

# (IN) THE WAY OF DEVELOPMENT

INDUSTRIAL SUGAR PRODUCTION AND DISPOSSESSION IN SRE AMBEL  
DISTRICT, SW CAMBODIA

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## FOREWORD

This thesis, prepared under the guidance of the Mekong Institute of Cambodia and Universiteit Utrecht in the Netherlands, deals with aspects of land governance in Cambodia, particularly the international political economy of land expropriation and dispossession for industrial sugar production and its impacts at the local level. The findings contained herein are the result of research activities conducted during two months in Thailand and Cambodia and include literature and government document reviews, consultations with local experts, in-depth interviews with local residents and government and community representatives as well as household surveys. The research also employed participatory methods including land mapping and focus group discussions.

It is hoped that the information contained in this paper on the issues and concerns of the people of Trapaing Kandaol and Chi Kha villages will help to guide the Government of Cambodia and their investment partners toward a sustainable development that considers the unique environment of the region as well as one that recognizes and promotes the prosperity and human rights of Cambodians.

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# LIST OF ABBREVIATIONS AND ACRONYMS

BABC	Bridges Across Borders Cambodia
CC	Commune Council
CDM	Clean Development Mechanism
CCHR	Cambodian Center for Human Rights
CHRAC	Cambodian Human Rights Action Committee
CLEC	Community Legal Education Center
CMDG	Cambodia Millennium Development Goals
CPP	Cambodian People's Party
EBA	Everything but Arms
EU	European Union
FAO	Food and Agriculture Organisation of the United Nations
FCS	Food consumption score
FDI	Foreign Direct Investment
FUNCINPEC	National United Front for an Independent, Neutral, Economic, and Cooperative Cambodia
HRW	Human Rights Watch
LICADHO	Cambodian League for the Promotion and Defense of Human Rights
MAFF	Cambodian Ministry of Agriculture, Forestry and Fisheries
NGO	Non-Governmental Organization
NTFP	Non-timber forest product
NSDS	National Sustainable Development Strategy
PPI	Private Participation in Infrastructure
PRK	People's Republic of Kampuchea
PSD	Private Sector Development
RGC	Royal Government of Cambodia
SRP	Sam Rainsy Party
UNCOHCHR	UN Cambodian Office of the High Commissioner for Human Rights
UNDP	UN Development Program
UNFCC	United Nations Framework Convention on Climate Change
VDC	Village Development Committee
WB	World Bank
WDR	World Development Report
WFP	World Food Program of the United Nations

# EXECUTIVE SUMMARY

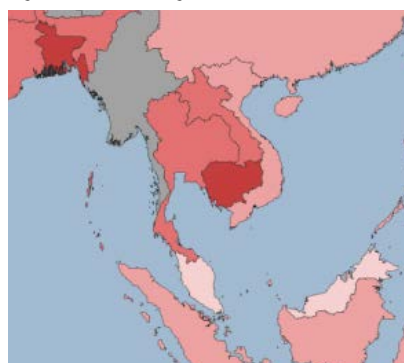
Over the past decade, thousands of Cambodians have been dispossessed of their land through government-granted Economic Land Concessions (ELCs). Now motivated by a preferential trading scheme of the European Union called Everything but Arms, a major Thai sugar producer has partnered with a Taiwanese food company and a powerful Cambodian ruling party senator to export raw sugar from a joint ELC to Europe without tariffs and at a guaranteed minimum price. While the government promotes ELCs as benefiting the rural poor, dispossession can have negative direct and indirect implications upon the health, livelihoods, and social systems of communities who rely on their land to survive. This research examines what has happened to the rural households within Chi Kha and Trapaing Kandaol villages that lost their land in 2006 to the Koh Kong Sugar Industry Co. Ltd. in the Sre Ambel district of Koh Kong province. Through in-depth interviews, participatory methods and household surveys, the impacts on those affected are appraised and impoverishment trends are assessed. In addition, as development-induced dispossession is imbued with local to international power and politics, the formal and informal institutions mediating outcomes are explored. The end result of the research efforts will contribute to an understanding of the international drivers of ELCs in Cambodia, including the European Union Sugar Regime reformation, as well as current rural development opportunities and risks. Together this will broaden the knowledge base of what factors influence the realization of sustainable, inclusive and equitable development in Cambodia.

Key words: *Cambodia, dispossession, land grabbing, sugar, European Union, preferential trade agreements, international political economy, post-conflict, rural development, land governance*

All monetary figures are provided as US dollars and/or Cambodian riels. One US dollar is equivalent to 4,000 riel.  
All photographs are by the author unless otherwise cited. In some cases, names have been changed to protect identities.

# I. INTRODUCTION

Figure 1. SE Asian region.



FAO, n.d.

Since the 1980s, neo-liberal ideals including open markets, decentralisation, and privatisation have dominated development policy agendas and triggered processes of rapid social, political and economic transformation in the developing world. While sig-

nificant social and economic gains have been realised, globalization has resulted in an international land rush that has placed land markets under increased pressure from powerful investors looking for land ownership and leasing opportunities for tourism, agriculture, mining, and climate change compensation mechanisms, among others. Within areas amenable to land grabbing, land governance is increasingly characterized by conflicting claims between highly uneven stakeholders, often the rural poor and investor elites. Under tenure systems that do not recognize customary rights and corrupt governance systems, the claims of the rural poor are ignored or unfairly resolved under the guise of economic development. Authoritarian enclaves with monopoly control over land dispossess the poor of their social, cultural and economic bases. This is especially true of fragile states and those recently emerging from decades of violent conflict. While much research has focused on land grabs in Africa, dispossession 'hotspots' are evident in Asia; one post-conflict example is Cambodia.

With claims of new democratic principles, a boom in tourism and strong economic growth, Cambodia has attracted significant foreign investment, inter alia through Economic Land Concessions (ELCs). Up to 2011, roughly 2.3 million hectares (ha) in ELCs have been granted by the government to private companies for agriculture, mining, and logging (ADHOC 2012: 1); more than 80,000 ha have been conceded to the newly established sugar industry (Bridges, 2010: 1). While the government claims that investments create jobs (CAAI, 2009) and improve infrastructure and so benefit the people, especially rural communities (LICADHO, 2009: 19) numerous Cambodian case studies of evictions and land seizures illustrate otherwise. Within the sugar industry alone, roughly 12,000 people have been affected (BABC, 2010:3). This study examines land grabs associated with an ELC allotted for industrial sugar production in Koh Kong province, southwest Cambodia.

## THE CASE OF CHI KHA LEU COMMUNE, SRE AMBEL DISTRICT, SW CAMBODIA

In August 2006, two ELCs in Botum Sakor and Sre Ambel districts of Koh Kong province were awarded by the Ministry of Agriculture, Forestry and Fisheries (MAFF) to Koh Kong Plantation Co. Ltd and the Koh Kong Sugar Co. Ltd. for industrial sugar production (UNCOHCHR, 2007: 31). Both companies originated as a partnership between KSL Group of Thailand, Ve Wong Corporation of Taiwan and a powerful Cambodian People's Party (CPP) senator, business tycoon, and Koh Kong native, Okhna Ly Yong Phat, or "The King of Koh Kong" (CHRA, 2009: 13). The concessions are 9,400 ha and 9,700 ha respectively (*Ibid*); The concession duration is 99 years while the approved foreign investment duration is 70 years (MoE Taiwan, n.d.: 1). In order to prevent large tracts of land being controlled by a single person or legal entity, Article 59 of the Land Law requires ELCs to be distinct and no larger than 10,000 ha.<sup>1</sup> However, the ELCs are contiguous and are reported by company representatives to be a single concession (L.Y.P., n.d. (a): 42) for the production and exportation of raw sugar to the European Union to take advantage of the European Union's Everything but Arms preferential trade scheme (CAAI, 2009).<sup>2</sup>

In opposition to Article 53 of the 2001 Land Law, land clearance started before the ELC contract was signed (UNCOHCHR, 2007: 9). In addition, the contract was granted and land clearance began without prior consultation with local residents. While it is not clear if an Environmental Impact Assessment (EIA) was carried out or if a rushed report was generated, the point is mute. Either would be considered illegal as the law contains consultation stipulations and agreement of the local communities was not obtained.<sup>3</sup> Despite being restricted by law to military matters, clearance was assisted by six military police and three national police armed with assault rifles. Seven villagers were reportedly injured, two by gunfire.<sup>4</sup>

In 2007, farmers from Chouk, Chi Kha, and Trapaing Kand-aol villages claimed that 507 hectares of their land had been

<sup>1</sup> For links to Cambodia's laws, see: <http://www.gocambodia.com/laws/index.asp#1>

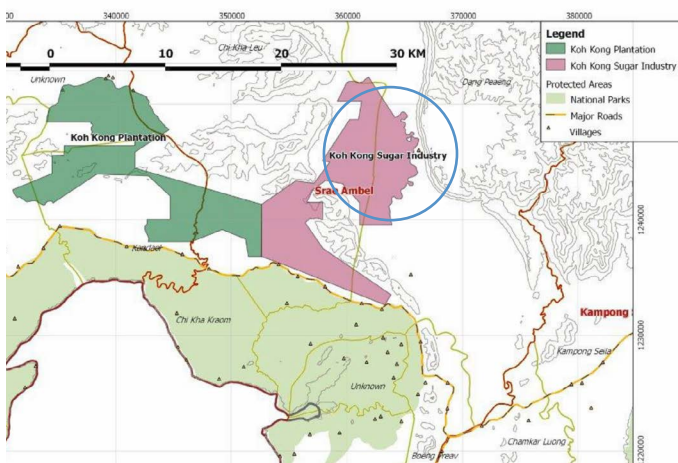
<sup>2</sup> Khon Kaen Sugar Set to Double Sugarcane Output: <http://farmlandgrab.org/10800>. See also Letter to SET: <http://www.settrade.com/simslmg/news/2007/07043155.pdf>

<sup>3</sup> This information was obtained during an interview with Sorphonneary Ny of CLEC.

<sup>4</sup> CAMBODIA: Two Villagers Shot and Several Injured During the Illegal Forced Eviction in Koh Kong: <http://www.humanrights.asia/news/urgent-appeals/UA-321-2006>

cleared (UNCOHCHR, 2007: 12). By 2009, the area of land lost increased to 2,000 ha (CHRAC, 2009: 13). Yet while land and the associated crops are the major concern, other losses have incurred. Villagers claim that people and livestock can no longer drink from important water resources as they have been contaminated by sugar mill processes or covered over with earth. Straying onto previous grazing lands, livestock were confiscated and killed and forest access was denied. Farmers were required to pay a fee for the infraction (*Ibid*: 15) or to transport collected forest products. An In, a local land activist who took pictures of the land clearing, was found dead from three ax blows to the back of his neck. While his brother filed a complaint in court, no action has been taken (CHRAC, 2009: 17) and company officials in Thailand claim no knowledge of the issues.<sup>5</sup>

Figure 2. Koh Kong sugar ELCs



LICADHO, 2009 cited by BABC, 2010

Dispossessed farmers continue to seek redress at the local and national levels particularly through legal representation provided by the Community Legal Education Center. While the limited response of the Royal Government of Cambodia (RGC) has thus far been slow and mostly ineffective due to the absence of a fair and transparent land dispute mechanism,<sup>6</sup> progress has been made at the international level with the assistance of local and international human rights and environmental organizations and coalitions such as the Mekong Legal Network.<sup>7</sup> Actions include complaints filed with Bonsucro as

<sup>5</sup> See the company letter here: <http://www.settrade.com/simslmg/news/2007/07043155.pdf>

<sup>6</sup> Development Partners Call for Halt to Evictions of Cambodia's Urban Poor: <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIA/PACIFICEXT/CAMBODIAEXTN/0,,contentMDK:22318611~pagePK:1497618~piPK:217854~theSitePK:293856,00.html>

<sup>7</sup> Interview with Bobbie Sta. Maria, Asia Legal Program Coordinator, Earthrights International.

well as with Tate & Lyle, the original purchasers of the sugar and the EU. Facing continued criticisms from within Cambodia surrounding EBA, EU delegates have requested a report from the RGC (*Ibid*). A letter was also sent to the ASEAN Intergovernmental Commission on Human Rights however not much is expected in return.<sup>8</sup> In August 2011, the National Human Rights Commission (NHRC) of Thailand agreed to hear the case and an investigation is now underway (Sta. Maria, 2011).<sup>9</sup>

This research examines the experiences among Chi Kha and Trapeang Kandaol villagers who have lost farm, forest and grazing land as a consequence of the land concession awarded to Koh Kong Sugar Co. Ltd. Through in-depth interviews, participatory methods and household surveys, the impacts on those affected are appraised and impoverishment trends are assessed. In addition, as development-induced dispossession is imbued with local to international power and politics, the formal and informal institutional frameworks driving outcomes are explored.

The end result of the research efforts will contribute to an understanding of the international drivers of ELCs in Cambodia, including the EU Sugar Regime reformation, as well as current rural development opportunities and risks. Together this will provide not only a better understanding of how agriculture relates to development - it will broaden the knowledge base of what factors influence the realization of sustainable, inclusive and equitable development in Cambodia.

## 1.1 REPORT STRUCTURE

The first part of the thesis presents the relevance of the study, the objectives and research questions, and an overview of the conceptual framework that includes sustainable development and democratic land governance including agricultural-led development. While not exhaustive, it aims to guide the reader on the major theoretical underpinnings of the study. The second part contains a brief review of sugar as a commodity in the global market as well as the international political economy of sugar as it relates to the EU. The next section addresses land grabbing at both international and Cambodian levels. Following is general information about Cambodia such as the geography and history of Cambodia, the political structure of the government, pertinent Cambodian policies and RGC's position on development through ELCs as well as human rights. The penultimate section presents the research area as well as a description of the research methods used. Finally, the conclusions are presented and a discussion completes the paper.

<sup>8</sup> *Ibid*.

<sup>9</sup> This information was also received during an interview with Ms. Sta. Maria.

## 1.2 RESEARCH RELEVANCE AND STRUCTURE

This research is relevant for several reasons. On a global level, land grabbing is a vast yet relatively under-researched development trend with direct implications for impoverishment as well as the macro-economic policies of the developed world aimed at alleviating poverty in the Global South. At the local level, land policy is an essential component of economic development, especially in developing and transitional countries (Deininger, 2004: 2). Land provides the rural poor with the foundation for social and economic well-being as well as the means to adjust to the pressures of globalization. As Cambodia is an agriculturally driven country, land is the foundation for socioeconomic development, food security and poverty alleviation. It is also closely tied to the cultural identities of the country's subsistence farmers. With the majority of the Cambodian population living in rural areas, land and land policy is particularly important, especially for underrepresented segments of the population. For Cambodia, short and long-term success depends on development that is sustainable, and on the efficient and effective use of its land area and resources.

Due to the continued efforts of organizations such as the Cambodian Legal Education Centre (CLEC), Bridges Across Borders Cambodia (BABC) and the Cambodian League for the Promotion and Defense of Human Rights (LICADHO) among others, available information on the Koh Kong case mostly concerns human rights abuses according to international human rights law. Outside of this domain thus far there has been little in-depth documentation that allows a systematic assessment of competing claims or other aspects of sugar production in Sre Ambel district.

From the basic premise of obtaining an evaluation of the issue, the following research objectives and questions were formulated.

### 1.2.1 OBJECTIVES

This project had the following objectives:

- Understand the land governance framework and development process of industrial sugar production in Cambodia
- Investigate potential international drivers of develop-

ment-induced dispossession related to ELCs awarded within the Cambodian sugar industry including the EU's Everything but Arms preferential trading scheme within the recently reformed EU Sugar Regime

- Assess the respective roles, responsibilities, and power relations of local to international stakeholders
- Assess pre and post-ELC land tenure conditions and agricultural practices within Trapaing Kandaol and Chi Kha villages
- Identify the impacts of land loss resulting from industrial sugar production on the communities
- Assess the contribution of industrial sugar production toward sustainable rural development regarding employment generation in the research area

### 1.2.2 RESEARCH QUESTIONS

In order to satisfy the objectives outlined above, this research asks:

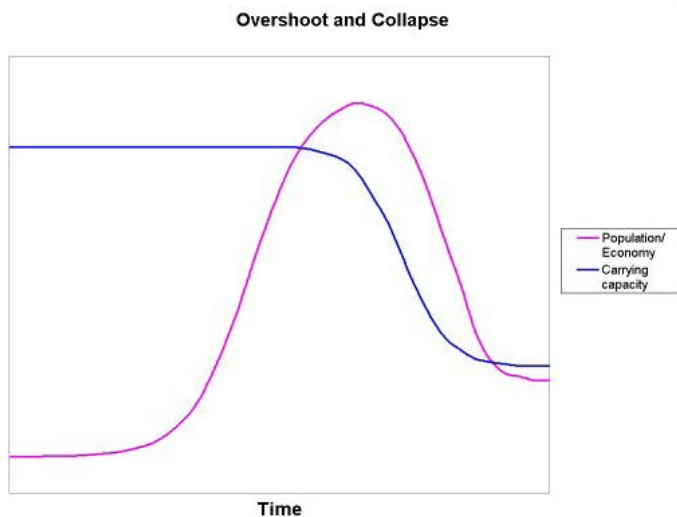
1. What international and domestic trade schemes and policies drive industrial sugar production in Sre Ambel? To what extent does the Everything but Arms initiative contribute?
2. What is the role of domestic and international political institutions in the production of sugar in Sre Ambel? What is the role of domestic and international corporations in the production of sugar in Sre Ambel?
3. What impacts have resulted in the research areas from land lost to the sugar project? Has the project resulted in increased employment opportunities?
4. Regarding the Everything but Arms initiative and industrial sugar production, what are the recommendations, both domestically and internationally, toward effective development cooperation that results in equitable agricultural land governance?

## II. LAND AND DEVELOPMENT

The concepts guiding this research are sustainable development and democratic land governance. The position of this report is that these concepts lie at the bedrock of the land grabbing debate particularly within the context of Trapaing Kandaol and Chi Kha villages where farmers have been systematically excluded from meaningful involvement in development decisions that greatly affect their lives and the lives of their children - despite the government's stated commitment to sustainable development, the Millennium Development Goals, democratic participation and improved conditions for rural populations. In order to provide a more thorough understanding of the aims of the study, a general overview of these concepts is introduced below.

### 2.1 SUSTAINABLE DEVELOPMENT

Figure 3. Overshoot and collapse.



Limits, n.d.

Concern over the adverse impacts of human activity on the environment has been an issue from the time of early civilizations. Yet during the Industrial Revolution, environmental degradation resulting from resource extraction and economic growth symbolized progress. This belief resulted in part from a long line of thinking that originated in pre-Christian times on the steady progression of humankind – first the increasing morality of man to the more secularized ideas of how technology and science would be used to master nature. During the 18th and 19th centuries, Enlightenment philosophy and ideas on the steady progression of humankind through science and technology reached its peak. It was not until the 1960s that the domination of nature for the production of consumer goods was challenged (Du Pisani, 2006: 89). In 1962, when

little environmental awareness existed and people remained enraptured with the economic, scientific, and technological advances of humankind, biologist Rachel Carson took on the powerful chemical industry and lyrically bridged the gap between science and the general public in her seminal book titled *Silent Spring*. Addressing the widespread use of pesticides particularly that of dichloro-diphenyl-trichloro-ethane or DDT, Carson claimed that people, wildlife, the soil, and our food and water were being poisoned (Carson, 1962). The book remained on the New York Times bestseller list for 31 weeks and quickly led to pesticide regulation in the United States. In the first year alone, more than 40 bills were introduced in state legislatures (Hynes, 1989 as cited by Janick).

Ten years later, levels of environmental awareness and existing notions of progress and development were again challenged in a report commissioned by a group of renowned economists and scientists called the Club of Rome. Titled *The Limits to Growth*, the authors used a technique they termed system dynamics to model the potential outcomes of unrestrained growth and material consumption within the finite resource base of the planet. The study also discussed the choices available to society to progress sustainably within environmental constraints. The study was the first to indicate a carrying capacity of the Earth – the planet's ability to withstand the pressures of an increasing population and its consumption – and the historical 'overshoot and collapse' phenomenon characteristic of past civilizations. According to the report, unrestricted economic growth could end in catastrophe (Meadows, as cited in Du Pisani, 2006: 90):

*If the present growth trends in world population, industrialization, pollution, food production, and resource depletion continue unchanged, the limits to growth on this planet will be reached sometime within the next one hundred years. The most probable result will be a rather sudden and uncontrollable decline in both population and industrial capacity.*

Mainstream economists recognized the issues but held fast to the tenets of the Western model of development, characterized in part by industrialization, open markets and privatized economies. From their viewpoint, progress would continue to diffuse to the Third World from practices based on First World mental models and the drawbacks of economic growth would be reduced or eliminated by scientific and technological advancement. New resources would be found and human ingenuity would provide the needed solutions. Nonetheless, as the wealth gap between the two worlds grew, faith wavered in the economic growth model as the development panacea



of the time. A “new [and] morally defensible paradigm” was needed. This new paradigm, “heir to the concepts of progress, sustainability, growth, and development” was the notion of sustainable development (Du Pisani, 2006: 91). In response to Limits, The United Nations World Commission on Environment and Development (WCED) released a Brundtland Commission report in 1987 on the global environment and development. Known as *Our Common Future* or the Brundtland Report, sustainable development was defined and popularized as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED, 1987: 8). The report underlined two disparate dimensions that threaten sustainable development, one of affluence and the other of poverty, as both are closely connected to the unsustainable use of resources (WCED, 1987; Latesteijn and Schoonenboom, 1996: 225).

In developed countries, high incomes and consumption levels are associated with the overexploitation of resources while low incomes and rapid population growth can lead to the overexploitation of resources in less developed countries.

While the report outlined the three essential components of sustainable development, later known as the three pillars or the triple bottom line of environment, economy and society, it was soon criticized from all sides. According to the report, global industrial output would have to increase “5-10 fold” over the next century if the needs of the poor were to be met.<sup>10</sup> Thus, a major critique from environmentalists was that the report did not question the neoliberal economic growth model nor the consumer culture that supports it (Robinson, 2004). Ecologists claimed that the report was androcentric while free market advocates believed that sustainable development policies were dangerous and that human ingenuity would make them unnecessary (EurActiv, 2011).

During the same year, the United Nations Conference on the Human Environment (UNCHE) was held in Stockholm Sweden. The Stockholm Conference was the first international event on people and the environment. The conference focused on the relationship of humans and the environment, pollution, weapons of mass destruction, the global nature of many en-

vironmental problems, and the role of developed countries and the importance of non-governmental organizations. The meeting resulted in several principles known as the Stockholm Declaration and in the creation of the United Nations Environment Programme (UNEP, 1972).

Twenty years later, in 1992, the United Nations Conference on Environment and Development (UNCED), or more commonly known as the Earth Summit, was held in Rio de Janeiro, Brazil. “Unprecedented” in size and scope, the conference was a “climax of a process,” where the UN “sought to help Governments rethink economic development and find ways to halt the destruction of irreplaceable natural resources and pollution of the planet.” The conference called for a change in attitudes and behavior and reiterated the unsustainability problem of

affluence and poverty. Three agreements, with the purpose of changing the hitherto approach to development, were adopted including Agenda 21, “a wide-ranging blueprint for action to achieve sustainable development worldwide.” In addition, two legally binding Conventions, the Convention on Biological Diversity and the Framework Convention on Climate Change that addresses greenhouse gas emissions, were opened for signature. The UN Commission on Sustainable Development was also created as a follow-up agency to advise governments and other groups and to strengthen Agenda 21 through additional strategies (UNCED,

1997).

Ten years later, the importance of sustainable development continued to be recognized and debated at the World Summit on Sustainable Development. Held in Johannesburg, South Africa, the Summit was a follow-up to Rio “to adopt concrete steps and identify quantifiable targets for better implementing Agenda 21.” To some the broad range of topics, from water and sanitation to governance, was overly ambitious and would make the move forward elusive. Nonetheless, there were three major outcomes: The Johannesburg Declaration on Sustainable Development, The Johannesburg Plan of Implementation, and commitments to a range of partnership initiatives. The Plan of Implementation states that sustainable development requires “... sound environmental, social and economic policies, democratic institutions responsive to the needs of the people, the rule of law, anti-corruption measures, gender equality and an enabling environment for investment” (UN, 2002). The UN Commission on Sustainable Development

Figure 4. Sustainable development.



Government, 2008

<sup>10</sup> This was later revised by the WCED in their 1992 publication *Our Common Future* Reconvened.

would again have the responsibility for monitoring progress (UNDESA, 2006).

While some delegates congratulated each other on the success of the Summit, others within and out were disappointed at the lack of concrete commitments. The United States, a major player in the sustainability debate, was “reluctant to look at targets which were unrealistic” and so was criticized for deadlocking the Summit with its noncommittal, status quo position (BBC, 2002).

Figure 5. Forms of environmental response.

