as also noted by Fullbrook (2007). For example, we found that the Army Academy and the company developed the partnership arrangements with hardly any involvement from farmers. Not to mention that they cultivated 800 hectares of rubber trees using farmers' farmlands.

Thus starting from 2009, farmers lost land both because of the national park designation and due to the Army Academy and to a certain extent the PAA¹¹ designating Nadee village land as part of the rubber company concession. In neither case were farmers compensated. Almost all farmers in Nadee village lost some or all of their land.¹² The company did initially employ farmers who had lost land as laborers in the rubber plantations, in line with the 2+3 partnership model described above. However, most of farmers left the company within two years due to low pay and long delays in payment (sometimes multiple months).

Disgruntled over the land loss and the failure of the alternative employment, farmers and village authorities raised their concerns to the national park Council and the Ministry of National Defense. The Council ruled that a land measurement be done to clarify concession boundaries. From the measurement, it became clear that the company land concession from the Army Academy fell within the national park boundary with the implication that the Army Academy should immediately halt the expansion of rubber plantation in the area concerned.

Based on the findings and after discussion with the PAA, the Council in 2010 suspended the partnership contract between the Army Academy and the company on the 3,000 hectare land concession, which technically include 800 hectares of land taken from Nadee by the company. While the suspension stops the company from taking more farmland, it did not result in the company returning land to farmers.

¹¹ While the PAA may not be directly involved in the contractual agreement between the Army Academy and the rubber company, the Army Academy had to get approval from the PPA to proceed with the agreement.

¹² Following the incorporation of most of farmers' farmland into either the national park or the land concession area, the district government informed the village authority in 2012 that farmers could still use their lowland rice fields even when these are located in the national park and/or land concession area, but they could not sell the land to others. They were also exempted from having to pay the land tax. Since 2012 they did no longer pay any land tax as legally the farmland is no longer theirs.

4.2 Farmer strategies to 'cope' with land loss

Focus group discussions and interviews with farmers who lost land in the process described above reveal that farmers did not respond uniformly in terms of their farming system or livelihood strategies. In general, we found that farmers 1) protected their remaining land through the use of rubber plantations; 2) accessed new land for cassava production as alternative source of income and/or to support subsistence; or 3) found off-farm employment to supplement their remaining farm income and/or as a complete alternative to farming in cases where they had lost all of their land. We now explore these three strategies and the choices to use them.

4.2.1. Land tenure protection through rubber plantations

Hmong farmers in Nadee village were aware through relatives and related networks of the earlier success of other Hmong farmers in Luang Namtha province with rubber cultivation. Inspired by this success, a group of the wealthier farmers with larger landholdings from Nadee village visited Luang Namtha in 2005 to learn from the experience. On their return, they shared information with other farmers and encouraged them to also plant rubber. Those who decided to engage in rubber together hired a truck to collect the young rubber trees from Luang Namtha province and transport them back to Nadee where rubber planting was started in 2006, primarily using grazing lands and upland rice fields.

Thus when the rubber company arrived in the village in 2009, some Nadee farmers already had 3 years of experience in rubber cultivation. Many of these farmers used this experience to negotiate with the company and the Army Academy to temporarily extend tenure on land under rubber cultivation. While the economic life of rubber plantations is 25-30 years, the company and the Army Academy agreed only to 10-year extensions on company concession land already under rubber. Further extension of land use rights was said to be possible, but not guaranteed. Similarly, farmers who had rubber plantations in what was declared the national park were told by the Army Academy that they could continue cultivation for 10 years if they registered the land. If the farmers did not violate other rules (e.g. cutting forest), the Army Academy would consider extending the time period under which rubber cultivation could be continued.

Other farmers used the opportunity presented by rubber to keep additional land from the rubber company. From our interviews, we gathered that while growing rubber trees would increase household income, (large) farmers also used rubber plantation as their way to stop the government/company to take their farmland. As the company could not take away all farmers' farmland at once, (large) farmers used the lag to quickly plant rubber trees in their grazing lands to stop the company from taking their land.

The company acquiesced to the rubber farmers continued because they felt they would otherwise have to provide compensation for the land and the existing rubber investments. This obligation was felt in large part, because rubber farmers

tended to be the wealthiest in the village and the best connected politically. The rubber farmers used their political connection with staff from district government as well as Provincial Army Authorities (PAA) to negotiate and prevent the possibility for land loss. Put another way, many of those with capital and political connections turned to rubber to protect land. As said and repeated by a number of farmers we interviewed, powerful farmers could find ways to retain their land.