	Technical fix	Value change
Natural area management	Conservation (utilitarian)	Preservation (romantic)
Pollution and resources	Technology (collective policies)	Lifestyles (individual values)
Preferred language	Sustainable development	Sustainability

Robinson, 2004: 372

The routine of high expectations (temporarily assuaged with lofty rhetoric) ending in disappointment has the value of global summits on sustainable development contested. To many, the “World Summit of Sustained Disappointment” was a disaster – an ironic waste of resources (Mittler, 2003). Critics, tired of the neoliberal economic agenda setting the course, prefer alternatives to the UN approach such as the World Social Forum. Meeting yearly, this coalition “proposes to facilitate decentralized coordination and networking among organizations engaged in concrete action towards building another world, at any level from the local to the international...” (World, 2011). But as frustrating as the process may be, “We must not see building a global movement and fighting at the UN level as opposites” (Mittler, 2003). Giving up on UN summits “would be [to] throw out the baby with the polluted bathwater” (*Ibid*). Any large scale event, whether it is UN-sponsored or from an alternative organization such as the World Social Forum, provides massive coverage on environmental concerns that raise awareness and allows Civil Society Organizations (CSOs) to participate in international forums and set political agendas.<sup>11</sup>

### SD: SUBJECTIVE OR OBJECTIVE?

‘Sustainability’ refers to a condition that can be maintained over an indefinite period of time. Early on, the literature focused on the physical limits to growth - unprecedented economic and population growth and the stresses placed upon the carrying capacity of the planet. Later, sustainable devel-

opment came to integrate social dimensions such as human rights and social justice. More than twenty years after *Our Common Future*, the definition of sustainable development continues to be debated and criticisms surrounding the concept are many. Perhaps foremost is its ambiguity - the definition currently seems to accommodate nearly every interpretation. As sustainable development means different things to different people, claims about and practices of what is sustainable are numerous.

The plethora of often contradictory definitions falls generally into either the subjective or objective perspectives (Latesteijn et al, 1996: 230). According to Hueting and Reijnders (1998: 140), sustainable development is an objective concept. As the environment can be significantly altered by human actions there needs to be equilibrium between production and natural resources. Furthermore, environmental problems are not social constructs and should be described in scientific terms. After all, the possible uses of our environment, having developed over geological timescales, “either remain available or they do not” (*Ibid*). Moreover, it is “unfeasible for our planet’s life support systems ever to be completely replaced by technology” (*Ibid*).

The counterpart to the scientific conception of sustainability is the human-centered or subjective viewpoint where “economic requirements prevail and the resulting quality of the environment is accepted as an inevitable factor (Latesteijn et al, 1996: 229). Proponents of this viewpoint claim that complexity places limits to scientific analysis due to uncertainty and ignorance. As “environmental problems are characterized by huge uncertainties and huge stakes... personal opinion is equally relevant” (Latesteijn et al, 1996: 236).

According to Robinson (2004: 371), the historical context of these views is founded upon two basic and diametric philosophical perspectives (see figure 5). The first is from a conservationist ideology - nature is here to meet the needs of people. From this perspective it is recognized that development has negative environmental consequences. Yet it also has brought prosperity and raised standards of living (Latesteijn et al, 1996: 224). The second is preservationist – nature has inherent worth regardless of human needs. The relationship with our environment and other people is based on respect for all

<sup>11</sup> For more information on the rise of the global environmental movement, see InterEnvironment’s timeline of important events at: <http://www.interenvironment.org/wd1intro/events.htm>

living things and harmony should exist between people and the environment; it is acceptable if all of humankind's needs are not met (Daly, 1990 as cited in Latesteijn et al, 1996: 228). These two perspectives on sustainability and sustainable development, although not definitive, can be summed up as "radical" value and behavioral change versus "reformist" technological advancement and institutional reform. The first relies on human ingenuity to solve problems. To preservationists, this outlook "misses the point" (Robinson, 2004: 376). Achieving a truly sustainable society requires more than an incrementalist approach and ignoring the problems of entrenched injustice "perpetuates the underlying disease by only treating the symptoms" (*Ibid*). A new ethic, one that alters "the trajectory of industrial society," is needed (*Ibid*).

It is clear that while the importance of sustainable development is recognized around the world, operationalizing it in public policy is difficult. There is no consensus on its meaning as the concept encompasses objective science and subjective values based on paradigms stemming from differing world-views. Furthermore, environmental and human-centered objectives can be contradictory, and short-term economic gains often are more attractive. This is summed up in Escobar's (1996: 328) critique of what is in essence, man's "managerial attitude" toward sustainable development:

*Like the earlier scientific management of labour, the management of nature entails its capitalization, its treatment as commodity. Moreover, the sustainable development discourse purports to reconcile two old enemies - economic growth and the preservation of the environment - without any significant adjustments in the market system. In the sustainable development discourse nature is reinvented as environment so that capital, not nature and culture, may be sustained.*

Under the umbrella of sustainable development, the next section outlines democratic land governance from a rural development perspective. More specifically, as development trends in Cambodia derive in large part from pro-poor agricultural-led policies promoting foreign direct investment (FDI), this study attempts to examine the relationship between globalization and local polity and the ways individual actors and institutions influence political and economic outcomes in Cambodia as well as the resultant impacts on rural populations. Under this approach, power is manifested economically and politically as a result of complex interrelations. Before outlining the various aspects of land governance used in the study, a short introduction on the interrelations between sustainable development, trade and land governance in Cambodia is provided.

## SUSTAINABLE DEVELOPMENT UNDER A NEOLIBERAL GUISE THE ECONOMIC REMEDY

As with other developing nations, market globalism has had a significant influence on Cambodia. This is a result of economic policy and larger market reforms that began in the 80s - a paradigmatic shift that placed the country within the wider global agenda. In the 1990s, UN oversight and international reconstruction after prolonged conflict installed Western political and economic governance models. Under this paradigm, the Kingdom was placed on a clear path to development within a globalizing world and under an international trade regime wherein leading actors perceive trade as an effective development mechanism. The paradigm is clear in this statement from the World Bank:<sup>12</sup>

*“At the World Bank, we believe that trade plays an important role in the fight against poverty. It creates the potential for higher economic growth and employment. By helping the Government to increase trade and employment in trading sectors, all development partners contributing to this program will help Cambodians enjoy better lives.”*

EU development goals,<sup>13</sup> fitting within some aspects of the neoliberal economic model (Schimmelfennig, 2009: 10), are similarly stated:

*“The primary and overarching objective of EU development policy is to eradicate poverty using a sustainable approach. The UN’s eight Millennium Development Goals (MDGs) are key to this” as well as, “The EU also uses trade to drive development by opening its markets to exports from poor countries and encouraging them to trade more with each other.”*

Schemes developed along regional economic integration and pro-democratic lines, such as GSP+ and EBA, contain unilateral and bilateral trade conditions such as democracy building, strengthening the rule of law and the development of human rights (Kelegama, 2010: 3). To Borzel and Risse (2004: 2 as cited by Schimmelfennig, 2009: 15). “the EU follows quite clearly a specific cultural script.” While some Europeanization theorists suggest that this approach familiarizes the political order, reduces transaction costs and thus places Europe at a competitive advantage, others view the promotion of shared values and norms as transcending “calculations of benefit and feasibility.” To Bicchi (2006 as cited by Schimmelfennig 2009: 10), the external policy of the EU can “be seen as unreflexive behaviour mirroring the deeply engrained belief that Europe’s history is a lesson for everybody. Put briefly, [it] is informed, at least partially, by the idea that ‘our size fits all.’” Regardless of motive, according to Schimmelfennig (2009) the EU is inconsistent in their pro-democratic development approach “as some of the biggest increases in recent EU aid and support have gone to authoritarian or partly autocratic regimes, such as China, Cambodia and Vietnam” (as cited by Kelegama, 2010:10).

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<sup>12</sup> World Bank statement: <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/CAMBODIAEXTN/0,,contentMDK:22035432~pageK:1497618~piPK:217854~theSitePK:293856,00.html>

<sup>13</sup> See: <http://europa.eu/pol/dev/>

## 2.2 LAND GOVERNANCE AND SOCIAL SUSTAINABILITY

As with the concept of sustainable development, ‘governance’ has many definitions and a myriad of theoretical roots. The World Bank (2007) describes the concept of governance as “The manner in which public officials and institutions acquire and exercise the authority to shape public policy and provide public goods and services.” This approach is markedly simplistic particularly given the importance of land and its resources in the development process. The administrative approach to land management has the potential to further enshrine inequity as it ignores less formal but equally embedded institutions that limit the abilities of less powerful stakeholders to mediate sustainable outcomes. As true development contributes to equity of opportunity, incorporating issues of social justice and human rights within the development agenda are paramount. The holistic approach of the United Nations Development Programme (UNDP, 1997) recognizes this and thus views land governance as an inclusive process that can contribute to social sustainability. According to the UNDP, land governance is:

*...the exercise of economic, political and administrative authority to manage a country's affairs at all levels. It comprises mechanisms, processes and institutions, through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences.*

For the UNDP (2002: 51), key aspects of democratic governance include participation, accountability, inclusiveness, gender equality, equity, non-discrimination, freedom from discrimination, and responsive economic and social policies. Indicated in the UNDP definition is that the boundaries and responsibilities of the public and private sectors have become less defined (Stoker, 1998). With responsibility of managing affairs no longer resting solely with the state, greater participation in problem solving and decision-making occurs between society's three spheres of market, state and civil society (*Ibid*).

More specifically, land governance encompasses the rules, processes and structures through which decisions are made about the use of and control over land, the manner in which the decisions are implemented and enforced, and the way that competing interests in land are managed – “who gets what, when and how” (UNDP, 2009). As land governance encompasses complex political, economic, administrative, legal, social, and cultural issues, good land governance requires the involvement of many different actors from government officials to indigenous groups.

Democratic land governance contributes toward the wider

democratization of the state and society and is “categorically biased” in favor of the landless or near-landless poor (Borras and Franco, 2008; Fox, 2005: 3). As contestation occurs between society's actors over “the nature, pace, extent and direction of access to, control over, and use of land resources,” it is a political process. Not limited to administrative efficiencies such as titling, it is holistic and dynamic in nature. It occurs at the international to the local levels, yet it is not a top-down process that disengages the rural poor while benefitting those with higher social standing and the means to exert influence “inside and outside the state bureaucracy.” Most importantly, democratic land governance deals with the fundamental issues of how power and wealth are distributed among the populace. A strategy that “confronts, rather than backs away from, the inherently contested nature of land ownership, control and use,” and actors that can truly realize pro-poor policies are required (Borras et al, 2008).

In contrast to this is the more common approach toward administrative efficiency (through cadastres and titles, etcetera) by mainstream agencies that has made land governance “a matter of technical and administrative governance” rather than one that democratizes “access to and control over wealth and power.” In this line of thinking, poverty reduction occurs through efficient administrative and financial mechanisms and procedures of neoliberal capitalist development such as private property rights and decentralized approaches (Borras et al, 2010). For this reason (among others), nations have not remained fully autocratic and increasing market liberalization and decentralization have diminished the centralized power structure somewhat. It is important to note however that “local authoritarian enclaves” have remained in part as they have “monopoly control” over land and its resources (Fox, as cited in Borras et al 2010).

Differing from this “simple” approach to land governance, three necessary components of democratic land governance are (Borras and Franco, 2008: 4):

- People's autonomous pro-reform mobilizations ‘from below’
- Independent state reformist initiatives ‘from above’
- Mutually reinforcing interactions between the preceding initiatives embedded in democratic values

While grassroots movements can effectively promote democratic land governance, mobilization from below requires organizational powers of autonomy and capacity. Autonomy is the degree of outside interference a group faces from the state or other entities. Capacity, also a case of degrees, is the ability to accomplish goals. Capacity requires access to resources such as legal assistance or other services as well as

technical or other knowledge. While higher degrees of autonomy equate to more power and potential, low capacity can limit an organization’s ability to realize objectives. Degrees of both may ebb and flow within a country’s policy climate (*Ibid*).

Democratic land governance and pro-poor land policy also benefit from government actors pushing reform from ‘above.’ While pressure for reform often comes from outside, state reformists have independently challenged entrenched interests (*Ibid*). This has been the case in Cambodia particularly through Sam Rainsy Party representatives such as Mu Sochua who called for consumers to stop buying sugar connected to Ly Yong Phat (Campbell, 2011). A push from the inside can spark the necessary policy reforms and implementations as well as judicial reforms and broader participation (Borras and Franco, 2008: 4).

The third component of democratic land governance is organized interaction between state actors and CSOs toward pro-poor land reform. Anti-poor groups, “closely linked through informal ties and grounded in shared material interests” are most likely organized within a society. Efforts between state

actors and pro-poor groups can change the balance of power if shared interests coalesce into coordinated mobilizations as reform initiatives including “processes of strategic interaction” between policy makers and CS can make a larger institutional impact (Fox, 2005: 3, 5; Sisk et al, 2001: 12).

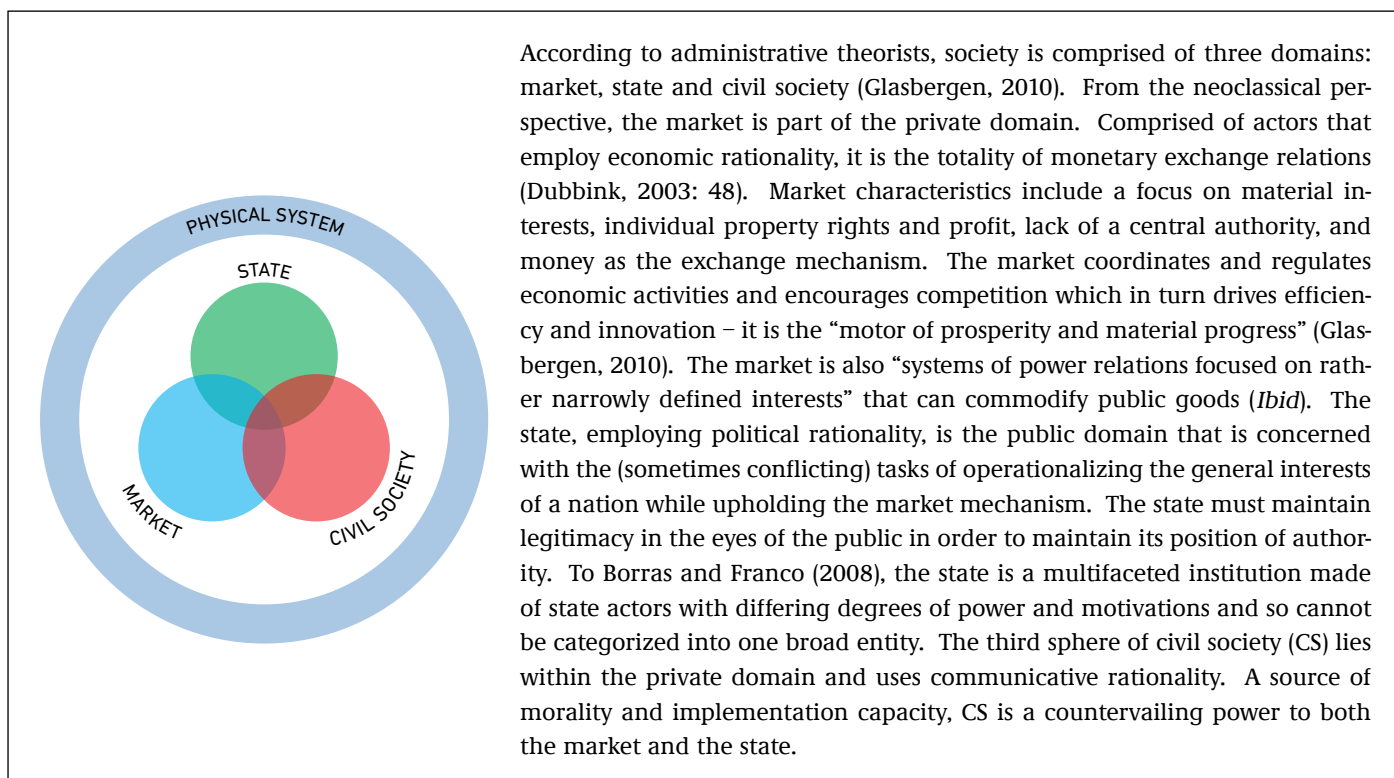
Figure 6. Degree of potential for realizing democratic land governance.

Land Policy Approaches	State Institutions’ Responsiveness	Inclusive Citizens’ Participation	Values & Principles e.g. gender empowerment, social cohesion, human rights
Land Policy “from above”	High	Low	Low
Actions “from below”	Low	High	--
Market-Led	Low	Low	Low
State-society reformist interactive approach	High	High	--

Borras et al 2008: 11

One hindrance to cooperation is that with different goals and strategies, these two groups are often at odds (Borras et al, 2008: 8; Fox, 2005: 5). Trust can also be a factor (*Ibid*). Motivations behind the state actor push from ‘above’ are often misconstrued by CSOs and “The quest of autonomy by societal groups is almost always matched by the propensity of state actors to co-opt community groups” (Borras et al, 2008: 8). Moreover, pro-reform initiatives also entail a high degree of political risk for state actors. These actors can reduce the

Figure 7. The three spheres of society.



Adapted from Glasbergen, 2011

risks by working to create a poor-friendly policy environment within government institutions while CSOs, “need to scale up, both horizontally and vertically” to increase their power and monitoring capacity of anti-reform coalitions in society (Fox, 2005: 6).<sup>14</sup>

It is worth stating that misconceptions surrounding globalization and the concept of ‘community’ often lead to romanticized views framed within dualistic scenarios such as local versus national or local versus international. While this research employs spatial characteristics to define communities, it is particularly cognizant of the heterogeneity within spatially organized people, particularly differing power structures and the contribution this makes toward arrested development.

Figure 6 shows land policy approaches and their degree of potential to realize democratic land governance. Along with market-led approaches, solo initiatives from above and below have the least potential as they fail to garner the needed support.

### 2.2.1 LINKING PRO-POOR LAND POLICY WITH LOCAL DEMOCRATIC GOVERNANCE

While processes of decentralization have placed more funds and power in the hands of those at lower administrative levels, it has also ordained more responsibility – yet local officials often have failed to duly represent their citizenry. Institutions assigned the task of advocating and mediating on behalf of the rural populace with the state have a “superficial or highly uneven rural presence” and so also fail to fulfill their purpose (Fox, 1990: 1).

As the needs of the rural poor are recognized to be under-represented in developing countries, local democratic governance has gained importance. This is based upon the notion that people have an inherent right and responsibility to make decisions on issues in their communities that affect them directly (Sisk et al, 2001: 11). Most opportunities for the rural poor to shape their communities occur through participation at the local level (UNDP, 2010). As “participatory subgroups turn out to be the crucial counterweight to concentrated leadership power... and provid[e] alternative sources of leadership,” increasing the potential of local people to shape their communities through participation in local issues is necessary (Fox, 2008).

Rural communities face difficulties when trying to convey their needs and hold their governments to task. Participation in the local polity can be extra costly as it is often limited by

several external or internal factors. “Spread over a seemingly endless spectrum,” obstacles to participation are abundant and range from logistical to technical and institutional to socio-cultural (Botes and Rensberg, 2000: 42). External obstacles originate from outside of the community while internal obstacles come from within the community (*Ibid*). Constraints to participation include dispersed communities, difficulties with transportation, a lack of services and information, the opportunity costs of participation in relation to time consuming and diverse livelihood activities, cultural and gender conditions such as *purdah*, and basic day-to-day survival. Moreover, a physical (and often ideological) distance separates the rural citizenry from the local and regional centers of administration. This is particularly damaging to rural democratization as it is here that the constraint of opportunities upon rural populations occurs internally by “regional elites [who] often control the electoral machinery, the judicial system, the economic terms of trade, the allocation of credit... and the principle means of coercion” (Fox, 1990: 3). As such, local governing often takes the shape of clientelism, defined as “inherently selective and contingent distribution of resources and power based on ties of personal and political loyalty” (*Ibid*). If participation is exclusive to the “most visible and vocal, wealthier, more articulated and educated groups,” community outcomes are determined by people who do not experience poverty (Botes et al, 2000: 44). While “self-perpetuating cliques” or community “gate-keepers” sometimes serve as useful intermediaries for the community (poorer people appeal them for assistance in receiving benefits and facilities from agencies) they often “manipulate the determinants of participation in development projects” and act in their own self-interest and at the expense of the community as a whole (Botes et al, 2000: 49; Mathbor, 2008: 88). Maintaining control by preventing others from directly engaging in development processes, the participation of weaker segments of the society is restricted (*Ibid*).<sup>15</sup>

Other obstacles to effective participation often come from the state itself. Gilbert (1987, cited in Botes et al, 2000: 43), notes that participation is highly political and that benefits are reliant on the political interests of those involved. Botes et al (2000: 44) maintain that for the state, “the main aim of community participation programs is less about improving conditions for the poor or to modifying forms of decision-making, than maintaining existing power relations in society and ensuring the silence of the poor.” Community participation is a guise for social control and as a means of maintaining political legitimacy (*Ibid*).

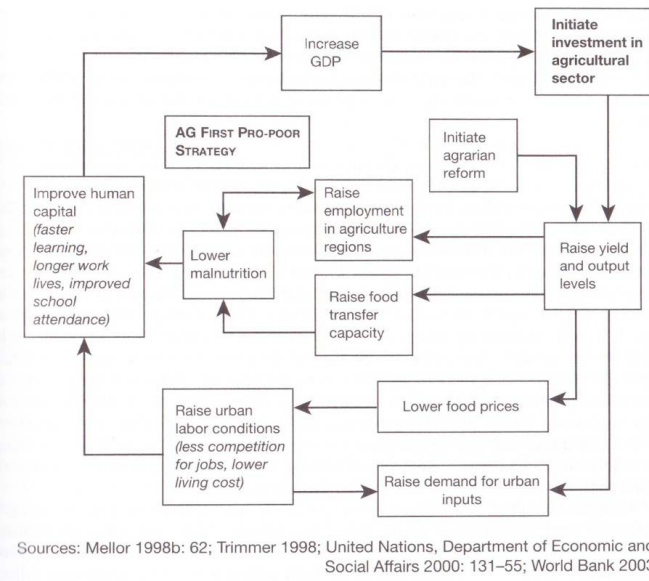
<sup>15</sup> See also Cernea, M. M. (1983). A Social methodology for community participation in local investments: the experience of Mexico’s PIDER program, World Bank staff working paper, No. 598 or Asthana, S. (1994). Integrated slum improvement in Visakhapatnam, India: problems and prospects. *Habitat International: A Journal for the Study of Human Settlements*, 18(1), 57–70.

<sup>14</sup> See Fox (2005) for an in-depth look at state-CSO alliances and institutional change.

## 2.2.2 AGRICULTURAL-LED DEVELOPMENT

As most of the world's poor are rural farmers, efforts began to refocus on 'g-led' development strategies (Cypher and Dietz, 2009: 341, 353). Under this approach, broad based agrarian reform is achieved through state-led, large-scale investments in agriculture. This approach is believed to create a virtuous development circle as illustrated in Figure 8.

Figure 8. Ag-led development model.



Sources: Mellor 1998b: 62; Trimmer 1998; United Nations, Department of Economic and Social Affairs 2000: 131–55; World Bank 2003

Cypher and Dietz, 2009: 355

Under this approach, the rural economy drives country-wide development. The first step is to invest in the supporting infrastructure, such as irrigation and transportation systems as well as research in animal breeding and agricultural cultivation techniques. As opposed to “easy import substitution activities” such as garments manufacturing, these projects are labor-intensive (*Ibid*: 353). Agricultural activity then simultaneously increases the demand for rural workers while decreasing food insecurity and nutrition concerns. Farm expansion, requiring the urban inputs of tools, machinery and cement, increases the need for urban workers. Infrastructure and increased output raise food transfer capacity to urban areas. Eventually, the price of food lowers and standards of living increase for the urban working class, both formal and informal. As rural to urban migration decreases so does the informal sector thus wages increase. The benefits to human capital include better health and increased life expectancies, reduced nutritional deficiencies in children, and as school attendance increases, children work less. Everything combined raises GDP, thus creating a positive feedback loop of increased funds and perhaps even more investment in agriculture. This ag-led development model will generate “even higher and

faster social and private rates of returns if supplemented by strategically placed foreign aid” (*Ibid*). Under an ag-led, ‘food first’ approach, Indonesia was able to switch from being the largest rice importer to food self-sufficiency in 16 years (*Ibid*).

In 1980, 23 percent of World Bank funding was directed to agriculture; by 2001 only 4 percent was directed to the sector. The gradual shift of aid away from agriculture has had the biggest effect on particularly underdeveloped countries in Africa as well as those in Asia. Having missed the window of opportunity when agricultural assistance was a priority, “the laggard countries are still largely agricultural, with weak institutional structures for agricultural growth and limited human resources” (Cypher and Dietz, 2009: 354). Reducing poverty and food insecurity by increasing agricultural productivity is now “at the core of the World Bank’s agenda” (Deininger et al, 2011: xv).

For some nations, the interest in ag-led policy is having resurgence (Mahr, 2009). Under ag-led development, demand grows for landless laborers (Cypher and Dietz, 2009: 354). This has the potential to benefit the poorest groups of society. If the ag-led strategy is concentrated on smallholders, multiplier effects lead to large returns for the economy as a whole. The additional consumer goods and farming inputs needed for an increased agricultural output of US \$100 translates to an additional total output of \$80. Nonetheless, in order to reap the benefits, a “serious commitment” to rural education is necessary. Moreover, agricultural restructuring needs to be pro-poor with policies that “enable smallholders and especially the landless to gain access to land by breaking up large estates – which are known to be less productive per unit of land” (*Ibid*: 353).

Underdeveloped but land and resource-rich countries in Africa and Asia are attempting to attract the necessary funds to boost development – often through FDI. At the same time, the recent food and financial crises means that interest in agricultural land is increasing so much that “the demand... has been enormous” (Deininger et al, 2011: xiii, xxv). Yet while under-utilised land and agricultural sectors have the potential to be the basis for country-wide development, they also provide short-term investment opportunities that undermine sustainable development (*Ibid*: xxv). Policies specifically designed to reduce poverty and raise standards of living through agricultural development partnerships can be hijacked through elite capture, particularly in countries with weak institutions and tenure insecurity such as Cambodia. (Deininger et al, 2011: xxv). The connection between agricultural-led investment strategies for development and the issue of land grabbing is presented after a brief overview of sugar as a commodity is outlined in the next section.





### III. SUGAR

Figure 9. World sugar production.



Financial, 2012

Across the globe, over 120 countries produce sugar from sugarcane and sugar beet in a wide range of climatic conditions (OECD, 2007: 20). Sugarcane, supplying 80 percent of the world's sugar (EC, 2012b), is grown in tropical and sub-tropical climates while sugar beet is grown in temperate climates. Out of the sugar producing countries, over 50 grow sugar beets and over 100 produce sugarcane (OECD, 2007: 20). Dual cropping occurs in the United States, China, and Japan (*Ibid*). Sugar beets are generally produced for domestic consumption (Nyberg, n.d.: 2). Providing nearly half of all sugar is the top four producers: Brazil, India and the EU and China. India is also the world's leading consumer of sugar (OECD, 2011: 123). The production of sugar continues to increase as a result of a growing demand in developing countries and Asia, particularly India and China. With a shortage of domestic supplies, China is expected to become the largest importer in the next ten years.<sup>16</sup> The international sugar season runs from September to August.

Alternative uses for sugar include animal feed and fiber. In

addition, sugarcane is considered to be one of the most important and efficient sources of biomass for the production of biofuels as sugar-based ethanol and co-generation. The importance of sugarcane in light of rising oil prices has placed increasing attention on the crop and production of both sugar and ethanol in Brazil has partly contributed to the creation of linkages between world sugar and oil prices (Nyberg, n.d.: 2).

Sugar production results in a wide variety of social and environmental impacts including biodiversity loss associated with land conversion, soil degradation and erosion, as well as high water use and the use of agrochemicals, air pollution and the discharge and runoff of pollution.<sup>17</sup> Increasing mechanization of the industry is estimated to eliminate 70-80,000 jobs between 2010 and 2020 thus contributing less to rural development. Large, capital-intensive modes of production and the associated demands placed on land and water can lead to conflict in rural areas.<sup>18</sup>

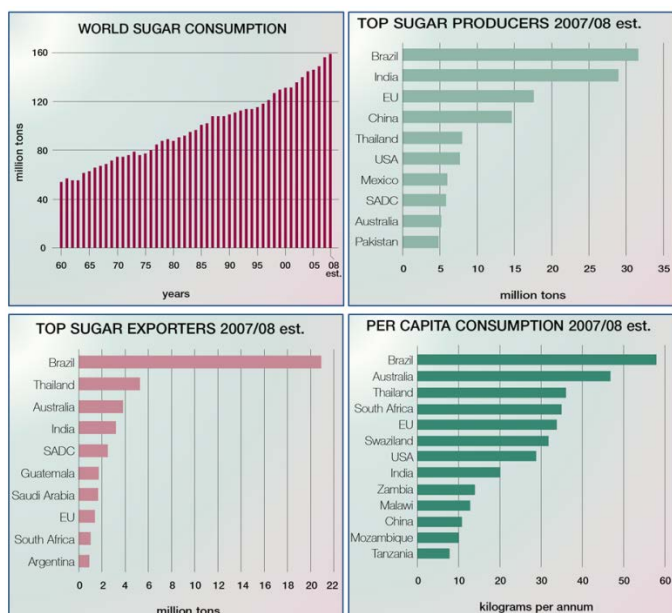
<sup>17</sup> WWF's Position on Reform of the EU Sugar Regime: <http://awsassets.panda.org/downloads/wwfsugarposition.doc>

<sup>18</sup> Ethical Sugar: <http://www.sucre-ethique.org/Statistics-on-World-Sugar.html>

<sup>16</sup> Ethical Sugar: <http://www.sucre-ethique.org/Statistics-on-World-Sugar.html>

### 3.1 THE GLOBAL SUGAR MARKET

Figure 10. Sugar figures.



Illovo, 2010

Sugar was brought into WTO in 1995. Out of all agricultural commodities sold on the global market, sugar has been considered one of the most policy distorted (OECD, 2007: 9; Mitchell, 2003: 1; Nyberg, n.d.: 1). Protectionist markets of OECD member countries, particularly the United States, the EU and Japan, traditionally have severed the relationship between

price and cost of production and restricted trade opportunities for those without preferential access (OECD, 2007:9). Under market protection, policies lead to increased production with lower imports or higher subsidized exports. Under this protection, markets have benefitted from prices two to three times higher than the world price while their domestic consumers faced higher prices and world trade prices in sugar were lowered (OECD, 2007: 9).

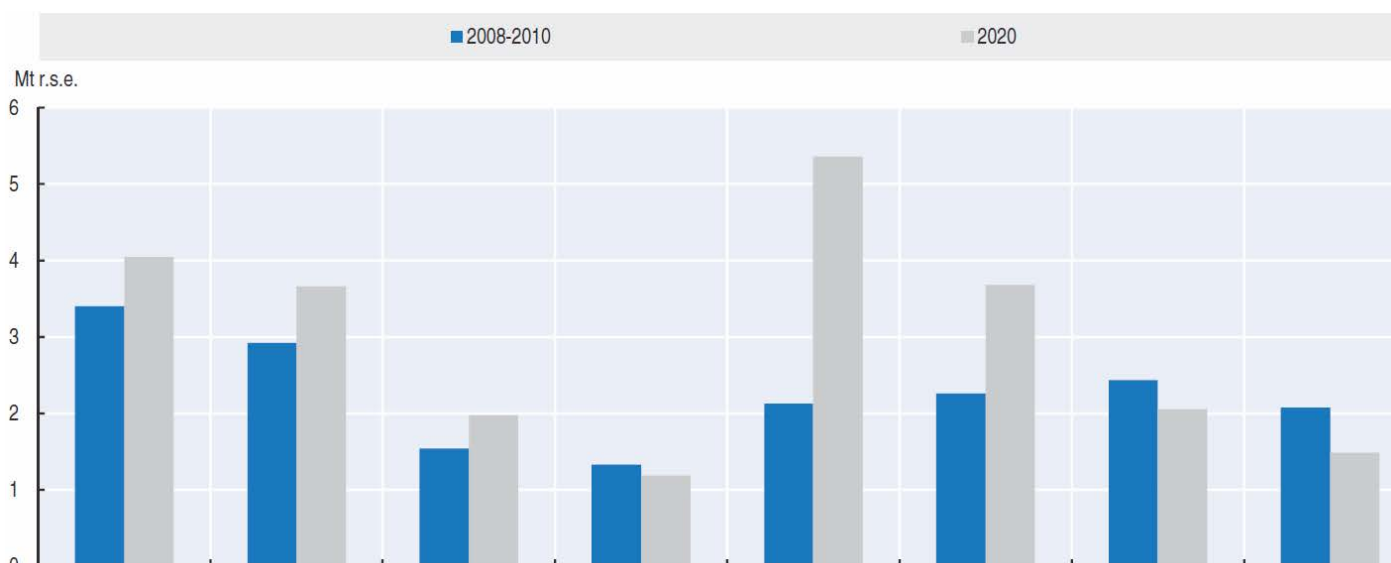
Market distortion, particularly for raw and refined sugar, has occurred through pricing and production policies such as (Nyberg, n.d.: 1):

- State-regulated quotas (production and marketing controls)
- Guaranteed minimum payments to producers and state-regulated retail prices
- Export subsidies, import quotas and tariffs

#### REFORM PRESSURES

While pressures for trade liberalization under policy reforms were met with “stiff resistance” in protected markets, the EU started the process in 2005 and adopted the new sugar regime in 2006 (OECD, 2007: 9). Under the reform, white sugar quotas were reduced below consumption requirements; exports declined 6-7 Mt. As a result of reform, the EU transitioned from a large net exporter of white sugar to a large raw sugar im-

Figure 11. Sugar imports.



OECD, 2012: 126

porter. This sugar is refined and sold in the domestic market (OECD, 2011: 124). With tariffs and safeguards on imports, the United States' sugar market is still largely protected. Imports to the country are expected to remain at WTO minimums as the North American Free Trade Agreement (NAFTA) allows duty-free access from Mexico (OECD, 2011: 127). Reforms in the sugar policies of the United States, Japan and the EU are expected to result in global price increases and substantial domestic sugar production decreases. Lower domestic sugar prices will increase demand and result in more sugar imports (OECD, 2007: 40). At the international level, gains resulting from the liberalization of the global sugar market are estimated between USD 3 billion and USD 6.3 billion per year. With a net gain of USD 1.6 billion, Brazil would benefit the most. A net gain of USD 1.5 billion is expected for Western Europe while Japan would see a net gain of USD 0.4 billion resulting from lower consumer prices. A small loss of USD 0.2 billion in the United States would result from producer losses higher than consumer gains.<sup>19</sup> In the medium to long term the EU reform holds "potential gains for LDCs due to the implementation of the EBA initiative" (Nyberg, n.d.: 1).

### PRICE VOLATILITY

Uncertainty is one reason for sugar producers to protect their markets; the sugar market in particular is susceptible to volatile prices and large variations in demand (OECD, 2011: 120; Nyberg, n.d.: 1). Sugar prices, at a record high in 2006, generally fell as domestic support measures in traditional importing countries increased production (Nyberg, n.d.: 1). However in 2011, sugar reached a 30-year high of USD 795.4 per ton. The price increase was a result of two seasons of global sugar deficits and adverse weather. Sugar stocks were at a 20-year low in 2010-2011; prices are predicted to stabilize as production increases and stocks rebalance (OECD, 2011: 120). If adjusted for inflation, sugar prices are at the same level as the 1980s. Under rising costs for fuel and inputs, sugar producers look for ways to reduce costs and increase profitability.<sup>20</sup>

### PREFERENTIAL TRADING

To a large extent, preferential trading schemes with developing countries define the market (Nyberg, n.d., 1). These schemes, very important as they allow access to higher-priced domestic markets in the developed world, have included ACP/EU Sugar Protocol and the Agreement on Special Preferential Sugar, Everything but Arms, Caribbean Basin Initiative, African Growth and Opportunity Act, North American Free Trade Agreement, and the Southern Africa Customs Union.

<sup>19</sup> Ethical Sugar: <http://www.sucree-ethique.org/Statistics-on-World-Sugar.html>

<sup>20</sup> Nominal World Price of Sugar: <http://www.sucree-ethique.org/Statistics-on-World-Sugar.html>

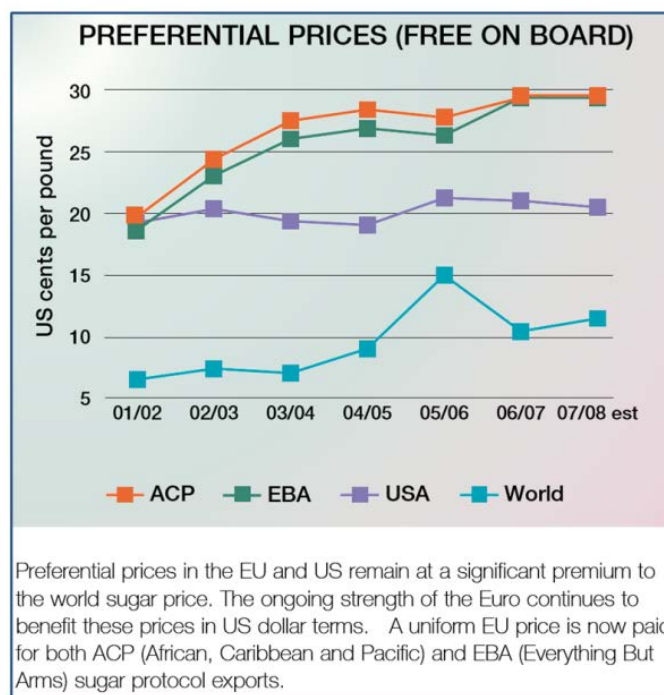
Despite preferential trading within an "unrivalled development framework" for the ACP countries, the European Commission concluded in a 1997 review of policy that (as cited by Holland, 2003: 161):

*The principle of partnership has proved difficult to carry through. Dependence on aid, short-termism, and the pressure of crises has increasingly overshadowed relations. The recipient country's institutional environment and economic and social policy have often a major constraint on the effectiveness of Community cooperation. The Union must bear some responsibility; its procedures have also limited the effectiveness of its aid. The impact of trade preferences has been disappointing on the whole.*

As the focus of this thesis is upon trade relations between the EU and Cambodia under the Everything but Arms scheme, the next section delves deeper into the EU sugar regime and preferential trading policies.

### 3.2 EU SUGAR REFORM AND THE EBA

Figure 12. Preferential prices.



Illovo, 2010

As the largest producer of sugar beet, sugar is an important agricultural commodity in the EU (EC, 2012b). Due to the favorable climate, the majority of sugar beet is grown in northern Germany, France, the United Kingdom and Poland. Only 20 percent of sugar comes from beets; the remainder is produced with cane grass. In addition to being the largest producer of sugar from sugar beets – with roughly 50 percent

of the total – the EU is the principle importer of raw sugar for refining (*Ibid*).

Sugar practices in the EU fall under the Single Common Market Organization (CMO), the legal framework that provides rules for agricultural management. CMO rules address marketing and production standards, public market intervention, schemes for quota and aid, and trade.<sup>21</sup> Sugar policy, reformed in 2006, addresses three areas: the management of the sugar quota, a reference price for sugar and a minimum guaranteed price to growers, and trade measures (*Ibid*). Here is a brief synopsis of each (EC, 2012b):

- **Quota management.** 19 Member states share a production quota of 13.3 million tons of sugar. Excess in this is termed 'out of quota' sugar and its uses are strictly managed. The World Trade Organization (WTO) allows a maximum of 1.35 million tons of out of quota sugar to be exported. The remainder may be sold for non-food uses such as biofuel, or counted against the quota of the following year. In addition, isoglucose, commonly known as high-fructose corn syrup, holds a small quota of 0.69 million tons.
- **Pricing.** Growers receive a minimum price of €26.29 per ton from factories. Out of quota sugar does not qualify for the guaranteed minimum pricing. In addition, the fixed reference price for raw sugar is €335.2 per ton; white sugar is fixed at €404.4 per ton. If EU market prices fall below 85 percent of these prices, private storage aid can be activated.
- **Trade.** Under the 2006 sugar regime reform, the Community has become a net sugar importer particularly for raw sugar. Benefitting from quota and duty-free access, imports mainly arrive from the African, Caribbean and Pacific countries (ACP) and Least Developed Countries (LDC). Several import quotas allow roughly 1 million tons of reduced or duty free imports each year with the Balkans and Brazil the main beneficiaries (*Ibid*). Under the new regime, a safeguard clause designed to protect domestic producers will remain in place until 2015 for the ACP non-LDC countries. The clause is activated if more than 3.5 million tons of sugar is imported in a single year. This has not occurred since installation of the clause in 2009.

Under policy relatively unchanged for 40 years, sugar prices three times higher than world levels and an export system operating against trade rules, the 2006 reform of the European sugar regime brought a "radical overhaul" to sugar policy and placed it in line with the EU's Common Agricultural Policy (CAP) (UC, 2006: 2). The EU's program for sugar was an anom-

aly - it made sugar one of the most profitable crops and the one least open to reform (USDA, 2006: 1). CAP had already introduced competitiveness to other agricultural sectors by reducing support prices, paying compensation through direct income payments and severing the production subsidy link (UC, 2006, CH2:1).

The sugar regime was reformed for four reasons:

- Artificially high prices
- World Trade Organization ruling
- Current regime expiration
- Unsustainability of the current regime

The artificially high prices paid for sugar faced increasing criticism within the EU as well as from the outside. The ruling of the WTO in a case brought by Australia, Brazil and Thailand required regime alterations. According to the WTO Appellate Body, 'C sugar,' exports were cross-subsidized with revenues from production under A and B quotas. The WTO also ruled that the EU exceeded its export subsidy commitments due to its "subsidized export of quantities of sugar equivalent to imports from the Africa Caribbean and Pacific (ACP) countries and India" (EC, 2006, 2: 2). The current system, about to expire, needed to abide by international regulations. Moreover, if the status quo was maintained, the EU sugar industry would be damaged through a lowering of production quotas necessary to allow Everything but Arms (EBA) imports of roughly 3.5 million ton per annum. Under decreased production, "at least 60 factories would close and 5,000 agricultural jobs, 25,000 jobs in industry and 50,000 indirect jobs would be lost" (*Ibid*).

The reform included a 36 percent reduction in the guaranteed price for white sugar over four years as well as a compensation system for beet farmers (Bruntrup, 2006: 1). Finally, a Restructuring Fund would prompt uncompetitive producers to leave the industry as well as contribute to crop diversification. Production, predicted to fall by roughly seven million tons, would be met through imports from the ACP (African, Caribbean and Pacific) countries as well as LDC designated by the UN (EC, 2006: 2). Under this scheme, sugar would be produced "where it makes the most sense" with farmers well-compensated for losses of income. To compensate for the drop in price, sugar producers in the EU and a few preferential exporters from ACP countries would receive cash payments. While the reforms would impact EBA countries - exports from EBA countries were expected to fall to 2.2 million tons with exports receipts falling by roughly €1 billion - they would not be compensated against future losses (Bruntrup: 2006: 1). Reforms would allot a four year transition period to enable struc-

<sup>21</sup> Common Organisation of Agricultural Markets: [http://europa.eu/legislation\\_summaries/agriculture/agricultural\\_products\\_markets/l67001\\_en.htm](http://europa.eu/legislation_summaries/agriculture/agricultural_products_markets/l67001_en.htm)

tural changes to occur (EC, 2006, 2:1).

## PRE-REFORM 1968-2006

As noted earlier, sugar policy remained largely unchanged for 40 years. Central features of the regime, designed to provide EU producer incomes and self-sufficiency, included:

- **Grower support**

The system provided support to growers in the form of a minimum price for sugar beet and a guaranteed price for market support.

- **Quotas to distribute sugar production among member states and limit production**

A-quota, originally determined in accordance with domestic consumption

B-quota, the additional amount needed to fulfill export potential

C sugar, over-quota sugar that must be sold outside of the EU without grower support

- **Tariffs and quotas on imports**

- **Subsidies to export surplus production out of the EU**

Quotas were the maximum quantity of sugar eligible for subsidies; the minimum price a grower received from a sugar manufacturer applied to quota sugar. Under a price scheme unchanged since 1993/94, beet growers received EUR 46.72 per ton for A-quota sugar and EUR 32.42 per ton for B-quota sugar. ‘Intervention’ or market support prices were EUR 631.9 per ton for white sugar and EUR 523.7 per ton for raw sugar.

The reform was to take effect in July, 2006.

## POST-REFORM

The budget neutral reform had the following key objectives (EC, 2006, 2:2):

- Ensuring sugar supply while simultaneously protecting the EU market from price fluctuations
- Increase competitiveness in a global market
- Reorient toward the market through restructuring

- Provide fair living standards for farmers and maintain rural communities
- Provide preferential access to ACP and LDC producers
- Simplify the regime and limit costs

Under the new regime, “prices should revert to their true role as the determining factor in the allocation of resources and investment decisions.” As such, support prices are replaced by

Figure 13. EU Institutional price reform.

		2006/2007	2007/2008	2008/2009	2009/2010	From 2010/11 onwards
<b>PRICES</b>						
Reference price (price at producer level)	(EUR/t)	631,90	631,90	541,10	404,40	404,40
Reference price at producer level (net of restructuring amount)	(EUR/t)	505,50	458,10	428,20	404,40	404,40
Reference price (raw sugar)	(EUR/t)	496,80	496,80	448,80	335,20	335,20
Cumulative reduction in reference price at consumer level	%	0,00 %	0,00 %	14,30 %	36,00 %	36,00 %
Cumulative reduction in reference price at producer level	%	20,00 %	27,50 %	32,20 %	36,00 %	36,00 %
Cumulative reduction in raw sugar price	%	5,00 %	5,00 %	14,30 %	36,00 %	36,00 %
Minimum sugar beet price	(EUR/t)	32,86	29,80	27,83	26,29	26,30

EC, 2006, 4:3

a ‘reference’ price. Those unable to compete under new price cuts would be given incentives to relinquish quotas (*Ibid*).

White and raw sugars were cut 36 percent in four stages. Intervention was suspended from 2010 onwards. A safeguard measure for preferential imports is included to protect domestic producers.

Price cut compensation in the form of decoupled direct payments was made to beet farmers to cover 64.2 percent of revenue loss. Decoupled direct payments became part of the Single Payment Scheme introduced in 2003. Decoupling separates payments from the crops; payments instead are made to growers based on ‘cross compliance’ conditions regarding standards on the environment, health and safety. Farmers receive a set payment amount based on the amount of land kept in cultivable condition; crop choice is based on market conditions rather than subsidies.<sup>22</sup> The cost of the compensation scheme will be off-set by reduced export subsidies.

For the first four years, no reductions in quotas allowed for voluntary restructuring to take place through the incentivizing restructuring fund. The fund, financed by quota levies, aimed to facilitate factory closure and reconversion areas, farmer

<sup>22</sup> For more information on the SPS, see: [http://www.agriculture.gov.ie/farmer\\_schemes/payments/singlepaymentscheme/](http://www.agriculture.gov.ie/farmer_schemes/payments/singlepaymentscheme/)

compensation and diversification measures. If restructuring fails to influence uncompetitive producers and growers to leave the industry, an “across the board cut” would be applied in 2010 to permanently reduce all quotas (OECD, 2007: 11). A and B-quotas were merged and the system was extended until the 2015 marketing year. To maintain production levels of C sugar, a single one-time payment of an additional quota for roughly one million tons was made available. Under the reform, isoglucose quotas were increased.

To achieve balance in the market, three mechanisms were made available:

- Carry forward allows over-quota production to be applied to the next year
- Withdrawal allows obligatory sugar storage
- Private storage is triggered in unfavorable markets, e.g., market price drops below the reference price

The reform incentivizes the use of out of quota sugar in the biofuel, chemical and pharmaceutical industries. For example, biofuel production from sugar beets is promoted under the CAP reform of 2003 which outlaid energy crop aid at €45/hectare (EC, 2006, 2:4).

As the WTO ruling demonstrates, EU’s domestic policy on sugar has influence on and implications for countries outside its borders. In addition, the Community uses its trade to foster development and economic cooperation with developing countries. Of particular interest to this study is the Everything but Arms scheme. However, in order to put the scheme into perspective, the next section first chronologically outlines the histories of EU policies geared toward sugar. As earlier policy was impacted by regime reform as well as the introduction of Economic Partnership Agreements 2009 policy, the section interjects these issues when necessary. The section ends with an overview of the current sugar challenges in the EU.

### 3.2.1 EU SUGAR POLICIES FOR DEVELOPING COUNTRIES

The 1975 Sugar Protocol, attached to the Lomé Agreement, is a preferential trade agreement between the EU and 19 ACP countries. In the agreement, the EU commits to purchasing a specified amount of sugar to be provided by the ACP signatories at guaranteed prices. The agreement guarantees 1.3 million tons of sugar per annum to enter without duties. Quotas for 10,000 tons of sugar were set in an identical agreement with India as well. These quotas remain unchanged under the 2006 sugar reform. The imports have contributed “millions of tons of sugar exports and billions of euros to those countries” (EC, 2006, 4: 1).

Additionally under the Protocol, 1.8 million tons of raw cane sugar must be supplied to sugar refineries in five member states each year and according to the refineries “presumed maximum needs.” During the four year transition period of the 2006 regime reform, refineries operating full-time received privileged access. If Protocol supplies are insufficient, a zero-duty Special Preferential Sugar (SPS) tariff quota is opened. Approximately 200,000 tons of SPS raw cane sugar for refining purposes is also opened each year to India and the ACP Protocol states. Under the reform, the quota will operate under “complementary quantity.” In 2000, the Sugar Protocol was renewed, unchanged, under the Cotonou Agreement. The pre-reform guaranteed price was fixed each year; the amount before reform was the EU intervention price of EUR 523.70 per ton of raw sugar and EUR 645.50 per ton of white sugar. After the 2006 reform, new prices were applied. The guaranteed price scheme under this arrangement motivated some signatories to maximize exports even if domestic supplies were not met (EC, 2006, 4:1).

### CXL AND THE ‘BALKANS’ INITIATIVE

The CXL quota, negotiated when Finland joined the EU, pays an average import price equal to the guaranteed price in the Sugar Protocol. Within the quota, a reduced tariff of EUR 98 per ton is allotted to 85,463 tons of raw cane sugar for refining. The majority of the quota is provided to Cuba at 58,969 tons and Brazil at 23,930 tons (EC, 2006, 4:2).