These farmers cemented their land claims by using a government-imposed tax. The Army Academy required a payment of around LAK 40,000/ha/month for the 6-month rubber harvest period. By paying this tax, especially when it was accompanied with a receipt, farmers felt further able to legitimize their land use and secure land tenure.

4.2.2. Acquiring access to new land for commercial or to support subsistence

While large farmers could continue or start rubber production to secure land, many medium and small farmers shifted to cassava production. This shift was facilitated by offers to buy cassava at guaranteed prices by two cassava companies (one Thai and one Chinese) in 2009. Farmers found the offer lucrative enough that many, particularly those with substantial household labor, converted production of some of their remaining lands to cassava. One medium farmer we interviewed explained that after having lost most of his grazing land in the concession, cassava production was a more appealing option than maintaining a smaller livestock herd because of payment certainty and reliability and because he could sell directly to a company without having to work through traders.

Some medium and large farmers also acquired new lands explicitly for cassava production. After losing grazing land to the rubber company, they sold their cattle and used the proceeds for new land acquisition. The idea of many of these farmers was the profits from cassava sales would be invested into even greater production for the purpose of income generation.

Some small farmers also converted to cassava systems. However, unlike medium and large farmers, they had lost most or all of their upland paddy land to the rubber company. Unlike medium and large farmers, small farmers often relied entirely on their upland paddy cultivation for staple food home consumption. Thus, rather than using the proceeds of cassava farming to increase household income and the ability to invest, small farmers primarily switched to cassava production to generate income to buy rice to maintain home consumption. Some also used their remaining upland fields to produce bamboo for sale.

While some small farmers tried to continue shifting rice cultivation within rubber plantations, they found it too difficult and stopped. Some of those farmers rented upland rice fields from farmers in other villages or “borrowed” upland rice fields from their relatives so that they could continue subsistence rice farming. According to our interviews, small farmers would have preferred to rent land for

lowland rice cultivation, but they lacked sufficient capital to cover production costs. In general, small farming households either rented land for cassava or upland rice production, not both, because they lacked capital to invest in both farming systems.¹³

4.2.3. Transitioning from on-farm to non-farm

While some small and medium farmers rented additional land for cassava or upland rice production using existing capital, others did not have the resources to make the change. Unable to directly or indirectly generate sufficient food for home consumption from farming, they were forced to engage in paid labor or small scale trading.

In some cases, they combined on-farm and non-farm activities to both generate income and continue producing rice for home consumption. For example, after harvesting their upland rice, some went to Vientiane to work as laborers and would return to the village for the next planting season. For the small farmers in this category that we interviewed, off-farm income had become their main revenue source. Two medium farmers we interviewed started shops near their cassava farms to gain additional households' income. Some formerly small farmers left farming altogether, either because they found labor options now better in comparison to continuing to work on their now smaller farms or because they lost their land entirely and either did not have sufficient capital to rent new land or found the labor option more remunerative.

5. Discussions

In Laos control over land has always been an important element in the government's agricultural development policies and its political and socio-economic strategies. The way the state uses territorialization and legalization as means to achieve its objectives by securing control over land is seen both in how land concessions are given to foreign companies and in the way the Army Academy and to a certain extent the PAA appropriated national park land for agricultural commercialization. Lund (2011: 885) shows how "a government's control over land does not represent or reflect pre-existing sovereignty", but rather "produces it". Our case study illustrates this production of state's 'sovereignty', both in its general use of concessions to appropriate land for rubber production and in the Army Academy and to a certain extent the PAA reference to the government's policy on concessions to legally justify land appropriation.

Interestingly, while the state used legal procedures to appropriate or facilitate the appropriation of land, farmers did not use legal procedures (e.g. land titling) to resist actual and threatened land loss. Farmers, village elders and the village head all said that they did not believe land registration or land tax payment would

¹³ Renting farmland (upland and lowland rice field) is not difficult as long as one has sufficient money to pay for the rent and cover the overall production cost. Having said this, it is getting more and more difficult to find suitable farmland to rent.

serve as a useful legal argument to keep land from the state. Even the direct 'tax' payment made to the Army Academy by (large) farmers to maintain rubber production was done not to claim land rights per se but rather an economic incentive against intervention by the Academy.