The ‘Balkans’ Initiative is a preferential trade agreement falling under the EU’s ‘Stabilization and Association Process.’ From the end of 2001, all import duties for products originating in the Western Balkans were removed. Under the agreement, 300,000 tons of sugar was imported in 2002/03. EU quotas needed to adjust to comply with the WTO ruling. To ensure the sustainable development of sugar production, a new Balkans quota scheme was enforced in 2005.

### 3.2.2 GSP AND EVERYTHING BUT ARMS

In 1968, the United Nations Conference on Trade and Development (UNCTAD) advanced the idea of improved export market access to developing countries in order to foster development (EC, 2012a). Improved access has been achieved through the Generalized System of Preferences (GSP) that provides benefits such as lower duties on what developing countries sell. Under the GSP, countries are able to tailor individual GSP conditions. As a result, developed countries have differing GSP arrangements regarding products and rules of origin.

The EC GSP contains three arrangements: the standard GSP available to the broadest group of developing countries, GSP+, open to ‘vulnerable’ countries that have ratified and implemented 27 international conventions on the principles of sus-

tainable development and good governance (Kelegama, 2010: 6), and Everything but Arms, the most generous arrangement available.<sup>23</sup> All GSP arrangements exclude trade in armaments. In order to evolve with the trading system, the EU reviews its GSP scheme every ten years. The current scheme is in effect during the 2006 – 2015 period (*Ibid*). The GSP is structured under the following headings (EC, 2004: 1):

- The general arrangements
- The special incentive arrangements for the protection of labor rights
- The special incentive arrangements for the protection of the environment
- The special arrangements for least developed countries
- The special arrangements to combat drug production and trafficking

Imports must meet certain conditions that are designed to ensure that the benefits of the scheme are properly awarded to LDCs (*Ibid*: 10). Rules of origin require the product to originate in the beneficiary country. Nonetheless, third-country inputs are allowed if they have gone under sufficient processing; exports must be accompanied by origin Form A. Furthermore, in order to foster regional integration, the rules provide under certain conditions for cumulation of origin (*Ibid*: 11). This means that third-country inputs may be considered to originate within the beneficiary country. More specifically, “Where a product has been manufactured in or with inputs from two or more countries belonging to a group enjoying regional cumulation, inputs from other countries of the same group are treated as if they originate in the exporting beneficiary country between the members of regional groups” (EC, 2004: 11). Imports under GSP are entitled to ‘donor country content.’ Under the rules of origin, designed to facilitate economic cooperation, EU materials supplied to beneficiaries as manufacturing inputs are treated as bilateral cumulation of origin. These products, if sufficiently worked or processed, are treated as originating in the beneficiary country and thus eligible for importation under the GSP (*Ibid*).

Although exception measures, safeguards and temporary withdrawal can be made at any time (*Ibid*: 16). Safeguards are applied in situations such as those causing difficulties for EU producers. In the case of sugar, “in situations where the European Community market price of white sugar falls during two consecutive months below 80 percent of the European

Community market price for white sugar prevailing during the previous marketing year” (EC as cited by Garcia-Duran et al, 2009). Another example leading to temporary withdrawal is a violation of the principles outlined in the International Labour Organization (ILO) Declaration on Fundamental principles and Rights at Work (EU, 2004: 16). Under the Declaration, four fundamental principles and rights at work are included:<sup>24</sup>

- Freedom of association and the effective recognition of the right to collective bargaining
- Elimination of all forms of forced or compulsory labor
- Effective abolition of child labor
- Elimination of discrimination in respect of employment and occupation

In 1997, Myanmar was withdrawn from the list of GSP countries due to forced labor infractions defined under ILO Conventions No. 29 and 105 (EC, 2012a). In 2006, Belarus was suspended for violating core labor rights and later withdrawn.<sup>25</sup>

## EBA

The Everything but Arms, adopted in 2001, is a policy under the fourth heading of the European Commission’s Generalized System of Preferences (EC, 2012a). While a GSP scheme, the EBA was incorporated within GSP Council Regulation (EC) No 2501/2001 that states the EBA should be maintained for an unlimited time period and not subject to periodic review.

Under EBA, Least Developed Countries can import products outside of arms and ammunitions to the EU without duties and for a guaranteed minimum price (*Ibid*). Exceptions for a limited period of time (in the form of longer transition periods) were made for rice, bananas, and sugar. This amounts to 99.7 percent of products available for trade (EC, 2011). According to Bruntrup (2006: 1), sugar presented the best opportunity for LDC; the EU projected that exports under the scheme would reach 3.3 million tons per annum by 2013 at a value of nearly €2 billion (Bruntrup, 2006: 1). There are currently 48 countries recognized by the UN as LDC (EC, 2012a).

According to the European Commission, through a guaranteed minimum price, “EBA provides the most favorable regime available” (2012a). From October 1, 2009 to September 30, 2012, importers purchase sugar at a price not lower than

<sup>23</sup> For more in-depth information on GSP, please see the EC website at <http://ec.europa.eu/trade/wider-agenda/development/generalised-system-of-preferences/>

<sup>24</sup> ILO Declaration: <http://www.ilo.org/declaration/>

<sup>25</sup> EU trade preferences for developing countries: [www.parliament.uk/briefing-papers/SN03369.pdf](http://www.parliament.uk/briefing-papers/SN03369.pdf)



90 percent of the reference price (*Ibid*).

Under special provisions, tariffs suspension applied to a quota of raw cane sugar for refining (EC, 2006, 4: 1). The quota of 74,185 tons (2001/02) was set to increase 15 percent each year until reaching the following limits: 129,751 tons (2005/06), 149,213 tons (2006/07), 171,594 tons (2007/08) and 197,334 tons (2008/09). Between 2006/07 and 2008/09, tariffs were gradually reduced without quantitative restrictions. From July 1, 2009, tariffs were completely suspended (*Ibid*). After the implementation of EBA, LDC sugar exports to the EU “showed a noticeable increase” (EC, 2006, 4:3).

An important distinction to be noted is that under EBA, trade preference “is granted, and not negotiated, by EU” in favor of “long-term planning and investment for development.”<sup>26</sup>

### EBA SHORTCOMINGS

According to Anne-Catherine Claude, EU policy officer at ActionAid, in spite of GSP trade initiatives such as EBA, LDCs are unable to use many of the preferences granted (as cited by Agazzi, 2010). As LDCs lack production capacities, they continue to export commodities because they are not in the position to manufacture value-added products for export. As a result, EBA mainly benefits more capable businesses with market connections. At a recent UNCTAD meeting in Geneva, Rehman Sobhan, chairperson of the Centre for Policy Dialogue stated, “The EBA is very good but the main beneficiaries tend to be the entrepreneurs of state-owned enterprises.” Particularly impacted by a lack of access to the factors of production are women (*Ibid*).

Karin Ulmer, policy officer for trade and gender at APRODEV, proposes that policies like EBA should be shaped according to the context of the specific countries and the nexus within the country between development and trade (Agazzi, 2010). She likens non-contractual partnership agreements such as EBA to a “hubs and spokes approach” that splits regional groupings and markets and undermines the “huge potential of more autonomous local and regional food markets that could better assist smaller and poorer groups in Africa” (*Ibid*). Ironically, Europe historically has favored regionalism but perhaps of a different stripe (Schimmelfennig, 2009: 13). One current example of the regionalism approach in EU policy comes from EPAs which are designed to “boost regional markets and rules” in order to promote regional solutions perceived to be good for development.<sup>27</sup> At a higher level, regionalism is

also evident in a UNCTAD proposal to group the weakest small African countries together (Agazzi, 2010). However, according to Schimmelfennig (2009: 13), EU regionalism “follows an organizational norm rather than functional considerations.”

Other criticisms include the limited scope of the scheme, mainly the EBA should be made available to other countries as well as its inability to attract a sufficient level of FDI required to expand exports (Agazzi, 2010).

### EBA AND CAMBODIA

Cambodia has had access to EBA since March 2001. Out of the 49 countries trading within EBA, the Kingdom is one of the biggest beneficiaries. In 2010, LDC EBA exports averaged 63 percent while nearly 75 percent of Cambodia’s exports fell under EBA. The EU is also one of the biggest providers of trade-related assistance to Cambodia (EC, 2011). In 2009, a US \$12.6 million grant was provided by three donors: the European Commission committed €7.1 million, the Danish International Aid Agency (Danida) committed DKK 33 million, and the United Nations Industrial Development Organization (UNIDO) provided €0.2 million. The World Bank will provide technical advice as well as monitor the program and evaluate the impacts. The Cambodia Trade Development Support Program aims to remove trade barriers and improve the standard of Cambodian exports in order to alleviate poverty. Primary objectives include formulating and implementing effective trade policies; meeting WTO obligations and in improving access to European markets, among others.<sup>28</sup>

In response to the initiative, Rafael Dochao Moreno, Chargé d’Affaires of the European Commission Delegation in Cambodia recently stated (EC, 2011):

*More than any other region in the world, the European Union is aware of the benefits of trade for economic development. The European Union is the largest provider of trade-related development assistance around the world. And as the biggest market for exports from developing countries, we provide duty-free access to exports from LDCs like Cambodia under the preferential trading system 'Everything but Arms.' Financing this work in Cambodia therefore falls squarely within the European Commission's support strategy for Cambodia.*

As Cambodia's second trade destination, 27 percent of total

<sup>26</sup> Economic partnerships: <http://ec.europa.eu/trade/wider-agenda/development/economic-partnerships/>

<sup>27</sup> Development: Economic partnerships: <http://ec.europa.eu/trade/wider-agenda/development/economic-partnerships/>

<sup>28</sup> World Bank and Other Development Partners Help Cambodia to Improve Trade Facilitation: <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/CAMBODIAEXTN/0,,contentMDK:22035432~pagePK:1497618~piPK:217854~theSitePK:293856,00.html>

exports are bought by the EU. As a result of EBA, nearly 75 percent of Cambodian exports enter the EU market duty-free. The footwear sector, followed by textiles and bicycles, obtained the highest utilization rates. Together these comprise 96 percent of Cambodia's total EU exports. In 2010, an “exponential increase in some Cambodian agricultural products” was observed. The simplification and easing of the GSP from January 1, 2011 allowed Cambodian EU exports to increase by 53 percent in the first five months of 2011 compared to the same period in 2010 according to the Ministry of Commerce (EC, 2011).

To increase Cambodian exports to the EU, “which in turn will contribute to growth and poverty reduction,” EU delegates in Phnom Penh invited Cambodian producers, exporters, and business reporters to a seminar in August 2011 to present “the new and more advantageous benefit for Cambodia's trade with the EU thanks to new rules of origin under the GSP” as well as encourage trade facilitation between the two countries as well as inter-regionally. Two officers from the Customs Administration of the Netherlands, Marie Louise Willemsen and Gert van't Spijker, led the seminar (EC, 2011). Please see Appendix III for EU/Cambodia trade figures.

The level of effectiveness upon this approach to ‘development’ in Cambodia however, remains a question. For some, unscrupulous Cambodian businesses need a stick, not a carrot. Opposition party parliamentarian Mu Sochua issued an appeal for EU companies to cease buying sugar produced by Ly Yong Phat (Campbell, 2011). According to LICADHO, at least 1,214 families in three provinces are involved in land disputes related to senator Ly's sugar operations (Prak, 2010). Believed to be a motivating factor for private companies to evict smallholders off of their land, human rights groups in Cambodia have criticized the EBA for not benefitting poor Cambodians enough. The groups have called on the EU to investigate gross human rights abuses committed by companies exporting sugar to EU countries under EBA, including those related to this research. The groups also request the EU to implement its regulations to bring Cambodia into compliance with international obligations and if necessary, suspend EBA benefits for Cambodian sugar (Pred as cited by Prak 2010).

During a 2011 visit to Cambodia, Swedish European Parliament member Cecilia Wikstrom stated that Cambodian People's Party senators have abused EBA and human rights and that “... the sugar issue in this country is a 'blood sugar' story” (Deutsche, 2011). Government spokesman Phay Siphon responded by saying that as most villagers in concession areas were content, Wikstrom was misinformed. Phay however seemed most concerned with political spinning when he stated, 'She acts like a spokesman for the opposition party... She has based (her findings) on what she heard from a minority of those people and misleading (information) from the oppo-

sition” (*Ibid*).

According to David Pred, “The EU regulations governing the EBA initiative call for an investigation when credible allegations of serious and systematic human rights abuses have been made. That would be the right thing for the EU to do, but it remains to be seen if EU Member States with economic interests in Cambodia will block the EU's action to invoke EBA's human rights safeguards” (Campbell, 2010).

In response to the criticisms, Charge d' Affaires of the EU delegation to Cambodia Rafael Dochao Moreno stated that EBA supports economic and social development in the country and that human rights abuse and land rights violations cannot be blamed on the scheme. While Moreno stated that the EU encourages “an open and inclusive process to address those concerns,” the issue needs to be resolved by the Cambodian government (Prak, 2010).

Political and Commercial Affairs Officer at the EC Seth van Doorn, recognizing the non-contractual nature of EBA, stated that benefits in theory could be suspended although it is “a decision not to be taken lightly.” As the EU is under no obligation to provide the scheme, Doorn added, “there is the possibility that we would take into account all the repercussions. This is not something to make a quick political statement about, as obviously this would have massive implications” (Campbell, 2011).

Wikstrom, having pledged to push the EC to suspend EBA benefits to Cambodia and recognizing that it would be a lengthy process, noted that “One thing is for sure: the EU has committed to specific moral standards, and when they are severely violated, as I have experienced in this country, we need to address it accordingly” (Deutsche, 2011).

## REFORM IMPACTS ON DEVELOPING COUNTRIES

Due to a lower sugar price outlined in the 2006 reform, LDCs and the Sugar Protocol countries were expected to reap lower returns. In response, LDCs asked to continue exporting at higher prices but under limited quotas during a transitional period. With terms significantly higher than world prices and unwilling to create a dual price structure or alter the relatively new EBA agreement, the requests were denied by the Council and the Commission. EU operators remained committed to buying EBA sugar at a price no lower than the guaranteed price for ACP countries and India (EC, 2006, 4:4).

Commitments to ACPs under the Protocol were honored at a lower price. White sugar would be near the new reference price while raw sugar was reduced to EUR 448.8 per ton in 2008/09 and EUR 335.2 per ton in 2009 (EC, 2006, 4:4).

### 3.2.3 THE ECONOMIC PARTNERSHIP AGREEMENTS

In 2009, the Sugar Protocol was “overtaken” by:<sup>29</sup>

- Increased access under the 2006 sugar regime reform
- Everything but Arms scheme
- Extension of market access to all ACPs under Economic Partnership Agreements

In 2009, the Protocol was terminated and new conditions were negotiated under new Economic Partnership Agreements (EPAs). Key features include:<sup>30</sup>

- Ability to meet regional-specific circumstances through tailor-made agreements with third countries
- Focus on ACP and LDC development with assistance for implementation
- Immediate EU market liberalization
- 15-25 year period for ACPs to open 80 percent of their markets to EU imports; 20 percent of sensitive imports are protected
- Less stringent rules of origin allow LDC exports to use third-country inputs particularly in key export sectors of agriculture, fisheries, textiles and clothing
- Respect for national sovereignty
- Contracts cannot be altered without mutual agreement

In order to facilitate the transition, €1.25 billion in aid will be allocated, at the national level and in line with the development strategy of each country, for the period of 2006-2013.<sup>31</sup>

#### TRANSITION

The EPA outlines a 2009-2015 transition period wherein adjustment is graduated and three fundamental changes are introduced: decreased guaranteed pricing that will eventually cease under full liberalization, quota increases and an increase in the number of ACP countries eligible (Garcia-Duran

<sup>29</sup> ACP sugar protocol programme: [http://ec.europa.eu/europeaid/how/finance/sugar\\_protocol\\_en.htm](http://ec.europa.eu/europeaid/how/finance/sugar_protocol_en.htm)

<sup>30</sup> Economic partnerships: <http://ec.europa.eu/trade/wider-agenda/development/economic-partnerships/>

<sup>31</sup> ACP sugar protocol programme: [http://ec.europa.eu/europeaid/how/finance/sugar\\_protocol\\_en.htm](http://ec.europa.eu/europeaid/how/finance/sugar_protocol_en.htm)

et al, 2009). During transition, the terms are the same for EBA and EPA: a reduction in the guaranteed price maintained until September 2012 and import limits until October 2015 (*Ibid*).

Up to September 30, 2009 Sugar Protocol terms were maintained and quotas were increased to improve market access to EPA signatories. After September of 2009, sugar originating from any signatory-ACP or LDC will receive preferential non-reciprocal treatment (Garcia-Duran et al, 2009). ACP sugar from October 2009 to September 2012 is to be priced no lower than 90 percent of the EU reference price; after this transition period, pricing is determined by the market. Reference price reductions occurring under 2006 reform terms reduced ACP raw sugar by roughly 33 percent during 2008 and 2009 (*Ibid*).

Under EPA, quotas are maintained on imports until 2015 for countries other than LDC. Specific country quotas and rules regarding safeguard immunity no longer apply. Access will be duty free within automatic safeguard ceilings. While excess non-LDC imports may be subjected to Most Favored Nation duty, LDCs will only be subject to a regular safeguard clause for EPA and EBA imports (*Ibid*).

#### POST-TRANSITION

From October 1, 2015, non-reciprocal duty and quota-free access will be provided for sugar from EPA and EBA countries within the confines of WTO rules (Garcia-Duran et al, 2009). The EBA regime is compatible under the “Enabling Clause of the WTO while the EPA falls under GATT Article XXIV (*Ibid*). EPAs are subject to the general EPA safeguard clause.

As opposed to the Sugar Protocol and the EPA transition which were based on quantitative limits, the EPA is based on price; sugar imports from EPA LDCs and non-LDCs are subject to the same safeguard mechanism that may impose duties “in situations where the European Community market price of white sugar falls during two consecutive months below 80 percent of the European Community market price for white sugar prevailing during the previous marketing year” (*Ibid*).

#### SUGAR SUGAR EVERYWHERE?

Even when global sugar supplies outpaced demand by 7.7 million tons, the EU is facing sugar shortages.<sup>32</sup> Despite a drop in sugar prices of 15 percent in New York trading last year<sup>33</sup>

<sup>32</sup> EU is Considering Allowing More Sugar Sales, Faster Imports: <http://www.businessweek.com/news/2012-04-02/eu-is-considering-allowing-more-sugar-sales-faster-imports>

<sup>33</sup> Sugar Consumers Urge EU to Authorize Supplies at Zero Duty: <http://www.bloomberg.com/news/2012-04-05/sugar-consumers-urge-eu-to-authorize-sup>

“unjustified inflationary pressure on the market” resulting from high levies and tariffs put the EU average price of sugar at €683 per ton in January of 2012 - the highest since July of 2006.

The EU was the second-largest sugar exporter until the WTO ruling in 2005.<sup>34</sup> As noted earlier, to comply with the WTO ruling and make the industry more competitive, the EU spent roughly €5.2 billion on reform measures (*Ibid*). In spite of reform, competitiveness has suffered. Import duties have placed a heavy burden on the EU sugar market with prices 60 percent higher than the global market.<sup>35</sup> James Lambert, chief executive officer of Northallerton, the largest private label producer in Europe, stated, “We can’t buy sugar in the EU because there isn’t any” (*Ibid*).

Currently, EU sugar regime rules limit the amount of sugar local producers can supply to the domestic market. Out of quota sugar must be carried over to the next season, exported or used in non-food industries.<sup>36</sup> As imports usually incur a duty of €339 per ton, according to industry experts the rules are creating an artificial shortage of roughly 1.6 million tons (*Ibid*). Despite increases, domestic production will remain 11 percent lower than seven years ago.<sup>37</sup> As the sale of this sugar is limited, the increase will not reach EU consumers. Proposals to remove sugar quotas under CAP reforms were released in October of 2011.

Ahead of an EU vote on eliminating sugar quotas as part of the CAP reforms, Tim Innocent, head of procurement at Nestle and chair of UK Industrial Users of Sugar Group stated, “It’s now time to say enough is enough.” The group wants full deregulation of the sugar industry, specifically the elimination of beet production quotas as well as a guarantee that there will be ‘adequate’ zero duty imports in 2015. Until that time, the group also wants import tariffs of €419 per ton on white sugar to be reduced. Before reform, a constant supply of sugar was available to the industry. As such, Tate & Lyle Sugars president Ian Bacon believes that refiners were better off be-

fore the reform. Beet quotas in the UK restrict the company’s production and thus the company has not been able to meet demand. Innocent also stated that there was “a high degree of politics in the sugar industry.”<sup>38</sup>

Since consumers complained about sugar shortages, the EU is considering higher domestic production limits, reduced duties and accelerated imports (*Ibid*). The domestic market may be able to supply relief through an additional 250,000 metric tons.<sup>39</sup> This will certainly come as good news to the companies producing sugar at the mill in Koh Kong where taking advantage of EBA benefits was a stated objective.<sup>40</sup> These companies, along with a few others less-directly involved in producing sugar in Sre Ambel, are presented in the next section.

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plies-at-zero-duty-1-.html

<sup>34</sup> EU Is Considering Allowing More Sugar Sales, Faster Imports: <http://www.businessweek.com/news/2012-04-02/eu-is-considering-allowing-more-sugar-sales-faster-imports>

<sup>35</sup> Sugar Shortages Extend Across Europe as Global Glut Expands: Commodities: <http://www.bloomberg.com/news/2011-10-18/sugar-shortages-extend-across-europe-as-global-glut-expands-commodities.html>

<sup>36</sup> EU Is Considering Allowing More Sugar Sales, Faster Imports: <http://www.businessweek.com/news/2012-04-02/eu-is-considering-allowing-more-sugar-sales-faster-imports>

<sup>37</sup> Sugar Shortages Extend Across Europe as Global Glut Expands: Commodities: <http://www.bloomberg.com/news/2011-10-18/sugar-shortages-extend-across-europe-as-global-glut-expands-commodities.html>

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<sup>38</sup> ‘Enough is Enough.’ [http://www.confectionerynews.com/Regulation-Safety/Enough-is-enough-says-Nestle-procurement-head-on-EU-sugar-regime?utm\\_source=copyright&utm\\_medium=OnSite&utm\\_campaign=copyright](http://www.confectionerynews.com/Regulation-Safety/Enough-is-enough-says-Nestle-procurement-head-on-EU-sugar-regime?utm_source=copyright&utm_medium=OnSite&utm_campaign=copyright)

<sup>39</sup> Sugar Consumers Urge EU to Authorize Supplies at Zero Duty: <http://www.bloomberg.com/news/2012-04-05/sugar-consumers-urge-eu-to-authorize-supplies-at-zero-duty-1-.html>

<sup>40</sup> Company letter to SET: <http://www.settrade.com/simslmg/news/2007/07043155.pdf>



## IV. THE INTERNATIONAL LAND GRAB DEBATE

For the last few years, particularly following the world food price crisis of 2007-2008 (Deininger et al, 2011; 50), increasing attention has been placed on large-scale land deals in Asia, Latin America and Africa (GTZ, 2009: 8; Anseeuw et al, 2012: 5; Cotula, 2012: 649). Popularly called ‘land grabs’ in the media, the term is used to describe the outright acquisition, or more commonly, the long-term leasing of state land (Cotula, 2012: 649) by powerful investors for tourism, agriculture, mining, hydropower projects, and climate change compensation

Figure 14. Land acquisitions from two methodological approaches.

Land area (ha)	Coverage	Time period	Source	Method
51-63 million	27 countries in Africa	2008-2010	Friis & Reenberg (2010)	Systematic inventory of media reports included in the ILC blog
56.6 million	Global (81 countries covered)	1 October 2008-31 August 2009	Deininger et al. (2011)	Systematic inventory of media reports included in the GRAIN blog
About 67 million	Global	2001-2010	Oxfam (2011); Anseeuw et al. (forthcoming)	Systematic inventory of media and research reports, triangulated through a cross-checking process; includes mining, forestry and tourism

Source: Toulmin et al. (2011), with changes and integrations.

Source	Deininger et al. (2011), 2004-2009	Görge et al. (2009)	Cotula et al. (2009), 2004-2009	Media sources as compiled by Friis and Reenberg (2010), 2008-2010
Country				
Cambodia	958,000	943,000		
Ethiopia	1,190,000		602,760	2,892,000-3,524,000
Ghana			452,000	89,000
Lao PDR (two provinces)		417,075		
Liberia	1,602,000			421,000
Madagascar		1,720,300	803,414	2,745,000
Mali		159,505	162,850	2,417,000
Mozambique	2,670,000			10,305,000
Nigeria	793,000			
Sudan	3,965,000			3,171,000-4,899,000

Source: compiled by the author based on datasets cited in the table.  
Notes: World Bank data for Liberia includes renegotiations of pre-existing concessions. In Ghana, Cotula et al. (2009) data refers to land-based investments registered with the Free Zones Board only; leases may be concluded directly with customary chiefs and are therefore difficult to track in a systematic way.

Cotula, 2012: 652-653

mechanisms, among others (Anseeuw et al, 2012: 26-28). The debate surrounding land deals is charged by differing positions on the benefits and drawbacks of these transactions particularly regarding short and long-term impacts on smallholders as well as the environment. To some, underdeveloped countries need investment injections, new technology and employment opportunities for rural development (Deininger et al, 2011: xxv). Others view land deals as a way to ensure global food security (Oxfam, 2011: 6; Mahr, 2009). However, conflict regarding land deals and the oft related resource grabs has highlighted the economic, social and environmental dimensions of the issue (see Oxfam, 2011; Mahr, 2009; Deininger et al, 2011; Campbell, 2011; Global Witness, 2009; GTZ, 2009).

Much of the information surrounding this issue has been obtained from media reports and compiled in online datasets developed by the International Land Coalition (ILC) and GRAIN.<sup>41</sup> As a result, much of the research in the area is based on these reports (see for example Deininger et al 2011, Friis and Reenberg 2010, Oxfam 2011, Anseeuw et al 2012). As the reliability of media-obtained information should be questioned, researchers have used cross-referencing methods when possible. One example is the ILC Land Matrix project of 2009 which was designed to systematically cross-reference information on large-scale land acquisitions.<sup>42</sup> In addition, in-country research has been conducted on land acquisitions based upon government data with interviews as a cross-checking mechanism (see Deininger et al, 2011; Cotula et al, 2009; Görge et al 2009). Cotula (2012) has compiled findings from both approaches in figure 14 (652-653). One of the largest challenges in researching this issue is lack of information. According to the World Bank report, land deals “are surrounded by an air of secrecy that makes public reporting and monitoring near impossible” (Deininger et al, 2011: 71).

This section on land grabbing first outlines the drivers, the types of land and the estimated scale of the issue as well as the key actors in land acquisitions. Next, the impacts of large-scale land acquisitions are provided. Finally, the section ends with the topic of this research - land grabbing in Cambodia related to economic land concessions.

### DRIVERS AND TYPES OF LAND

According to Deininger et al (2011: xxv), the 2007-2008 food crisis combined with the financial crisis led to a “rediscovery” of the agricultural sector. Well-off but import-dependent countries have searched for ways to ensure food security while financial turmoil has led investors to look to more attractive areas to conduct business (*Ibid*; Mahr, 2009). Both resulted in “a wave of interest in land acquisitions in developing countries” (Deininger, 2011: xxv). Rocketing food and oil prices has also spawned interest in biomass investments (GTZ, 2009: 8). Under a greening sugar industry, investments are made in sugarcane production and added-value areas such as ethanol plantations and carbon offsetting projects (Deininger et al, 2011: 159). However, the fundamental causes of the current land rush are rising populations, urbanization, and the

<sup>41</sup> See GRAIN at <http://www.grain.org/>

See ILC at <http://www.landcoalition.org/>

<sup>42</sup> For more information about the Matrix, see: <http://www.commercialpressuresonland.org/>

continued growth of the middle class (Anseeuw et al, 2012: 4; Deininger et al, 2011: 12). The resulting demands for food, raw materials, and ‘sustainable’ energy in the form of biofuels are placing increasing commercial pressure on land (Oxfam, 2011: 2). As a result, other drivers include land speculation (Deininger et al, 2011: 60; Mahr, 2009).

Figure 15. Land area change.

Region	Total area			Change/a	
	1961–63	1989–91	2007	1961–2007	1990–2007
East Asia	176	223	256	1.7	1.9
Latin America and the Caribbean	104	148	164	1.3	1.0
Middle East and North Africa	86	97	97	0.2	0.0
South Asia	191	204	205	0.3	0.0
Southeast Asia	71	92	103	0.7	0.7
Sub-Saharan Africa	148	179	221	1.5	2.4
Developing countries	704	850	940	5.0	5.3
Industrialized countries	385	395	360	-0.5	-2.1
Transition countries	286	275	254	-0.7	-1.3
World	1,376	1,521	1,554	3.8	1.9

Deininger et al, 2011: 10

In the World Bank report, Deininger et al (2012: 11) attribute three factors to the expansion of cultivated land area:

- Population growth, income growth and urbanization have led to an increased demand for industrial raw materials as well as food and feed
- Biofuel stock demand driven by policies in “key consuming countries” such as the USA
- Higher anticipated returns from shifting production away from regions operating at the productivity frontier

Key commodities driving the expansion are illustrated in the Deininger et al table from 2011. Increased cooking oil consumption in Asia, the use of soybean as animal feed, and production of biofuels in the EU raised oil crop demand. For example, maize is mainly grown by smallholders for animal feed as well as for bioethanol to satisfy mandates in the United States. Population growth in Asia as well as urbanization and income growth in the Middle East and North Africa drove changes in land, mostly on small farms (Deininger et al, 2011: 12).

Often within the ‘resource curse’ scenario, developing countries looking for economic boosts through FDI provide the required natural resources coupled with low production costs

(Cypher and Dietz, 2009: 322). The land that is grabbed can be conservation areas rich in biodiversity, mangroves and marsh, grass, and forest lands providing important ecosystem services (Anseeuw et al, 2012: 5), parcels of prime urban<sup>43</sup> or beach real estate previously ‘sullied’ by slums. Finally, land grabs target rural areas with irrigable land in close proximity to transportation networks and other infrastructure (Anseeuw

Figure 16. Commodities driving land use change, 1990–2007

Commodity	Area 2007	Change 1990–2007	Annual change	% large-scale	Key contributors (% of net increase) <sup>a</sup>
Maize	158	27.3	1.6	52	China (29) United States (29) Brazil (9)
Oil palm	14	7.8	0.5	55	Indonesia (50) Malaysia (26) Nigeria (11)
Rice	156	9.0	0.5	4	Myanmar (38) Thailand (21) Indonesia (18)
Rapeseed	30	12.1	0.7	85	Canada (32) India (15) France (8)
Soybean	90	32.9	1.9	78	Argentina (33) Brazil (28) India (19)
Sunflower	27	4.1	0.2	90	Russian Federation (41) Ukraine (38) Myanmar (10)
Sugarcane	23	5.9	0.3	55	Brazil (47) India (29) China (9)
Plantation forestry	139	37.1	2.5	n.a.	China (35) United States (18) Russian Federation (12)

*Source:* Authors’ tabulations from FAOSTAT 2009. Plantation forestry is from FAO 2007 for the 1990–2005 period. Large-scale is based on authors’ classification of the most common production scales in the 20 countries with the fastest expansion.  
a. This column refers to net changes in cultivated area of a crop that may be due to substitution for other crops rather than area expansion.

Deininger et al, 2011: 12

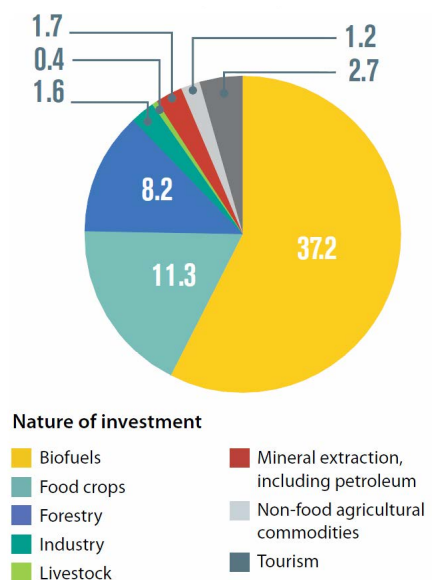
et al, 2012: 4; Oxfam, 2011: 9). FDI in agriculture is recently related to water rights and ‘water grabbing’ as arid or semi-arid land cannot be cultivated without it (Cotula, 2012: 650; Anseeuw et al, 2012: 37). In many cases, the land is supposed to be protected or it is already being used by others, usually the less-powerful, rural poor who farm, raise livestock, fish and collect forest by-products in common use areas and under customary, and thus insecure, tenure regimes (Anseeuw et al, 2012: 5; Oxfam, 2011: 20).

<sup>43</sup> Hun Sen Signs Order to Suspend Land Concessions: <http://www.voanews.com/khmer-english/news/Hun-Sen-Signs-Order-To-Suspend-Land-Concessions-150416195.html>

## THE SCALE

The World Bank analyzed reported land acquisitions compiled by GRAIN between 2008 and 2009 (Deininger et al, 2011). The report found that while the expansion of cropland is nothing new, it has ramped up considerably. Before 2008, global agricultural land expansion averaged less than 4 million ha a year (Deininger et al, 2011: xiv, 51). By 2009, roughly 56 million ha worth of large-scale land deals were on the table. The majority of these deals reside within Africa at 70 percent; millions of ha in Ethiopia, Mozambique, and Sudan have transferred to investors. Median project size is 40,000 ha; 25 percent are larger than 200,000 ha while another 25 percent are less than 10,000 ha. More than 23 percent of projects fall within Sudan, Ethiopia, Nigeria, Ghana, and Mozambique while Latin America and the Caribbean, particularly Brazil and Argentina, account for 21 percent of projects. 11 percent are in Europe and Central Asia, predominately within Kazakhstan, the Russian Federation, and Ukraine. Finally, 10 percent fall in Southeast Asia – mainly the Philippines, Cambodia, Indonesia, and the Lao People’s Democratic Republic (*Ibid*).

Figure 17. LSLA by sector in millions of hectares (cross-referenced).



Anseeuw et al, 2012: 24

Where commodity information on projects is available, 37 percent are for food crops, 21 percent are for industrial or cash crops, and 21 percent are for biofuels. The remainder is used for conservation and game areas, plantation forestry and livestock. Despite the scale of expansion, the majority of deals have not been implemented; farming has occurred on only 21 percent of the deals and at a lower scale than proposed. Some remain unused while others are in the planning, exploratory or initial development stages (*Ibid*: 51-52). This is logical as the study focuses on land deals between 2008 and 2009 –

during the food crisis and shortly thereafter.

According to a larger report by the International Land Coalition in 2012, between 2000 and 2010, land deals under negotiation or already approved totalled 203 million ha (Anseeuw et al, 2012: 4). However, for 30 percent of reported land deals, cross-referencing has not yet been possible. Of the 203 million ha, 71 million ha have been cross-referenced. According to the authors, when compared to other researches of a limited scope, such as the World Bank Report compiled by Deininger et al 2011, the ILC report illustrates “how the pace of land acquisitions has increased tremendously” (Anseeuw et al, 2012: 20).

According to the report, agricultural production comprises 78 percent of land deals with known commodities. 75 percent within this figure are for biofuels. The remainder is for industry, minerals extraction, forest conversions and tourism. The majority of grabbed land lies in Africa at 134 million ha; Asia is next with at least 29 million ha. According to the report, as these figures are derived from reported deals, the actual number of deals is likely higher (Anseeuw et al, 2012: 4).

## KEY ACTORS

Cotula (2012) states that land acquisitions involve “a more complex set of drivers that reflect fundamental shifts in economic and geopolitical relations linking sovereign states, global finance, and agribusiness through to local groups” (649-650). While the media has focused predominately on foreign actors from an investment standpoint (Anseeuw et al, 2012: 21), land acquisitions involve a variety of key players from governments, and domestic and transnational companies to national elites (Anseeuw et al, 2012: 21; Cotula, 2012: 651; Burnod et al, 2011).

As foreign businesses often operate through local subsidiaries, a lack of transparency limits the information available on operational matters and investors (Cotula, 2012: 660). Available information however suggests that private companies play the largest investment role (Cotula, 2010: 660). Governments - host, regional and international - are key players as well through the implementation of bilateral and regional trade agreements and policies designed to encourage trade cooperation within the increasingly liberalized global market (Anseeuw et al, 2012: 53).<sup>44</sup> 75 percent of land deals in South East Asia involve regional actors (Anseeuw et al, 2012: 22).

While emerging economy nations such as Qatar, Saudi Arabia, China, India, and South Korea have received attention as

<sup>44</sup> The political economy of land grabbing in Cambodia addresses domestic policy and trade relations between the EU and Cambodia in section 5 of this paper.



a result of food security strategies, research has shown that private investors motivated by profit are also among the most involved in land deals. They originate in traditional investor countries as well as South Africa and Brazil (Anseeuw et al, 2012: 21).

Moreover, national elites may act as proxies between private business and host governments (Burnod et al, 2011; Anseeuw et al, 2012: 4; Cotula, 2012: 659; Nuijen, 2011: 52). If serving within the government as well as within the business sphere, these government employees take advantage of their local knowledge and connections to become “brokers” of international private investment projects in need of land (Burnod et

al, 2011; Anseeuw et al, 2012: 48; Nuijen, 2011: 52; L.Y.P., n.d. (b): 29). This appears to be the case in Koh Kong where private businesses from Thailand and Taiwan formed a partnership with Ly Yong Phat - a local businessman and senator of the Cambodian People’s Party. Support for the endeavor was gained through the ‘rubber stamp’ RGC<sup>45</sup> that enabled control over land in Koh Kong province under a corrupt governance system. National elites also may acquire land in hopes of future business partnerships (Cotula, 2012: 660).

According to the ILC report, despite individual land areas being smaller, the cumulative effect of national elite deals is significant (Anseeuw et al, 2012: 21). Elite capture has profound implications for rural democratization and thus the distribution of benefits from development projects. As noted

earlier, under these circumstances the constraint of opportunities upon rural populations occurs internally by “regional elites [who] often control the electoral machinery, the judicial system, the economic terms of trade, the allocation of credit... and the principle means of coercion” (Fox, 1990: 3). As such, local governing often takes the shape of clientelism, defined as “inherently selective and contingent distribution of resources and power based on ties of personal and political

loyalty” (*Ibid*). If participation is exclusive to the “most visible and vocal, wealthier, more articulated and educated groups,” community outcomes are determined by people who do not experience poverty (Botes et al, 2000: 44). While “self-perpetuating cliques” or community “gate-keepers” sometimes serve as useful intermediaries for the community (poorer people appeal them for assistance in receiving benefits and facilities from agencies) they often “manipulate the determinants of participation in development projects” and act in their own self-interest and at the expense of the community as a whole (Botes et al, 2000: 49; Mathbor, 2008: 88). Maintaining control by preventing others from directly engaging in development processes, the participation of weaker segments of the society is restricted (*Ibid*).<sup>46</sup>

## THE IMPACTS OF LAND DEALS

As land provides the rural poor with the foundation for social and economic well-being (Deininger, 2004: 2), the impacts of land grabbing can be significant. Although bearing the brunt of the costs, the dispossessed derive few benefits (GTZ, 2009: 7; Deutsche, 2011; Oxfam, 2011: 2). Under the guise of pro-poor economic development that will provide employment opportunities, the poor are dispossessed of their social, cultural and economic bases.

As noted earlier, large-scale land acquisitions often target land with the most resources and closest to infrastructure (Anseeuw et al, 2012: 4; Oxfam, 2011: 9). According to Oxfam, “local employment generation requirements are absent from contracts and rarely materialize in practice” (Oxfam, 2011: 11). Physical investment and employment are lower than proposed, and jobs tend to be seasonal and lower paying (Deininger et al, 2011: 35, 61, 159). Often located where most people live, the land is already under cultivation (Oxfam, 2011: 8; Cotula, 2012: 655; LICADHO, 2009:1). Paul Risley, a World Food Program (WFP) spokesman based in Thailand states, “These are not fallow fields. These are villages where families have farmed for centuries” (Mahr, 2009).

Traditional claims to land and its resources are often ignored or unfairly resolved (Oxfam, 2011: 26, 50; GTZ, 2009: 7). The development-dispossessed, particularly indigenous groups, often are expected to trade their traditions, knowledge systems and livelihoods<sup>47</sup> for the greater and purportedly more sus-

<sup>46</sup> See also Cernea, M. M. (1983). A Social Methodology for Community Participation in Local Investments: the Experience of Mexico’s PIDER Program, World Bank staff working paper, No. 598 or Asthana, S. (1994). Integrated Slum Improvement in Visakhapatnam, India: Problems and Prospects. *Habitat International: A Journal for the Study of Human Settlements*, 18(1), 57–70.

<sup>47</sup> Land Grabs Threaten Anuak: <http://www.grain.org/article/entries/4064-land-grabs-threaten-anuak>

<sup>45</sup> CCHR Institutions: [http://www.sithi.org/admin/upload/media/%5B2012-01-27%5DThe%20Senate/2012\\_01\\_27\\_CCHR\\_The%20Senate%28ENG%29.pdf](http://www.sithi.org/admin/upload/media/%5B2012-01-27%5DThe%20Senate/2012_01_27_CCHR_The%20Senate%28ENG%29.pdf)

tainable good (Escobar, 1996: 330; Nuijen, 2011). Compensation, if provided, is often inadequate; the livelihood support derived from common pool resources often are not compensated due to lack of formal title (Land, 2009: 7; LICADHO, 2005: 4; ADHOC, 2012: 1; CCHR, 2011: 2; UNCOHCHR, 2007: 15; Nuijen, 2011: 58). Jobs created by the development are often low paying and temporary. The environment and common pool resources are harmed; non-renewable water resources are damaged and forests are cleared (Deininger et al, 2011: 65). Increased competition for resources can lead to conflict (Oxfam, 2011: 67; WB, 2003: xviii; Wily, 2011: 8). Women, systematically discriminated against regarding land rights and isolated from public decision-making and participation, are especially vulnerable, “net losers” (Oxfam, 2011: 30, 60). At the threshold of subsistence, vulnerable smallholders do not have the resources to wait for tenure recognition or to pursue just resolution. For farmers, dispossession of their key asset is a dispossession of their daily food security and livelihoods (Anseeuw et al, 2012:5; Deininger, 2004). Remote, underrepresented groups are further marginalized and impoverished. Mahr (2009) asks, “When farmers in food-insecure countries like Laos and Cambodia are scrambling to feed their children, does it make sense to lease out vast tracts to grow rice for foreign governments?”

Perhaps the most promising benefit that is discussed in relation to large-scale land acquisition is the potential impact of investment. According to Oxfam (2011: 2), responsible international investment can reduce poverty, improve livelihoods, and provide jobs, services, and infrastructure, particularly if supported by an effective regulatory framework. Deininger et al (2011) hold that if done properly, larger-scale farming systems can support smallholder productivity and facilitate sustainable agricultural and rural development (xiii). In fact, “more and better investment in agricultural technology, infrastructure, and market access for poor farmers is urgently needed” (*Ibid*). As outlined in the previous section, investment in agriculture is believed to increase agricultural efficiency, reduce poverty, increase economic growth, and raise standards of living. FDI as a development mechanism occurs through spill over effects such as the transfer of technological learning and innovative capacity (Cypher and Dietz, 2009: 466). When asked about land deals and the role of investment, Jean-Philippe Audinet, acting director of the policy division at the U.N.’s International Fund for Agricultural Development states, “One thousand times we say yes on private and public agricultural investment, but done in a certain way. It’s very important not to look negatively at this trend. We have to

try to look at the win-win” (as cited by Mahr, 2009).

The win-win scenario is elusive in many cases. In order to attract local support for investments, governments inflate the potential benefits of development through foreign investment and largely ignore the negative – and often immitigable – impacts (Oxfam, 2011: 11). In a ‘race to the bottom,’ investors might profit from a variety of investment climate incentives such as tax breaks, low lease fees, zero duty on capital goods imports, lack of land use restrictions, and favorable terms for water resources (Anseeuw et al, 2012: 4; Oxfam, 2011: 11). Under weak governance systems, state entities in developing countries lack the capacity (Deininger et al, 2011: 145) and often the political will to implement and then oversee and enforce the terms of the deal, including the collection of revenues (Oxfam, 2011: 11; LICADHO, 2009: 17).

The no-win is summed up by the World Bank Report (2011: 71):

*... it should not come as a surprise that many investments, not always by foreigners, failed to live up to expectations and, instead of generating sustainable benefits, contributed to asset loss and left local people worse off than they would have been without the investment. In fact, even though an effort was made to cover a wide spectrum of situations, case studies confirm that in many cases benefits were lower than anticipated or did not materialize at all.*

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See also Ethiopia: Stop Land Grabbing and Restore Indigenous People’s Lands:  
<http://www.culturalsurvival.org/take-action/ethiopia-stop-land-grabbing-and-restore-indigenous-peoples-lands/ethiopia-stop-land>



## V. LAND GRABBING IN CAMBODIA

With a “huge abundance of land” combined with a lack of funding, Cambodia seeks to attract foreign investors to help modernize technology, improve business and increase agricultural productivity through partnerships with smallholders (GTZ, 2009: 8). One aim is to become a top rice exporter by 2015 (Sen as cited by GTZ, 2009: 8). A lack of basic infrastructure also leads the government to participate in Private Participation in Infrastructure (PPI) projects (Loehr, 2010: 1043). Agreements have been signed with Kuwait for technical support in road works, irrigation systems, and a hydropower plant (GTZ, 2009: 26-27).

Figure 18. Land investments in Cambodia.

Kind of investment	in ha
in agro-fuel	91,200
in wood	108,368
in cash-crops	31,406
in food	66,400
<b>FDI in land in total</b>	<b>297,374</b>

GTZ, 2009: 9

In order to help facilitate these ends, economic land concession policies were formulated.<sup>48</sup> Up to 2010, 1.3 million ha were leased for ELCs (Loehr, 2010: 1036) while a more recent report states that up to 2011, roughly 2.3 million ha across 19 provinces were given to 225 companies on leases of 70 to 99 years. This does not include concessions for 56 mining zones and 22 Special Economic Zones (ADHOC, 2012: 1).

Prominent projects include partnerships with Vietnam, Korea, Kuwait and Qatar. Provided is a brief outline of each (GTZ, 2009: 26):

- Vietnam has plans to further cultivate rice along the Cambodian border for export to Vietnam. The country claims to already have imported one million tons of rice roughly equivalent to one-sixth of annual rice production in Cambodia in 2008. Vietnamese companies have also planted 30,000 ha of rubber in Kratie province with plans to grow on an additional 30,000 ha. This partnership is framed within the ongoing border dispute with Vietnam (*Ibid*).
- Korean investments in Cambodia reached US \$1.2 billion in 2008. This is equal to 11.39 percent of the total FDI and almost double the amount received in

2007. In 2008 Korean companies invested in the first ethanol plant in the Kingdom. The plant will use cassava flour from cassava grown on 8,000 ha in Kampong Speu province as well as from local farmers. The project planned to provide 192 jobs for local workers. An investment of US \$40 million in Battambang and Kampong Cham provinces has opened two outlets to purchase a minimum of 30,000 tons of cassava from farmers for conversion to ethanol for the international market. The country also aims to grow food in the Kingdom.

- Under a bilateral agreement, Cambodia will receive a US \$546 million loan for allowing Kuwait to grow rice on a land concession.
- Qatar, planning to grow rice to export back home, will invest US \$200 million and provide agricultural technology (GRAIN 2008 as cited by GTZ, 2009: 27). An additional investment of US \$20 million will come through a joint venture growing rice in Stung Treng province.

### CAMBODIAN CONCESSIONS: HARNESSING DEVELOPMENT OR PLUNDERING RESOURCES?

According to GTZ, FDI in Cambodia has created some benefits including a significant increase in local employment opportunities, increased wage rates, an improved transportation system, and an increase in export revenue. However, significant shortcomings stand in the way of an equitable distribution of benefits (GTZ, 2009: 7).

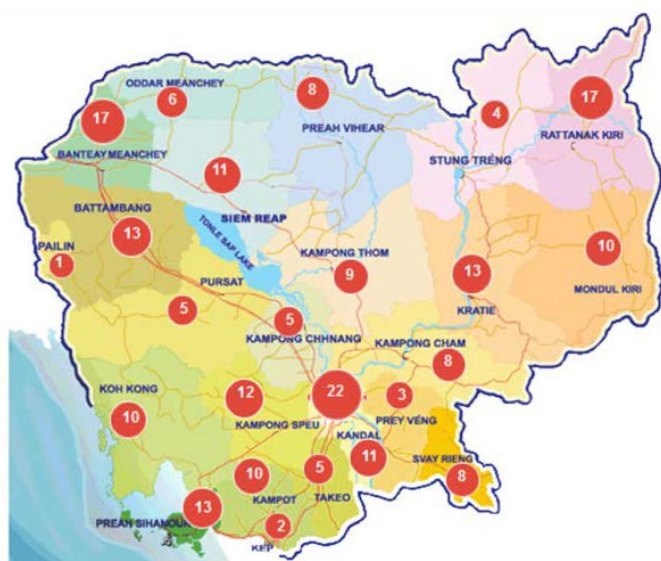
In opposition to the promotive position of the government that welcomes FDI for the reasons outlined above, the expected contributions of ELC in many cases are not evident (LICADHO, 2009: 18) and criticisms surrounding ELCs abound (GTZ, 2009: 7-8). They involve a lack of compliance to and enforcement of regulations (GTZ, 2009: 7) and the ELC contribution to land concentration, the environmental unsustainability of ELCs, displacement, land encroachment, and the compounded implications for livelihoods and food security. In addition, there is a lack of transparency in the concession process (*Ibid*; UNCOHCHR, 2007: 15; LICADHO, 2009: 17; Deininger et al, 2011: 145) that among other problems motivates the seeking of rents (GTZ, 2009: 7). Researchers from the World Bank observed that a lack of capacity stands in the way of “full implementation of measures that aim to promote competitive award of economic land concessions, as well as the monitoring envisaged in the sub-decree” (Deininger et al, 2011: 145).