Farmers used a variety of other strategies beyond tax payments in response to actual land loss and the risk of loss using a variety of means including acquiring access to new land for commercial (cassava) and subsistence (rice) purposes, combining on-farm and non-farm activities and leaving agriculture completely. The choice of strategy was not random but rather related at least in part to socio-economic and political status. While all land loss has costs for farmers, those with higher status levels were able to better protect their assets and take advantage of new income opportunities. Those of lower status struggled to acquire basic food supplies or left their farm.

Recognition of the differential response begins to reveal the hidden effects of land grabbing and the process by which it can undermine farmers' abilities to maintain their farming activities and sustain their livelihoods. First, it shows that the impacts of land dispossessions are not equal across farming households. Medium and large farmers were able to acquire access to new land to start cassava farms (after losing their farmlands), because they had the economic and political assets to do so. Small farmers, on the other hand, were often forced out of agricultural.

Second, it illustrates a variety of ways in which direct loss of land can increase vulnerability even when alternative land access is found (Scheidel et al., 2013). The classic story of farmers being forced off the land by concessions also played out in Nadee village, at least for small farmers. But even those farmers who managed to continue farming also experienced loss and faced new risks. Those who used cassava production to generate income to buy the rice they had previously grown on their upland fields took on new financial risks. The initial prices contracted with the cassava company were remunerative, but the company later failed to pay farmers on time (Vientiane Times, 22 July 2014). Similarly, while returns to rubber had been good for the larger farmers, growth in production has led to a fall in prices. From 2009 to May of 2014 the price of raw rubber decreased from LAK 15,000 to LAK 8,000 per kilo (Vientiane Times, 22 May 2014). From May to November 2014, the price fell to LAK 4,400 (Vientiane Times, 6 November 2014).

The National Growth and Poverty Eradication Strategy (GoL, 2004: 7) states that: *"From a poverty eradication perspective, the most important policy-related objective regarding agriculture development is improvement of household food security."* Positioning land as capital (Dwyer, 2013; 2007) has the objective to promote economic growth and reduce poverty. Put in practice, at least in Nadee village, the government's land concession policy has instead strongly

disadvantaged farmers in general and poor farmers in particular, reducing rather than improving household food security.

Recently, the government has recognized the problem of land grabbing (Baird, 2011; Kenney-Lazar, 2012), and the former Prime Minister, Bouasone Bouphavane called for a moratorium on all land concessions over 100 ha for industrial trees, perennial plants, and mining in 2007 (Dwyer, 2007; Vientiane times 2007). In 2009, the moratorium was repealed and later reinstated for concessions over 1,000 ha (Kenney-Lazar, 2010). In 2014, the government opened the possibility of revoking the suspension entirely for rubber and eucalyptus plantations as part of efforts to boost growth over the next two years. As stated by an official from the Ministry of Planning and Investment in the Vientiane Times (10 June 2014): *“The government has realized it may not be able to maintain a blanket ban on all approvals and will instead proceed more cautiously by carrying out proper strategic forecasts”*.

6. Conclusions

Current discussion on land grabbing brings to light the interplay between international finance, government land use policies, and the impacts on farmers. Our study of land grabbing and land dispossession in one Lao village also highlights this interplay, showing how international investors fit within the state’s territorialization strategy, its efforts to generate revenue and the resultant loss of land by farmers.

However, it also revealed some of the varied and hidden effects of land grabbing. Through better understanding on how farming households differently cope with land loss, our case study shows that Baird’s (2011) analysis of how land grabbing turns people into laborers may require more nuance. Our work highlights how some farmers ‘survived’ land grabbing differently, depending on their original land holdings, their political connections, and their economic status. While larger farmers could protect land by investing in rubber and using political connections, smaller farmers needed new on or off farm strategies to supply themselves with basic food requirements. The study also showed how context and initial conditions partially determined outcomes. Some farmers had already invested in rubber for reasons unrelated to the concession policy, giving them a means to confront concessions when they did arrive. The appearance of cassava processors also provided an initial opportunity when otherwise even more farmers might have been driven out of farming.

Nonetheless, as farmers implemented differing strategies to sustain their livelihoods in the face of land dispossession, they all suffered real loss and the threat of impoverishment. From a policy perspective, this highlights not only the uncertain (sometimes paradoxical) outcome of the government’s policy to turn land into capital, but also poses a bigger governance question as to whether land concession for agricultural development can be regulated in accordance with farmers’ development needs and thus managed sustainably (Obidzinski et al., 2013).

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