A major criticism is that legislation regarding concessions has

<sup>48</sup> Section 6.4.2 outlines the policy of ELCs

not been implemented properly or enforced (LICADHO, 2009: 17). For example, concessions are granted in violation of the law over forest and indigenous land (GTZ, 2009: 7). Concessions, increasingly encroaching on the rights of smallholder and the indigenous, generate social conflict (*Ibid*). In addition, ELCs often encompass more than the 10,000 ha allowed by law (Loehr, 2010: 1036; LICADHO, 2009: 17). As such, ELCs are believed to contribute to a rising inequality in land ownership (GTZ, 2009: 34). While land was distributed “almost equally” at the beginning of privatization in 1989, Cambodia now has the highest inequity of land distribution in Southeast Asia (Loehr, 2010: 1036). According to a 2004 World Bank report, 70 percent of land is held by 20–30 percent of land owners, while 10 percent is occupied by the poorest 40 percent (WB, 2004 as cited by Loehr, 2010: 1036).

Figure 19. Reported land conflict cases 2007 to 2011.



Sithi, 2011

Environmental degradation is another issue. ELCs are often large monoculture plantations that introduce new plant species such as oil palm, eucalyptus, rubber, and jatropha. As such there are concerns surrounding deforestation, a loss of biodiversity and increased soil erosion (*Ibid*; UNCOHCHR, 2007: 15; GTZ, 2009: 7). In addition, chemicals and fertilizers used on ELCs have contaminated water sources (UNCOHCHR, 2007: 15; GTZ, 2009: 7). Environmental Impact Assessments are not conducted as required (Loehr, 2010: 1039; Deininger et al, 2011: 145).

In addition to environmental impacts, ELCs have displaced communities and encroached on grazing, forest, and cultur-

ally significant land (UNCOHCHR, 2007: 13-15; GTZ, 2009: 31). Spiritually important areas have been desecrated and communities have had their traditional spiritual and cultural expressions suppressed. Moreover, restricted access has hindered livestock grazing as well of the collection of forest products (GTZ, 2009: 34). Both are important contributions to livelihoods (*Ibid*: 12).

Finally, transactions often do not follow the required procedures for community participation and fall short of international best practice (Loehr, 2010: 1039; Deininger et al, 2011: 146). Despite the requirement that reports, recommendations and final results become available to the public (Kingdom, 2005: 19), no institution has been appointed or established to collect, consolidate or disseminate ELC data for interested parties to access (ADHOC, 2012: 1; LICADHO, 2009: 17). As noted earlier, MAFF was charged with developing an inventory in 2006 but failed to provide updates in 2009 (Deininger et al, 2011: 145). Perhaps stemming from the recent killing of environmentalist Chut Vuthy or the visit of Surya Subedi, the UN special rapporteur on human rights, Prime Minister Hun Sen announced in May 2012 that the country will suspend new ELC leases in order to examine the impact of land concessions on local communities.<sup>49</sup>

To Loehr (2010), well-organized actors, such as municipalities and developers, are motivated by the externalization of costs and benefit from unsustainable land use changes (1050). The opportunity to displace unsustainable land use costs onto less-organized members of society incentivizes actors to “violate regulations and cause pressure on land use planning to act in a way that is not optimizing the wellbeing of society” (Loehr, 2010: 1037). The externalization of ELC costs has produced violent reactions (Center et al, 2006: 9). Moreover, according to a report by CDRI, “the complexity and lack of clarity of [land] regulations has given rise to enormous issues and conflicts relating to land encroachment, land grabbing and land transactions” (Boreak et al, 2000:1).

One cannot address the issue of land in Cambodia without also addressing the issue of conflict. The next section does this by describing the primary characteristics of land conflict related to evictions and dispossession as well as the mechanisms in place for resolving it.

<sup>49</sup> See: <http://www.chinapost.com.tw/asia/other/2012/05/08/340330/Cambodia-suspends.htm>

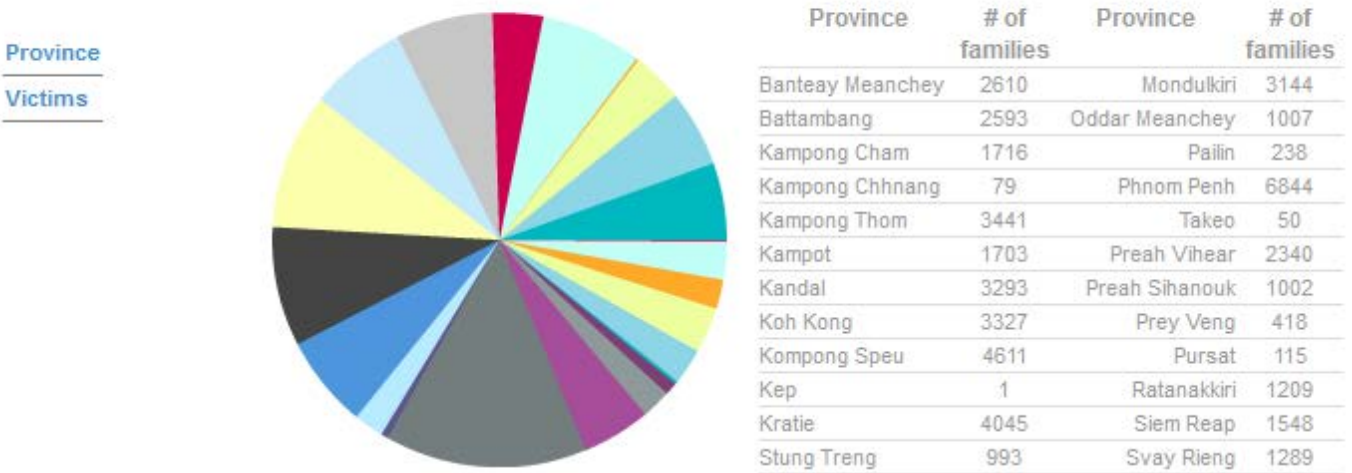
## 5.1 LAND CONFLICT IN CAMBODIA

A few factors combine to make land-related conflict in Cambodia likely. First, most Cambodians do not hold title to their land and so remain vulnerable to land grabs and eviction (CDRI, 2000: 37; Supreme, 2007: 10). In addition, developers are competing with the country’s predominantly rural populace which traditionally sustains livelihoods with common property resources derived from forests and fisheries (NGO, 2010: 6; Supreme, 2007: 10; GTZ, 2009: 31). Finally, the country continues to experience rapid economic growth and urbanization, increasing foreign investment and rising speculation and demand for land within a patron-client culture (Anseeuw et al, 2012: 48). Historian Evan Gottesman commented, “Cambodia’s government is still built on patronage systems that support top officials, with Hun Sen at the top.”<sup>50</sup> According to a working paper of the Cambodia Development Resource Institute (2000: 21):

*Although common property in Cambodia is not clearly defined by existing regulations, it has been observed to have been diverted to private ownership at an alarming rate. Considerable areas of common property resources, such as forests, rivers, lakes and agricultural land which were not redistributed in 1989, have become privately controlled. Millions of hectares of forests have been granted to private companies as concession forests. Many large plantations have been developed. Many private fishing lots have been created along the banks of major rivers and lakes; and a considerable amount of unallocated agricultural land has been illegally encroached upon, and has dubiously become private property. As a result of privatisation, common property is becoming less accessible to other people, and hence, benefits to the majority have been reduced.*

Figure 20. Land conflict cases 2007-2010.

• The cases recorded by CCHR demonstrate that at least 5% of Cambodia's total land area is subject to a conflict or has been in the last four years.



\* NOTE: Generally, the sources relied upon by CCHR list the number affected by a conflict either in terms of people or families. Where possible CCHR has provided both numbers – ie the number of families and the number of people affected – however such figures should be viewed separately as they are generally collected from different sources. For the most part, our figures use the family as the unit to indicate the number affected by a conflict.

<sup>50</sup> See: [http://www.atimes.com/atimes/Southeast\\_Asia/LA22Ae02.html](http://www.atimes.com/atimes/Southeast_Asia/LA22Ae02.html)

Within this context, land governance discrepancies occur between *de jure* and *de facto* whereby protective laws are not enforced (Land, 2009: 5) and ambiguous land governance policies are being mis-operationalized by corrupt officials to benefit investor elites (Boreak et al, 2000:1; NGO, 2010: 5). Under these conditions, tenure insecurity, forced displacement and rural landlessness are escalating at the same time that livelihoods are reduced (Land, 2009: 6; Supreme, 2007: 10).

Described as a 'land rights crisis' (Land, 2009: 6), more than 400,000 Cambodians have lost their homes or their land since 2003.<sup>51</sup> In Phnom Penh, 133,000 or about 11 percent of the city's population have been evicted since 1990. According to a World Bank report in 2006, rural landlessness rose from 13 percent in 1997 to 20-25 percent in 2007 (as cited by Land, 2009: 6). Roughly 150,000 households – 70,000 in Phnom Penh alone – “live under threat of eviction” for economic and other land concessions, tourism and urban renewal developments, and infrastructure projects (Amnesty International, 2008 as cited by Land, 2009: 6). Once mostly limited to informal settlement areas, Cambodians with legal documents and rights to their land are increasingly evicted (NGO, n.d.).

While the government claims that forced evictions and dispossession occur only when necessary and in the public interest, and that compensation, financial support and adequate resettlement housing is provided, widespread media and NGO reports confirm the opposite. Land is often taken for private development projects or speculation (Land, 2009: 6) and grabbers range from local commune officials (UNDP, n.d.:21) and private companies to prominent government officials (Land, 2009: 7) such as Ream So, the Royal Cambodian Armed Forces deputy commander in Siem Reap.<sup>52</sup> Those affected by projects are not consulted; land grabs often take residents by surprise with evictions starting in the early morning or late at night (Land, 2009: 13) with reports of houses being bulldozed as people sleep.<sup>53</sup> Relocation sites are inadequate and compensation, if given at all, is not fair (Land, 2009: 7; LICADHO, 2005: 4; ADHOC, 2012: 1; CCHR, 2011: 2; UNCOHCHR, 2007: 15). For example, evictees of the Borei Keila neighborhood of Phnom Penh must present residence documents recognized by local authorities to developer Phan Imex before being given land in the resettlement area. This is impossible for some families as possessions were bulldozed by the company during the eviction.<sup>54</sup>

As many families lack the knowledge and other resources nec-

essary to defend their property rights or take complaints to court, and because disputes can be settled by local authorities or the Cadastral Commission, the number of land conflicts is unclear. Nonetheless, in 2008 it was estimated that 47 percent of disputes involved ELCs while state land or large development projects were the subject of 30 percent of disputes. Land-types disputed were irrigated agricultural fields, non-irrigated farmlands, and residential land at 35, 22 and 25 percent respectively. Local authorities were involved in 68 percent of cases, and corruption, power or deceit was employed to acquire land within 76 percent of disputes. In 65 percent of cases, threats, intimidation and violence were used against claimants (NGO Forum on Cambodia Land Information Centre as cited by Land, 2009: 24).

Compounding the issue and increasing the chances of violent interaction and use of excessive force, military police, often armed with AK-47s and stun batons, are hired to assist evictions despite being restricted by law to military matters (Land, 2009: 7, 13; LICADHO, 2005: 5; LICADHO, 2009: 20). Strapped for funds and with large troop deployment along the Thai border, in 2010 the government formalized official partnerships between companies and the military to be established through private sector donations to specific units of the Royal Cambodian Armed Forces (RCAF) (Brady, 2010). While the government claims that partnerships help to ensure the welfare of the country's troops and their families through a “culture of sharing,” critics argue that the initiative “legitimizes a guns-for-hire scenario” and will further enable powerful elites to form alliances and advance commercial interests (Brady, 2010). Ly Yong Phat, the Cambodian senator and business tycoon involved in the sugar concession studied in this thesis funds four battalions of the Royal Cambodian Air Force.<sup>55</sup> According to regional security expert John Harrison, while army-run corporations are nothing new in militarized states such as Vietnam, Yemen and Iran, “the direct corporate sponsorship of active-duty units is something new and very worrying” (as cited by Brady, 2010).

Despite the recent formalization, such partnerships have been a long-standing arrangement<sup>56</sup> - the military has been and remains actively involved in the eviction of the urban and rural poor as well as the protection of large land concessions (Brady, 2010). One eviction in Kampot province facilitated by RCAF Infantry Brigade 31, as well as police, military police and Forestry Administration officers resulted in three people being beaten and hospitalized.<sup>57</sup> In 2009, military officers shot two people and beat a man unconscious with an electric baton

<sup>51</sup> See: <http://www.globalpost.com/dispatch/news/regions/asia-pacific/120117/cambodia-evictions-forced-phnom-penh>

<sup>52</sup> See: <http://www.licadho-cambodia.org/pressrelease.php?perm=192>

<sup>53</sup> *Ibid*

<sup>54</sup> *Ibid*

<sup>55</sup> See: [http://www.cchrcambodia.org/media/files/press\\_release/240\\_200e\\_en.pdf](http://www.cchrcambodia.org/media/files/press_release/240_200e_en.pdf)

<sup>56</sup> See: <http://www.licadho-cambodia.org/articles/20100301/113/index.html>

<sup>57</sup> See: <http://www.licadho-cambodia.org/pressrelease.php?perm=195>

in Kandal province.<sup>58</sup> In May 2012, 400 police and soldiers raided a settlement in Kratie province after villagers refused to leave their land. The raid resulted in a clash between government forces and 200 villagers armed with sticks, crossbows and axes. A 15-year-old girl later died in the hospital from a gunshot wound. Shortly thereafter, Prime Minister Hun Sen issued a review of existing concessions while suspending the granting of new land concessions to private companies.<sup>59</sup> NGOs now criticize the prime minister for using the ban as a political ploy. Three days after Sen announced the suspension he granted three concessions totaling over 21,000 ha to three companies. According to Council of Ministers spokesman Ek Tha, the concessions were granted “for the sake of the country and the people.”<sup>60</sup>

While it appears to be of little deterrence, the Land Law provides some protection in these cases.<sup>61</sup> Article 253 outlines the penalties for any person using violence against a property’s possessor despite whether the land is disputed or whether a title has been issued. Fines range from 1.5 million riel to 25 million riel and/or six months to two years imprisonment. Anyone ordering the violence faces the same penalties.

In addition to violent crackdowns, detention and legal proceedings are increasingly used to quell discontent (ADHOC, 2012: 3; Land, 2009: 16, 31; ABC, 2010; LICADHO, 2009: 15). Community representatives and other protestors are arrested, criminally charged and imprisoned for defending their communities in land disputes.<sup>62</sup> In 2011, nine Boeung Kak women were arrested and detained illegally after protesting their eviction outside of the municipal cabinet. The women were forced to sign confessions admitting that they were responsible for the violence against residents, including two children and a 71-year old woman, who were beaten and electrocuted by security forces (CCHR, 2011: 1).

## 5.2 LAND DISPUTE RESOLUTION

Three institutions are charged with the resolution of land disputes in Cambodia: the courts, the Cadastral Commission established in 2002 to resolve land disputes outside the formal legal system (Supreme, 2007: 9), and the National Authority for Land Dispute Resolution (NALDR) (Land, 2009: 25). The Cadastral Commission, operating at District, Provincial and National levels, headed by the Minister for Land Management,

Urban Planning and Construction and staffed by civil servants, is responsible for disputes involving unregistered land while the courts handle conflicts involving land that is titled. Disputes must first be submitted at the District level but may be taken to the Provincial and then National level for resolution. If dissatisfied with the Commission’s ruling, claimants can take their case to the courts for judicial review. The Commission must then abide by the court ruling. (CHRAC 2009: 71).

The jurisdiction of NALDR is less clear as decrees and sub-decrees contradict on the issue (Land, 2009: 25; CHRAC, 2009: 71). Royal Decree NS/RTK/0206/697, Article 3 gives NALDR responsibility for cases which are beyond the Cadastral Commission and the courts while the Sub-Decree 47, Article 3 states that there are no cases beyond jurisdiction of these institutions. As a result, courts often claim that they have no authority, the Cadastral Commission is delegitimized, and disputes, particularly high profile or controversial cases, are left to be resolved by the NALDR (Land, 2009: 25). If the Commission or the courts deny jurisdiction and no solution is found, communities often take complaints directly to the prime minister. While the complaints are accepted, often no follow-up action is taken.

According to critics, there are serious shortcomings regarding the dispute resolution institutions and mechanisms in place (Land, 2009: 25). Although the Commission was designed to operate quickly, inexpensively and less adversarially (UNDP 2005 as cited by Center et al: 26), claimants avoid the Cadastral Commission as it is perceived to be costly due to the payment of informal fees as well as time-consuming and biased toward the wealthy. The courts are viewed similarly. Moreover, the NALDR is run by senior government officials, including those from the police and military, and so “operates as a blatantly political entity... [with] no established rules or procedures” (*Ibid*; CHRAC 2009: 71). The composition of the NALDR and the high incidence of land grabs involving military personnel bring into question the suitability of the organization to resolve land disputes equitably (CHRAC, 2009: 71; LICADHO, 2009: 20). As a result of these shortcomings and the ambiguity about the roles and jurisdiction of the three institutions, dispute resolution is characterized by efficacy and integrity issues including a lack of transparency and access to information, corruption, abuse of power and use of intimidation (Land, 2009: 24; LICADHO, 2009:2; Deininger et al, 2011: 145).

Transition periods, large scale population movement and resettlement, land mines, problematic land markets, incomplete mapping and titling and the resulting insecurity of tenure and rapid population growth means that the land issue in Cambodia remains unsettled. Landlessness is one of the most troubling concerns (GTZ, 2009: 12). Some Cambodians are still searching for a place to settle (*Ibid*) while others are once

<sup>58</sup> See: <http://www.licadho-cambodia.org/pressrelease.php?perm=197>

<sup>59</sup> See: <http://news.yahoo.com/girl-cambodia-killed-during-violent-eviction-143856982--finance.html>

<sup>60</sup> See: <http://www.rfa.org/english/news/cambodia/land-concessions-06202012182023.html/>

<sup>61</sup> See: <http://www.humanrights.asia/news/urgent-appeals/UP-017-2007>

<sup>62</sup> See: <http://www.licadho-cambodia.org/pressrelease.php?perm=192>



again faced with the issue. According to one villager who was affected by an ELC (UN, 2004 as cited by LICADHO, 2009: 4):

*The government talks about poverty reduction, but what they are really trying to do is to get rid of the poor. They destroy us by taking our forested land, 70% of the population has to disappear, so that 30% can live on. Under Pol Pot we died quickly, but we kept our forests. Under the democratic system it is a slow... death. There will be violence, because we do not want to die.*

The past is omnipresent for others as well. After being evicted from her home of 32 years by Shukaku Inc., a company owned by a CPP senator,<sup>63</sup> Boeung Kak Lake resident Ngin Savoeun stated, “I spent three and a half years living in hell under the Khmer Rouge. And now I am in hell again.”

### 5.3 KOH KONG SUGAR PRODUCTION: PRIMARY COMPANIES AND KEY FIGURES

As the ELC process is not well-documented, the process is not transparent and ELC law is not properly enforced, concessionaires are able to concentrate their land holdings and sideline the law on ELCs either by registering their concessions under various businesses, placing concessions side-by-side or leasing in partnership with others, such as under the name of a spouse (LICADHO, 2009: 16-17; Bridges, 2010: 4). In order to provide important contextual information as well as illustrate the international reach of the issue, a brief summary of the primary companies and key figures, connected either directly or indirectly to the issue of land grabbing and industrial sugar production in Koh Kong province, is provided in this section. First, background information on the ELC registration is supplied. Following, company profiles are provided for L.Y.P. Group of Cambodia, KSL Group of Thailand, and Ve Wong Corporation of Taiwan. In addition, a brief introduction of the companies involved more indirectly is provided. They include PAPL Consultants and Tate & Lyle, both of the United Kingdom and American Sugar Refining Company of the United States.

#### BACKGROUND

Media and other reports widely held that Ly Yong Phat,<sup>64</sup> a prominent Cambodian People’s Party senator, business tycoon and Oknha, maintains 20 percent of the Koh Kong joint sugar venture while KSL Group of Thailand held 50 percent. The remaining 30 percent was reportedly owned by the Ve Wong

Corporation of Taiwan (CAAI, 2009).<sup>65</sup> KSL representatives later stated that the company owns 70 percent and Ve Wong 30 percent (CIAA, 2009). Investor information is not provided on the MAFF website. Nonetheless, two companies, Koh Kong Plantation Company Limited (Ly Yong Phat, Director) and Koh Kong Sugar Company Limited (Mr. Chamroon Chinthammit, Thai) are listed as entities awarded the ELCs in Koh Kong province. In addition, both companies are listed as being located at the same address as Ly’s L.Y.P. Group in Phnom Penh.<sup>66</sup> Finally, in a company brochure, L.Y.P. Group states that it has participated “in major equity of the integrated facilities of a 6,000 TCD [mill] and a 16 MW electric co generation plant in the acquired 20,000 hectare [sic]” in Koh Kong province (L.Y.P., n.d. (a)). While little information is available on these ELC-registered companies, both are evidently connected to Ly as well as Chamroon Chinthammit, the managing director of KSL Group of Thailand (KSL, 2003).

#### 5.3.1 LY YONG PHAT AND L.Y.P. GROUP

Ly Yong Phat, born in Koh Kong province, is a prominent businessman and ruling party senator. Some of his accomplishments include (L.Y.P, n.d., (a)):

- 1999: President of LYP Group
- 2000: Appointed as a Koh Kong province delegate for development
- 2001: Vice President of Cambodia Chamber of Commerce
- 2002: Special Economic Advisor to Prime Minister Hun Sen
- 2002: Gold Medal winner for National Development. Awarded again in 2004, 2006 and 2008
- 2006: Elected to the senate

In 1999, Ly established the L.Y.P Group to conduct domestic and interregional operations in hospitality, real estate, infrastructure and utilities, trading and distribution as well as agroindustry. According to the L.Y.P. Group brochure, the company is committed to being the best – and the biggest (*Ibid*: 5):

*We are committing to be the best in every business we do, aiming to be the best Group and the best partner of your choice with current operations in prominent hotel and casino resorts, outsized locally power plant, the biggest plantation, the massive satellite city development, and the largest safari world theme park.*

<sup>63</sup> See: <http://www.globalpost.com/dispatch/news/regions/asia-pacific/120117/cambodia-evictions-forced-phnom-penh>

<sup>64</sup> Surnames are listed first in Cambodia.

<sup>65</sup> See: Khon Kaen Sugar Set to Double Sugarcane Output at <http://farmlandgrab.org/10800>

<sup>66</sup> See the MAFF website at: <http://www.elc.maff.gov.kh/en/profile/17-kk-g/59-kk-plantation.html>

## THE TITLE OF OKNHA

The title of *Oknha*, traditionally awarded to district and provincial governors and close advisors to the King, dates from the 15<sup>th</sup> Century. In 1995, a sub-decree extended recognition to individuals who contribute toward the national rebuilding of the Kingdom (Sokha, 2008). Three medals are available:

Gold: \$10k- 100k

Silver: \$5k – 10k

Bronze: \$1k -5k

\$500 - \$1k will buy a certificate from the Council of Ministers.

Only donations of \$100k or higher receive the esteemed title of *Oknha*. While not officially endorsed by the Decorations Department, those who wish to increase their esteem can self-add the prefix *neak*.

Mong Riththy - dubbed 'Hun Sen's Money Man' in the US Embassy cable published by WikiLeaks states that having the title is "Like travelling in first class" (*Ibid*). It may also help to place him and other *Oknhas* above the law.

Among the most powerful and wealthy Cambodians, *Oknhas* are often at the helm of land grabs (Global, 2009:12).

Ly and his company have "contributed a lot to community development including infrastructure, education and many others" (L.Y.P., n.d. (b)). Operations are diverse and occur in four provinces and Phnom Penh and include infrastructure such as bridges and sea ports and electricity and water supply projects. Through the subsidiary Cambodia Electricity Private (CEP) and its fuel-generated 45 MW power plant, the Group was the first provider of electricity to the state-run Electricite du Cambodge (*Ibid*: 18). The Group claims to be a leader in electricity as well as "rapidly becoming a leading bio-energy and infrastructure players [sic] in Cambodia by bringing in worlds [sic] class technologies" (*Ibid*: 30).

L.Y.P. Group is also the official distributor of Hyundai cars in Cambodia (*Ibid*: 20). In addition, the company has developed duty free shops and luxury resorts that include the beachfront Koh Kong Resort, Phnom Penh Hotel, O-Smach Resort and the 64 acre Koh Kong Safari World. The company's planned satellite Garden City in Phnom Penh spans 1000 ha and includes among other things a hotel, an exhibition center, a transportation hub, residential and office space and an education and research center (*Ibid*: 16). Agro-industrial operations include a rubber company located in Kampong Cham and three sugar companies – Kiriom Sugar Plantation, Phnom Penh Sugar Plantation, and Kampong Speu Sugar Plantation - located in Kampong Speu province. Raw materials from production can be transported out of the Group's strategically-placed, 350 ha Koh Kong Special Economic Zone (KKEZ, *Ibid*: 29):

*As the delegate of the Royal Government of Cambodia in charge of the development of Koh Kong province, L.Y.P Group had invested significantly... to welcome foreign investors and create the win-win investment plan for both local community and investing companies. By creating local employment opportunity, investors can enjoy 9 years tax holidays, 0% VAT, GSP Form A to Australia, Canada, EU Japan and USA, unrestricted repatria-*

*tion of profit, permanent visa for family members [sic].*

Form A is the GSP Certificate of Origin form which must be submitted in order to receive GSP treatment. The form provides documentary evidence that the imported goods originate as per the GSP scheme.<sup>67</sup> The advantages of doing business in Koh Kong under these conditions, including the GSP initiative Everything but Arms, was a stated motivating factor for KSL Group. A 2007 letter<sup>68</sup> submitted by Chamroon Chinthammit to the Stock Exchange of Thailand states, "This project will be an expansion of sugar business, a core business of KSL, into a neighboring country, and also get the special privilege under EBA in exporting sugar to EU with high selling price [sic]." Appendix IV provides a complete summary of L.Y. P. Group operations and affiliates.

L.Y.P. Group website does not contain information related to corporate social responsibility or sustainable development.

The next two sections outline the profiles of the Thai and Taiwanese companies.

<sup>67</sup> For more information, see: <http://unctad.org/en/Pages/DITC/GSP/GSP-certificate-of-origin-Form-A.aspx>

<sup>68</sup> See the letter here: <http://www.settrade.com/simslmg/news/2007/07043155.pdf>

## THE 'KING OF KOH KONG' LY YONG PHAT

Known as the “King of Koh Kong,” Ly Yong Phat is a prominent figure in Cambodia. The former cigarette and alcohol trader is an *Oknha*, a senator, and a casino tycoon (*Ibid*: 7). Rumored to go by the name of Phat Suphapha and to be in possession of dual Thai/Cambodian citizenship, Ly reputedly speaks Thai and Chinese dialects and has close connections to Prime Minister Hun Sen.<sup>1</sup> As such, he holds considerable sway not only locally but nationally.

Ly is also a highly controversial figure due to his markedly unethical business behavior. Ly has no qualms over employing armed forces to physically eject farmers from their land as occurred in the research areas studied here (UN, 2007: 5) as well as in those in Kampong Speu province (Bridges, 2010: 4). He also is not opposed to burning down houses to grab land as occurred for the Thai Mitr Phol sugar concession in Bos village, Oddar Meanchay province (Bridges, 2010: 6). As noted earlier, Ly funds four military battalions.<sup>2</sup> He is also unopposed to taking land in protected areas that house endangered species. His LYP Group was awarded a 10,000-hectare Koh Kong land concession of which 4,100 ha encroaches on Botum Sakor National Park.<sup>3</sup> Sand dredging activities for land reclamation in Singapore worth US \$250 million per annum have reportedly damaged the environment.<sup>4</sup>

Ly also strong-arms any opposition to his business activities. Villagers were beaten and community representatives in Oddar Meanchay were imprisoned; one was pregnant and subsequently gave birth in jail (Bridges, 2010: 6). Others fled into hiding (*Ibid*: 7). Protestors of his Phnom Penh Sugar concession were charged by Kampong Speu Court with attempted murder (CHRAC et al, 2010:31).



When it comes to making a buck, not even animals in Indonesia are safe from the senator. His 64 acre Koh Kong Safari World, popular with Thai tourists, claims to bring us “closer to the ways and habitat of nature’s exotic wildlife.” Yet videos of the orangutans posted on You Tube show the animals in a mock ring, dressed in boxing shorts and gloves.<sup>5</sup> The picture here is taken from L.Y.P. Group’s promotional brochure. In 2004, the park was accused of smuggling 22 orangutans, believed to be facing extinction in as little as 20 years, from Thailand but with likely origins in Indonesia. According to an anonymous official, the endangered animals have been trained to perform kickboxing for tourists against the CITES Convention and the law.<sup>6</sup>

<sup>1</sup> Cambodian Sand Dredging Threatens Environment, Ecotourism Industry: [http://www.huffingtonpost.com/2011/08/22/sand-dredging-singapore-construction-environment-cambodia\\_n\\_932840.html](http://www.huffingtonpost.com/2011/08/22/sand-dredging-singapore-construction-environment-cambodia_n_932840.html)

<sup>2</sup> CCHR press release: [http://www.cchrcambodia.org/media/files/press\\_release/240\\_200e\\_en.pdf](http://www.cchrcambodia.org/media/files/press_release/240_200e_en.pdf)

<sup>3</sup> Ly Yong Phat Given Land in National Park: <http://www.khmerpropertynews.com/?inc=content.php&id=2026>

<sup>4</sup> Cambodia: Sand Dredging Prompts Fisherman’s Protests: <http://www.irinnews.org/Report/89839/CAMBODIA-Sand-dredging-prompts-fishermen-s-protests>

<sup>5</sup> See: [https://www.youtube.com/watch?v=xNIM453\\_dgg](https://www.youtube.com/watch?v=xNIM453_dgg)

<sup>6</sup> Cambodian Park Suspected of Smuggling Orangutans from Thailand: Official: <http://www.terraviva.com/2004/041222070753.d1uw679e.html>

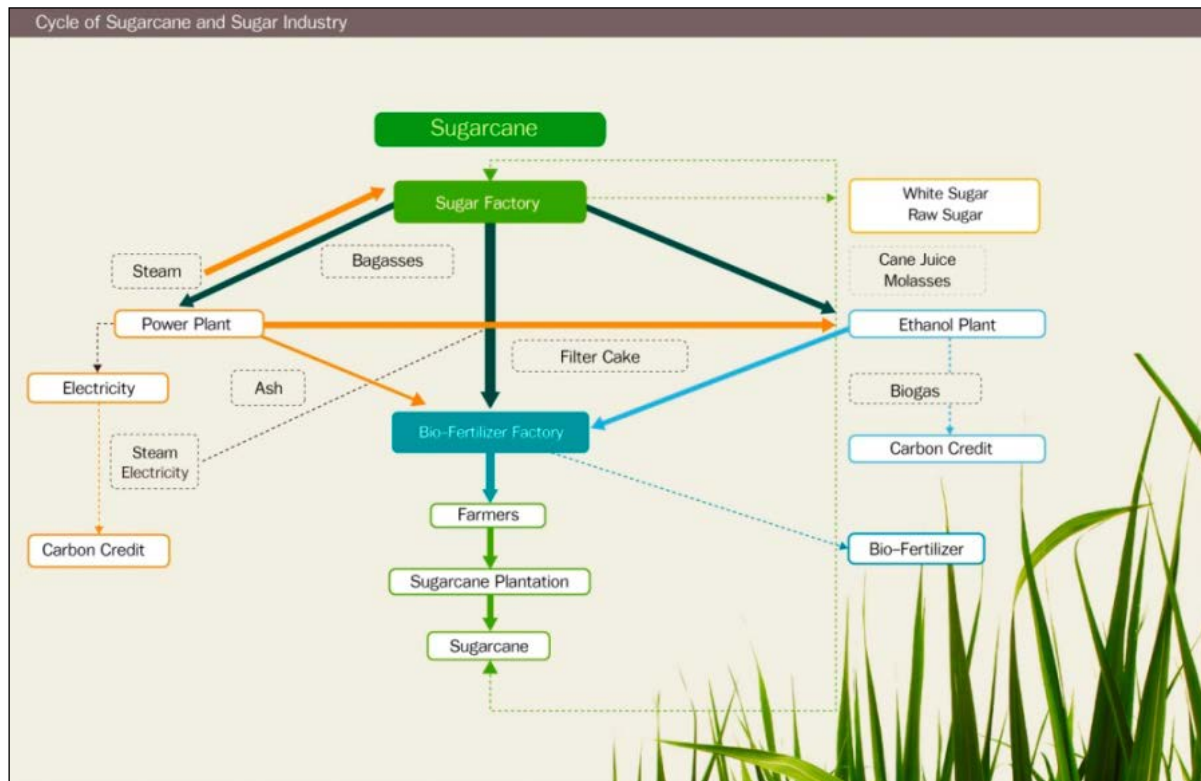
### 5.3.2 KSL GROUP AND THE KHON KAEN SUGAR INDUSTRY PUBLIC CO. LTD. OF THAILAND

KSL Group based in Bangkok is a business management group within the sugar, seasonings, ceramic, trading, IT and real estate industries (KSL, 2003). The Group's first sugar business, Kwang Soon Lee Co., Ltd. was established with a 600,000 Baht investment between three Chinese-Thai businessmen (KSL, 2009a); establishment in 1946 which makes the company the

Thailand's decision to replace MTBE with ethanol in 2007 has led to a booming ethanol market in the country.<sup>69</sup>

The company already operates fertilizer and ethanol plants with molasses and sugarcane juice as feedstock<sup>70</sup> and the Khon Kaen Sugar Power Plant Project is the first in Thailand to be submitted for registration under the UN Clean Development Mechanism.<sup>71</sup> As the CDM project will reduce the equivalent of 61,449 metric tons of CO<sub>2</sub> per annum,<sup>72</sup> profit can be

Figure 21. KSL value added schematic.



KSL, 2009

oldest sugar producer in Thailand (*Ibid*; CAAI, 2009). Mr. Chuan Chinthammit was the company's first Managing Director (KSL, 2003). The company has evolved significantly since then. As of October 2011, top ten KSL Group shareholders included Somers (U.K.) Ltd. and Credit Suisse Singapore Branch with 3.67 and 2.35 percent of total shares respectively (KSL, 2009c).

According to their website, the company aims to be an agro-industry leader in the field of sweetener and energy as well as contribute to sustainable development as outlined in the company schematic (see figure 21). This includes increasing the incomes of cane-growers, sharing benefits among stakeholders and fully maximizing resource utility through the development of co-product industry (KSL, 2009e). More specifically, since 2006 the KSL Group planned to expand further along the sugar value chain into areas such as fertilizer, electricity generation using bagasse and ethanol (*Ibid*; Tris, 2011: 1).

made in the form of credit sales.<sup>73</sup> In addition, the company is in the first phase of their Bo Ploy sugar complex in the Kanchanaburi province of Thailand (Tris, 2011: 1). The complex will hold a sugar mill with 32,000-ton cane production capaci-

<sup>69</sup> KSL Group to start up Thai ethanol plants in 2008: <http://www.icis.com/Articles/2006/06/28/1073252/ksl-group-to-start-up-thai-ethanol-plants-in-2008.html>

<sup>70</sup> *Ibid*

<sup>71</sup> Agrinergy submits first CDM Project in Thailand for Registration: <http://www.agrinergy.com/index.php/2007/04/agrinergy-submits-first-cdm-project-in-thailand-for-registration/>

<sup>72</sup> Project 1036 : Khon Kaen Sugar Power Plant: <http://cdm.unfccc.int/Projects/DB/SGS-UKL1175071990.26/view>

<sup>73</sup> For an outlook on KSL and carbon trading potential, see: [http://nationmultimedia.com/2007/07/23/business/business\\_30041926.php](http://nationmultimedia.com/2007/07/23/business/business_30041926.php)

Chamroon Chinthammit, named by Forbes as one of Thailand's 40 richest in 2011, has been the appointed Managing Director of all KSL Group sugar companies since 1996 (KSL, 2009). After the death of his mother Nantha, Chinthammit took control of Khon Kean Sugar as CEO and president; his family controls 68 percent of the company's shares (Tris, 2011). Chinthammit reportedly has close ties to Ly Yong Phat (Campbell, 2011); he is also the chairman of the Koh Kong Sugar Company Ltd. (MoE Taiwan, n.d.: 1) In 2011, his net worth was US \$440 million (Forbes, 2011).

Figure 22. Chamroon Chinthammit of KSL Group.



CAAI, 2009

ty, an ethanol plant capable of producing up to 200,000 liters per day, a 90-MW power plant, and organic fertilizer and biogas plants (*Ibid*; Khon, 2010: 3). The company also has plans to undertake another sugar plant and power plant project in Loei province (Tris, 2011: 1-2).

Current operations related to sugar fall under Khon Kaen Sugar Industry Public Company Ltd. and subsidiaries (see figure 23). Four types of sugar are produced: raw sugar, high pol sugar, white sugar and refined sugar (Tris, 2009: 1).

Figure 23. KSL Group.

Name of Company	Nature of Main Business
<b>• Sugar Business</b>	
Tamaka Sugar Industry Co.,Ltd.	Produce and distribute sugar
New Krung Thai Sugar Factory Co.,Ltd.	Produce and distribute sugar
New Kwang Soon Lee Sugar Factory Co.,Ltd.	Produce and distribute sugar
Savannahet Sugar Corporation	Sugar cane Plantation and Sugar Mill in Laos
Koh Kong Plantation Co.,Ltd.	Sugar cane Plantation in Cambodia
Koh Kong Sugar Industry Co.,Ltd.	Sugar Mill in Cambodia
<b>• Supporting Business</b>	
Thai Sugar Terminal Plc.	Terminal and Warehouses
KSL Export Trading Co.,Ltd.	Sugar and Related products Exporting Activities
KSL Agro Co.,Ltd.	Plant and promote sugar cane
<b>• Energy and Chemical Business</b>	
Khon Kaen Alcohol Co.,Ltd.	Ethanol and Fertilizer Production
Khon Kaen Sugar Power Plant Co.,Ltd.	Power Plant (SPP)
KSL Chemical Co.,Ltd.	Chemical Trading
<b>• Other Business</b>	
KSL Real Estate Co.,Ltd.	Real Estate Development and Training Center

KSL, 2009

With 622,330 tons of sugar produced in Thailand during the 2010/2011 period and roughly 6.5 percent of market share, Khon Kean Sugar is a leading sugar manufacturer in Thailand (Forbes, 2011; Tris, 2011: 1). Over the last five years, the company produced an average of 500,000 tons of sugar per year from an average of 4-5 million tons of sugarcane per year (Tris, 2011: 1).

Gains were also made through KSL energy business. From 2007 to 2009, KSL's average ethanol and electricity revenue comprised 10 percent of total sales, while an average of 29 percent of total net profit derived from energy. In 2010, energy revenues contributed 8.85 percent to total sales. The drop is associated with to "losses in derivative contracts from the sugar business" (Tris, 2011: 1).

#### LAO PDR AND CAMBODIA

Out of four factories, two are located in Thailand. The company also operates a mill in Lao PDR after it was awarded a concession of 30 years for 10,000 hectares.<sup>74</sup> The final factory in Cambodia, the first in the country, was built in Sre Ambel district to process the sugar grown on the ELCs in Koh Kong; the 20,000 ha can yield up to 800,000 tons of unprocessed sugarcane per year.<sup>75</sup> As the plant now lacks refining capacity, raw sugar is the end product. One benefit of sugar in its raw state is that it is able to be used for a wider variety of purposes.<sup>76</sup> While KSL eventually plans to produce refined white sugar to support 10 to 20 percent of the Cambodian market, the company will not lose out either way. In 2010, Thailand exported 300,000 tons of refined white sugar to the country.<sup>77</sup>

According to a company representative, "the project has generated about 3,500 jobs to cut and process the crop, of which 90 percent went to Cambodians, and the remainder mostly to Thai nationals in middle and upper management."

Commercial sugar production in Lao PDR and Cambodia started in the 2009/2010 period (Tris, 2011: 1). In the 2010/2011 season, the amount of cane acquired was a combined 300,299

<sup>74</sup> Khon Kaen Sugar Set to Double Sugarcane Output at <http://farmlandgrab.org/10800>

<sup>75</sup> *Ibid*.

<sup>76</sup> Information obtained during an interview with Koh Kong Mill representatives.

<sup>77</sup> Khon Kaen Sugar set to double sugarcane output: <http://farmlandgrab.org/10800>

tons. Due to a lack of skilled labor and farm management issues, production amounts were lower than expected. Production at both plants is expected to break even in the 2011/2012 period (*Ibid*).

Raw sugar produced at the plants is exported to the EU (Tris, 2011: 1). KSL signed five-year contracts with London-based Tate & Lyle to supply all of its output from Cambodia and Laos at the price of 19 cents a pound (Bridges, 2101: 8).<sup>78</sup> Tate & Lyle later sold their sugar operations to American Sugar Refining Company. American Sugar has permission to sell the sugar under the Tate & Lyle brand name “in perpetuity” (Campbell, 2010).

### CORPORATE SOCIAL RESPONSIBILITY

The company website states that corporate social responsibility (CSR) is a top priority for KSL Group and that “projects beneficial to society have been carried out including improving environments, enhancing standard of living and community wellness, and maintaining Thai cultural identity” (KSL, 2009d). Company policy ensures that CSR activities place an emphasis on “participation of corporate employees, other organizations and communities.” The last step of their CSR model is “communicating results internally and to society, and integrating the activity into society with its acceptance.” As the website states that CSR activities involve “promoting and supporting social activities, charitable donations, and volunteering for communities” (*Ibid*), the extent of CSR policy application to wider business operations such as industrial sugar production that may result in significant social and environmental impacts is not clear.

#### 5.3.3 VE WONG CORPORATION OF TAIWAN

Ve Wong Corporation is a Taiwanese company in operation since 1959 (Ve Wong, n.d.). The company has four business divisions: Food, Trading, Construction, and General Development. The company operates four distribution centers, 25 sales offices and two plants in Taiwan; three other plants are located overseas. In order to ensure acquisition of the raw materials required to produce monosodium glutamate (MSG) in a country with limited land area, the company jointly established the Thai Fermentation Industry Co., Ltd. with the KSL Group in 1966 (KSL, 2003; MoE Taiwan, n.d.: 1). The main raw materials necessary for MSG production, the company’s main product, are tapioca starch and sugarcane (KSL, 2003). The company, producing under the Red Spoon brand of seasoning products, is the largest exporter of seasoning products in Thailand (KSL, 2009).

Outside of food production, the company operates in the

<sup>78</sup> *Ibid*

renewable energy sector. With Vietnam as the host party, company subsidiary Saigon Ve Wong Co., Ltd CDM small-scale briquettes biomass project is expected to earn carbon credits for 24,866 metric tons CO<sub>2</sub> per year.<sup>79</sup> The company has also invested in a bio-fuel plant in Thailand and plans to establish a similar plant in Cambodia.<sup>80</sup>

### CIVIL SOCIETY RESPONSE IN TAIWAN

Due to Ve Wong’s involvement in the Koh Kong sugar concession NGOs in Taiwan initiated a campaign against the company. In 2011, protestors held a demonstration in front of Ve Wong head office in Taipei to draw attention to the impacts of the ELC in Sre Ambel district. Protesters accused the company of violating human rights and demanded corporate accountability. At the protest, Taiwanese NGOs condemned Ve Wong’s “blood sugar” and called for a boycott of the company’s Prince Noodles.<sup>81</sup>

After the protest, the company issued a response. It stated that the business is mainly controlled by Khon Kaen Sugar; Ve Wong has no staff based in Cambodia and daily business operations are controlled by KSL Group. The company acknowledged that 30 percent of shares were held in each of the sugar companies in Cambodia, but stated that “our Thai partners

are in charge of the daily operations of the companies and have never informed us about what the human rights groups have stated.”<sup>82</sup> Furthermore, Ve Wong staff have attended shareholder and board meetings in the country during which time they have not witnessed any violent deeds, including livestock shootings or land grabbing nor have they been informed by the Thai shareholder that this has occurred. According to

Figure 24. Taiwan protest poster stating “Blood Prince Noodles” grab lands in Cambodia.”



Provided by Chen, 2011

<sup>79</sup> Project 4847 : Boiler Fuel Conversion from Fuel Oil to Briquettes Biomass Fuel at Saigon Ve Wong Co., Ltd, Ho Chi Minh city, Vietnam: <http://cdm.unfccc.int/Projects/DB/RWTUV1306214642.25/view>

<sup>80</sup> Shares in Ve Wong Corp surge to three-year high: <http://www.taipeitimes.com/News/biz/archives/2007/07/04/2003368092>

<sup>81</sup> This information was received in an email communication with Roxanna Chen of EJA.

<sup>82</sup> This information was obtained during an interview with an EJA representative in Taiwan and confirmed by: Cambodian land seizures protested: <http://www.taipeitimes.com/News/taiwan/archives/2011/11/19/2003518692>

the company, Ve Wong is concerned about human rights and environmental protection. As executives are shocked to hear the information brought forward by NGOs, Ve Wong stated that it will send a team to investigate. If the accusations are true, the company will demand that Koh Kong Company ameliorate the situation. If the company does not rectify the situation, Ve Wong will demand that NGOs clarify it.<sup>83</sup> Despite its stated commitment to people and the environment, the Ve Wong website does not contain information related to corporate social responsibility or sustainable development.

During the two weeks following the protest, members of the Environmental Jurist Association of Taipei attempted to meet with the CEO of Ve Wong.<sup>84</sup> The company gave a series of excuses but finally agreed to meet on December 1, 2011. While much information came to light, company officials requested that meeting particulars be kept private.<sup>85</sup>

As part of the campaign various NGOs requested an official investigation into the human rights abuses.<sup>86</sup> According to the groups, Ve Wong's actions violate the United Nations International Covenants on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights. In a letter to the Taiwan Ministry of Economic Affairs, the groups demanded the Ministry implement the necessary regulations required to prevent the approval of investments which violate international conventions or covenants or damage Taiwan's international image. They also demanded the Ministry to investigate the case based on the local law regarding the United Nation's International Covenants on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights. Finally, the groups demanded to receive a report within one month. The Ministry of Economic Affairs sent an official letter to Ve Wong in December, 2011, to request the related documents and issue a response.<sup>87</sup>

The decision issued by the Ministry appears to be based largely upon the response from Ve Wong and Chamroom Chinthammit. According to the report, the Investment Commission of the Ministry of Economic Affairs approved the total invest-

ment of US \$7.2 million and 30 percent of the shares in the Koh Kong Sugar Company Ltd. in July 2008. Ve Wong entered the venture "based on the spirit of honesty and sincerity" to secure raw materials. As Ve Wong sent a letter Koh Kong Sugar Industry Ltd. and Koh Kong Plantation Ltd. requesting an investigation, and the response received in return from Chamroom Chinthammit denied all wrongdoing and even offered to return the land and pay moving fees if evidence of land grabbing is found, the Ministry adopted a "neutral stance" on the issue.<sup>88</sup>

Meetings also have been held with National Human Rights Advisory Council in Taiwan. The Council is currently composing the National Human Rights Report; the issue is expected to be addressed in the report.<sup>89</sup> The EJA is currently trying to raise funds to bring affected farmers to Taiwan for a stakeholder meeting with company representatives.

#### 5.3.4 OTHER ACTORS

In addition to the three companies profiled above, PAPL Consultants and Tate & Lyle, both of the United Kingdom, have played a role in Koh Kong sugar production. In addition, American Sugar Refining Company of the United States is included in this section as it recently has acquired the sugar operations - including the Koh Kong sugar contracts - of Tate & Lyle. As a result, the company continues to face scrutiny. Each company is outlined in this section.

#### PAPL CONSULTANTS

PAPL Consultants is a father and son consultancy firm conducting business within the global sugar industry.<sup>90</sup> Areas of expertise include project management, third party inspection, Sino-foreign business and the sugar industry. The company has an extensive business network that spans the Cambodian, Laotian, Chinese, Israeli and Sudanese sugar industries and includes Associated British Foods, British Sugar Overseas and American Sugar Refining Company (ASR) (*Ibid*).

Ian Fordham founded PAPL in 1997 after a long career in the industry with British Sugar. His son, Tom Fordham, has "considerable experience working in Cambodia" and was chosen by ASR subsidiary T&L Sugars to act as Managing Director and Consultant Technical Director of Asia. He currently provides direct technical assistance programs for Cambodian and Laotian cane estates. Experiences listed on his curriculum vitae range from developing business strategies for increased sup-

<sup>83</sup> This information was obtained during an interview with an EJA representative in Taiwan.

<sup>84</sup> This information was obtained during an interview with an EJA representative in Taiwan.

<sup>85</sup> *Ibid*

<sup>86</sup> Groups include Environmental Jurist Association, Covenants Watch, Amnesty International Taiwan Section, Taiwan Association for Human Rights, TranAsia Sisters Association, Wild at Heart Legal Association, and Taiwan International Medical Alliance. Signatories included Community Legal Education Center of Cambodia, Taiwan Rural Front, Taiwan Labour Front, Serve the People Association (Taoyuan), and others.

<sup>87</sup> This information was received in an email communication from Roxanna Chen, EJA.

<sup>88</sup> *Ibid*

<sup>89</sup> This information was received in an email communication from Roxanna Chen, EJA.

<sup>90</sup> PAPL Home: <http://www.paplconsultants.com/#>

ply from Asia and sugar factory reconstruction to management of contracts, cash flow and project budget (*Ibid*).

According to News headlines on the PAPT website, Tate & Lyle and KSL selected PAPT to develop the sugarcane estate in Koh Kong.<sup>91</sup>

## TATE & LYLE

Tate & Lyle currently operates in the corn wet milling industry and the high-intensity sweetener industry. Through its SPLENDA Sucralose shares, the company is the largest single intensity sweetener manufacturer in the world. By volume, company SPLENDA Sucralose accounts for 89 percent of the global sucralose market. The product, produced in Singapore, is sold to the food, beverage and pharmaceutical industries.<sup>92</sup>

Tate & Lyle Sugars has been refining sugar at its Thames Refinery since 1878. In 2008, the company announced its switch to fair trade granulated white sugar becoming the largest UK food and drink brand to do so. The company has also initiated a reduced carbon footprint project to reduce the refinery's carbon footprint by over 25 percent.<sup>93</sup> In 2010, Tate & Lyle Sugars was acquired by ASR as outlined in the next company profile. The sale was to stave off mounting losses as well as to concentrate on its industrial food ingredients division, which produces items used in processed foods such as soups and sauces. Before the sale, Tate & Lyle signed a five-year contract to buy sugar from Khon Kaen Sugar Industry concessions in Cambodia and Laos (Campbell, 2010).

When questioned over the extent of the business dealings in Cambodia, Tate & Lyle PLC Group Vice President of Corporate Affairs, Rowan Adams replied, "Your questions relate to a business we do not own. Not only would it be wholly inappropriate for us to comment on someone else's business, but also, from a practical point of view, we do not have access to this business' records or people, and so are simply not in a position to answer the questions you raise" (Campbell, 2010). In light of debt levels and falling profits,<sup>94</sup> the risky investment climate of an LDC, and Tate & Lyle's long-standing presence and experience in the often overlapping sugar business network, this lack of information is highly unlikely.

<sup>91</sup> Koh Kong Cambodia: Tate & Lyle and KSL select PAPT to Develop Sugarcane Estate: <http://www.papiconsultants.com/#/news/4544867443>

<sup>92</sup> Our industry: <http://www.tateandlyle.com/AboutUs/ourindustry/Pages/Ourindustry.aspx>

<sup>93</sup> Tate & Lyle Sugars LinkedIn: [http://www.linkedin.com/company/1993659?goback=fcs\\_GLHD\\_Tate+%26+Lyle\\_false\\_\\*2\\_\\*2\\_\\*2\\_\\*2\\_\\*2\\_\\*2\\_\\*2\\_\\*2\\_\\*2\\_\\*2&trk=ncsrch\\_hits](http://www.linkedin.com/company/1993659?goback=fcs_GLHD_Tate+%26+Lyle_false_*2_*2_*2_*2_*2_*2_*2_*2_*2_*2&trk=ncsrch_hits)

<sup>94</sup> Tate & Lyle Sells Sugar Arm to American Sugar Refining: <http://www.bbc.co.uk/news/10472258>

## AMERICAN SUGAR REFINING, INC.

American Sugar Refining, Inc. (ASR) was formerly known as Tate & Lyle North American Sugars, Inc. until the company changed its name in November of 2001.<sup>95</sup> Headquartered in Yonkers, New York, ASR is a subsidiary of Florida Crystals Corporation and the Sugarcane Growers Cooperative of Florida. ASR's production capacity of 7 million tons of sugar makes ASR the largest cane sugar refining company in the world.<sup>96</sup>

ASR owns and operates six sugar refineries in New York, California, Maryland, Louisiana, Canada and Mexico as well as sugar refineries in England and Portugal. ASR markets products through the following brands: Domino, C&H, Florida Crystals, Redpath and Tate & Lyle. ASR is licensed to use the Tate & Lyle brand since acquiring the sugar operations of Tate & Lyle for \$314 million in cash in 2010. Included in the transaction are refineries in London and Lisbon.<sup>97</sup>

The company offers the first certified carbon-free sugar in the United States. According to the company website:<sup>98</sup>

*At our roots, we are an agriculture company. Sustainable practices have been a part of our company for years, whether through our farming methods or our energy efficiency. For more than a decade, our renewable energy facility has been providing a secure source of clean energy... The scale of our process is unique to our company, and we are extremely proud to have achieved it.*

While the company promotes itself as a sustainable operation, the business was kicked out of Bonsucro for violating labor issues.<sup>99</sup>

<sup>95</sup> ASR company overview: <http://investing.businessweek.com/research/stocks/private/snapshot.asp?privcapId=787462>

<sup>96</sup> American Sugar LinkedIn Profile: [http://www.linkedin.com/company/151608?goback=fcs\\_GLHD\\_american+sugar+refining\\_false\\_\\*2\\_\\*2\\_\\*2\\_\\*2\\_\\*2\\_\\*2\\_\\*2\\_\\*2\\_\\*2\\_\\*2&trk=ncsrch\\_hits](http://www.linkedin.com/company/151608?goback=fcs_GLHD_american+sugar+refining_false_*2_*2_*2_*2_*2_*2_*2_*2_*2_*2&trk=ncsrch_hits)

<sup>97</sup> Domino Sugar Parent Completes Acquisition: [http://articles.baltimoresun.com/2010-09-30/business/bs-bz-domino-sugar-parent-acquisition20100930\\_1\\_domino-sugar-american-sugar-refining-acquisition](http://articles.baltimoresun.com/2010-09-30/business/bs-bz-domino-sugar-parent-acquisition20100930_1_domino-sugar-american-sugar-refining-acquisition)

<sup>98</sup> Carbon Free Q & A: <http://www.dominosugar.com/carbonfree/faq.html>

<sup>99</sup> Information obtained in an interview with Bobby Sta. Maria of Earthjustice.



ក្រុមហ៊ុន ឧស្សាហកម្ម ស្ករ កោះកុង ចំកាត់

KOH KONG SUGAR INDUSTRY CO., LTD. →

## VI. THE NATIONAL CONTEXT

Figure 25. The Kingdom of Cambodia.




Global, 2009

### GEOGRAPHY

The Kingdom of Cambodia spans an area of 181,040 km<sup>2</sup> and is comprised of three topographic types including the Central plains, mountainous regions in the north and south, and a coastal area in the southwest (FAO, 2012). The Central plains comprise 75 percent of the total land area (GTZ, 2009: 6). Located within the Mekong river basin and the Tonlé Sap river basin that houses the largest freshwater lake in Southeast Asia,<sup>100</sup> roughly 2.2 percent of the country's area is covered by water. Groundwater resources are estimated to be 17.6 billion m<sup>3</sup>. Administratively, the country is divided into 23 provinces (*Ibid*). The capital city of Phnom Penh sits at confluence of the Tonlé Sap, Mekong, and Bassac rivers and holds a population of 1,501,725; the population density in the capital is 2,213 people per km<sup>2</sup> (Phnom, 2010). Despite high GDP growth rates, the country remains poor; in 2004, roughly 68 percent lived on less than US \$2 per day (ADB as cited by GTZ, 2009: 6).

<sup>100</sup> See: [http://www2.adb.org/projects/tonle\\_sap/](http://www2.adb.org/projects/tonle_sap/)

Figure 26. Cambodia profile.



Kingdom of Cambodia	
Area	181,040 sq km
Head of State	King Norodom Sihamoni
Prime Minister	Hun Sen
Population	15 million
Percent rural	80
Population density	77/km <sup>2</sup>
Capital	Phnom Penh
Major language	Khmer
Major religion	Buddhism
Life expectancy	Men: 62 Women: 65
Monetary unit	Riel US dollar
GNI per capita	US \$760
Main exports	Clothing, timber, rubber

Adapted from BBC, 2012

## CLIMATE

Cambodia's tropical monsoon climate is characterized by two seasons, dry and wet, created by the northeast and southwest monsoons respectively. The dry season runs from November to April with February being the driest month (*Ibid*). The wet season spans from May to October with rainfalls peaking in June and September. Rainfall, averaging 1,400 mm, varies greatly across the country as well as from year to year. Coastal regions receive the most rainfall. Temperatures range between 21°C in January to 36°C in April.

## INDUSTRY

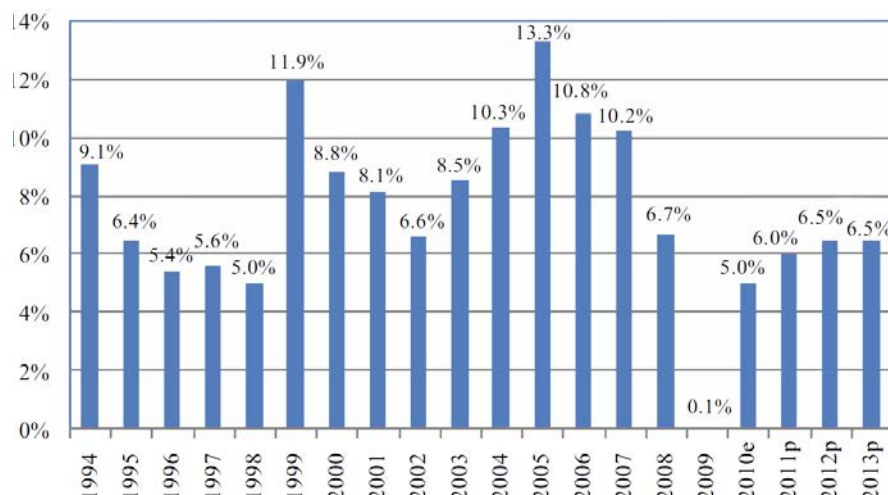
Economic growth in Cambodia has been driven by a rapidly expanding industrial sector (Joiner, 2006: 2). Leading industries are construction and especially garments

(Joiner, 2006: 2; CDRI, 2010). Other industries include textiles, fisheries, wood and wood products, cement, rubber, paper and food processing, and gem mining (U.S., 2011). Traditionally an agrarian economy, agriculture remains important.

## AGRICULTURE

In 2009, roughly 66 percent of the economically active population was in farming – of which 51 percent were women. In the same year, agriculture accounted for 35 percent of GDP (FAO, 2012). With approximately 100,000 ha planted, rubber is the most important cash crop (GTZ, 2009: 6).

Figure 27. % GDP growth (2000 prices).



CDRI, 2011: 6

25 percent or 4.63 million ha of the total land area is cultivable; roughly 4 million ha were under cultivation in 2009 for annual (92 percent) and permanent (3.8 percent) crops. Agriculture is predominantly low-input, low-income, rain-fed subsistence. 84 percent of cultivated land is used for rice production. Other main crops include maize, cassava, sweet potato, and vegetables. Industrial crops include soybean, sugarcane, sesame, groundnut, tobacco, rubber and jute (WFP, 2012). Landlessness is a problem for 20 percent of the population (WB, 2008 as cited by GTZ, 2009: 6, 11). 40 percent of rural families, particularly young households, have less than .5 ha for farming (*Ibid*).

Decimated from decades of war and instability, the country's rebuilt agricultural sector has transitioned from isolation to international integration and markets; 173,000 tons of rice was exported, mostly to Europe, in 2011.<sup>101</sup> Yet despite this rice surplus, food insecurity is a major problem especially in areas prone to flooding and droughts (*Ibid*). 26 percent suffered from daily hunger in 2009 (ADB

<sup>101</sup> See: <http://www.phnompenhpost.com/index.php/2012051756213/Business/slow-outlook-for-2012-rice-exports.html>

as cited by GTZ, 2009: 6). In addition, 25 percent of households are food insecure, 42 percent of children under five are stunted, 28 percent are underweight and 9 percent are wasted (FAO and UNICEF, 2009, as cited by WB, 2011).

## PEOPLE AND CULTURE

While the majority of the population is ethnic Khmer, various minority groups live in the country. The largest are the Cham-Malays who mostly reside north of the capital along the Mekong. Other groups include ethnic Chinese, ethnic Vietnamese, Lao, and several hill tribes collectively called Khmer Leu. The largest of these highland Khmers include the Prong, Kui, Brau, Kravet, Krung, Rhade, Jarai, Tampuan and Stiang peoples (Visiting, 2008). Theravada Buddhism is practiced by 95 percent of the population; Islam, Christianity and animism are also practiced. Khmer, the official language, is used by 95 percent of the population however French and English are also spoken (U.S., 2011). The Khmer Leu languages mainly stem from three branches of the Mon-Khmer group of the Austroasiatic language family: the Bahnaric, the Katuic, and the Pearic (Visiting, 2008).

Despite sustained economic growth, Cambodia remains one of the world's poorest countries. Furthermore, as democracy and the rule of law remains 'a façade,' it is also one of the most lawless (LICADHO, 2005: 6).

### 6.1 KEY HISTORICAL EVENTS

Siting at the juncture of two ancient cultures of India and China within the Indochinese peninsula, the early history of Cambodia was strongly influenced by its geographical location (Keller, 2005: 129; Library, 1987). More recently, Cambodia continued to be influenced by Thailand, Vietnam and China as well as by France, Japan, and the United States. This section briefly outlines some of the key historical events of the Kingdom beginning from the late 19th Century.

In 1863, Cambodia became French protectorate (BBC, 2012). Under colonial rule which prevailed for 90 years, the country

was largely neglected (Keller, 2005: 130). Twelve years before independence, Prince Norodom Sihanouk, endorsed by the French to quell nationalist tensions, begins his domination of Cambodian politics by becoming king. During the same year, Japanese forces occupy the country during World War II. Under continued unrest and a year after the Japanese depart, the French protectorate is reestablished and armed communist insurgents begin a campaign against the French. In 1953, Cambodia wins independence from France and under King Sihanouk becomes the Kingdom of Cambodia. In 1965, North Vietnamese guerillas are allowed to establish bases to further their campaign against South Vietnam. Four years later and despite US government restrictions, President Nixon covertly launches "Operation Menu." More than a half million tons of bombs are dropped on the country (see figure 28) (BBC, 2012).

In 1970, Sihanouk is deposed while abroad by a coup d'état by the US-backed General Lon Nol. The General declares a new Khmer Republic and dispatches troops, but the army, fighting North Vietnamese and Khmer Rouge guerillas, loses ground (*Ibid*). In 1975, the Khmer Rouge takes control from Lon Nol and one of the most diabolical periods of world history ensues after the country is renamed Kampuchea and Sihanouk briefly acts as head of state. In a mass agricultural restructuring of society aimed at expanding the economy coined "Year Zero" by the Khmer Rouge, the urban population is forced to relocate to rural areas (BBC, 2012). As a result of this act of genocide, more than 1.7 million people die by torture, execution, over-work, illness or privation over the next three years (Yale, 2010). Despite ideals for a uniform, classless society, people are categorized by the regime as "new" or "base." Base people are preferred for having joined the revolution before 1975 while new people, often ethnic minorities, monks and the educated, receive fewer privileges. Perceived to oppose the Party Center, new people are singled out and scapegoated for not taking part in "the struggle" (Kiernan, as cited by Chigas and Mosyakov, 2010). To speak French, to read a novel or wear glasses was to display the type of contaminated education acquired during colonial or feudal times (*Ibid*). If not directly or indirectly killed, many scholars and professionals fled the country. During this period, the extremist ideology of the

### THE WARRING FACTIONS

**FUNCINPEC:** Front Uni National pour un Cambodge Indépendant, Neutre, Pacifique, et Coopératif. The royalist, non-communist opposition party founded by Prince Norodom Sihanouk.

**KPNLF:** Khmer People's National Liberation Front. The conservative right faction comprised of warlords and other supporters of Lon Nol's regime.

**KPRP:** Khmer People's Revolutionary Party. The communist government in Phnom Penh headed by Hun Sen and Hor Nam Hong and backed by Vietnam.

**PDK:** Party of Democratic Kampuchea. Formerly the Communist Party of Kampuchea or the Khmer Rouge, the faction changed names to unite against Vietnam. After Pol Pot, the PDK was headed by Khieu Samphan (Keller, 2005: 137).



Angkar also outlaws education as well as private ownership and commercial activity and exchange, including bartering. Each is punishable by death (Keller, 2005: 134; Praso, as cited by Duma, 2011: 5). Property is lost, money becomes worthless and religion is banned (*Ibid*; BBC, 2012). During the regime, no legal system is in place (Keller, 2005: 134). The auto-genocide committed by the Khmer Rouge receives little international attention (*Ibid*: 135). In 1976, the country is re-named Democratic Kampuchea and Pol Pot becomes prime minister. Fighting with Vietnam begins and by 1979, the neighboring country has control of Phnom Penh. Offering little resistance, the Khmer Rouge flee and the country is once again under control of a foreign power. The new communist regime is headed by defected officials of the Khmer Rouge military and Cambodian expatriates living in Vietnam. The country changes names once again and under Hun Sen and Heng Samrin, the People's Republic of Kampuchea (PRK) is established. Russia recognizes the new government and by January of 1980, twenty-nine countries follow suit; eighty others, particularly China, the United States, and the United Kingdom, continue to recognize the Khmer Rouge and the government-in-exile maintains its UN seat. Despite a rising guerilla movement from three groups and with assistance from socialist bloc countries, the PRK holds power from 1979 to 1989. In 1985, Hun Sen becomes prime minister as hundreds of thousands of Cambodians flee guerilla warfare. Four years later in 1989, Vietnamese troops withdraw, and Buddhism officially is re-established as the national religion. In a bid to attract investment, socialism is relinquished and the country becomes the State of Cambodia. During the same year, the Paris Peace Conference convenes yet, as power-sharing between competing factions proves onerous, a peace settlement in Cambodia remains out of reach (Keller, 2005: 144). Finally, in October 1991 after a precarious cease-fire and more than ten years of diplomacy, the Paris Peace Accords are signed to begin the process of rebuilding the country and protecting the rights of Cambodian people. Key components of the Accord include a UN Transitional Authority, election of a Constituent Assembly, and after the promulgation of a constitution, a functioning legislature derived from the Assembly. All parties agree to the key components except for the Khmer Rouge who walk out of talks and refuse to participate in the process.<sup>102</sup> During the transition, UNTAC, the United Nations Transitional Authority in Cambodia, shares power with the opposing factions working as an interim government called the Supreme National Council. Sihanouk returns as head of state (*Ibid*: 143).

In 1993, Hun Sen's Cambodian People's Party (CPP) wins fewer votes in the general election than FUNCINPEC. As prime min-

<sup>102</sup> For more information about the drafting of the constitution, see: <https://www.princeton.edu/~pcwcr/reports/cambodia1993.html>

ister, FUNCINPEC's Prince Norodom Ranariddh enters into a three-party coalition with Hun Sen of the CPP as deputy prime minister. The country becomes the Kingdom of Cambodia with Sihanouk as king once again (BBC, 2012).

In 1994 in an attempt to collapse the Khmer Rouge, the gov-

Everything was interpreted: words, gestures, attitudes. Sadness was a sign of spiritual confusion, joy a sign of individualism, [while] an indecisive point of view indicated a petty bourgeois intellectualism.

~ Ong Thong Hoeung on what life was like under the Khmer Rouge Regime (Chandler, 2007: 214)

ernment offers a royal pardon and amnesty to Pol Pot's brother-in-law and Khmer Rouge Foreign Minister Ieng Sary, in exchange for his defection from the group. Thousands of his followers join.<sup>103</sup>

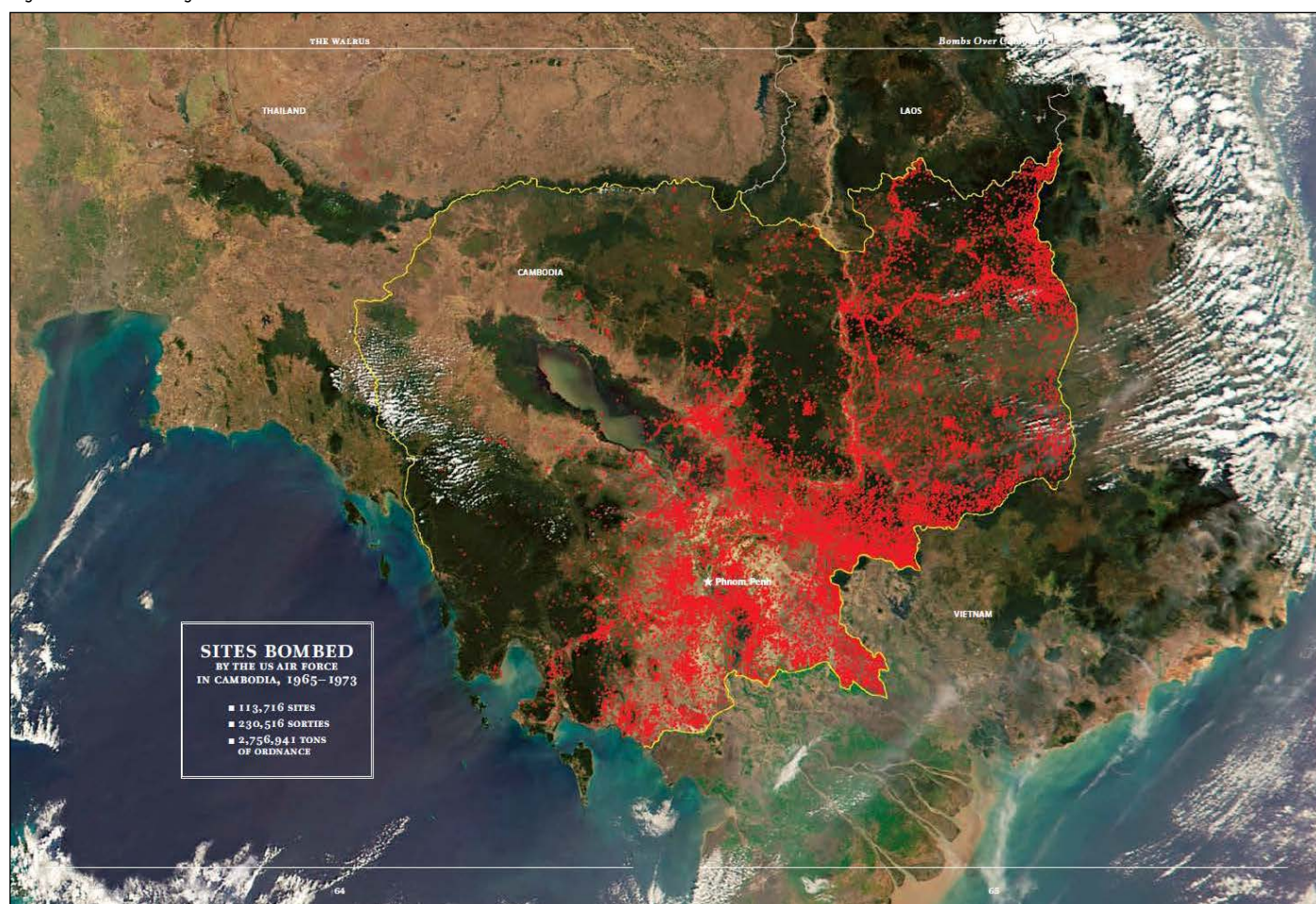
In 1997, Prince Norodom Ranariddh is ousted by Hun Sen in a coup d'état. A year later the CPP wins the elections and once again joins in a coalition with FUNCINPEC with Hun Sen as prime minister. Prince Norodom Ranariddh becomes the president of the National Assembly. Under Hun Sen's "Win-Win Policy," Khmer Rouge military and political organizations are disbanded and integrated into society in 1999 (Kingdom, 2009: 1). In 2001, the Khmer Rouge trials process begins through a law allowing for a tribunal to be established (BBC, 2012).

Failing to secure a majority for the next two years, the CPP must share power with FUNCINPEC. King Sihanouk abdicates and is succeeded by his son Norodom Sihamoni. In 2005, Sam Rainsy, an opposition party leader in exile in France, is sentenced to nine months in prison after being convicted of defaming Prime Minister Hun Sen. The next year he is pardoned and returns home (*Ibid*).

In 2007, efforts begin to mete justice for the Khmer Rouge regime crimes. Suspects are questioned about genocide in court tribunals sponsored by the UN. Khmer Rouge leader Nuon Chea, the most senior member still living, is arrested and charged with crimes against humanity. Two months later Comrade Duch, the former head of Tuol Sleng prison, appears in court over his bail plea. In 2008, the CPP wins elections that EU monitors believe do not meet international standards.

<sup>103</sup> See: <http://www.nytimes.com/1996/09/18/world/an-amnesty-in-cambodia.html>

Figure 28. USA bombing of Cambodia.



From 1965 to 1968, 214 tons of bombs were dropped during 2,565 sorties over Cambodia.

Owen & Kiernan, 2006

While genocide and war has ended, and political instability has decreased, their legacy lives on. According to Morris (2000), the population is demoralized and community structures are broken. There remains a deep distrust at all levels of society that is compounded by a lack of governmental commitment to restorative processes that will allow the country to come to terms with the past. While political stability and quality of life for many Cambodians has increased since 1998, poverty, corruption and violence thrive in a culture of inequity and impunity.

## 6.2 ADMINISTRATIVE STRUCTURE

Cambodia is a parliamentary representative democracy operating under a constitutional monarchy. King Norodom Sihamoni is Chief of State and hereditary head of government while the Head of Government is Prime Minister Hun Sen. The government framework contains executive, legislative and judicial branches (U.S., 2010). Under Article 51 of the Constitution, “All powers belong to the people. The people exercise these powers through the National Assembly, Senate, Royal Government and the Judiciary” (Kingdom, 1993: 11).

The executive arm of the government includes the king, the prime minister, 10 deputy prime ministers, 16 senior ministers, 26 ministers, 206 secretaries of state, and 205 undersecretaries of state (U.S., 2011). The legislative arm of the government is a bicameral parliament comprised of the Senate and the National Assembly. The Senate was created through an amendment to the constitution and was the result of a political deal to resolve a stalemate between the CPP and FUNCINPEC political parties after the 1998 General Election (CCHR, 2012: 1).

The Senate, consisting of 61 members, holds two three-month sessions per year. Two members are appointed by the king, two members are elected by the National Assembly and 57 members are elected by indirect vote of commune councils and members of the National Assembly for terms lasting six years. The Senate plays an advisory role in reviewing draft laws submitted by the National Assembly. A Standing Committee with nine specialized commissions reviews legislation and makes recommendations to the Senate (CCHR, 2012). The National Assembly consists of 123 members elected by a party-list system with a proportional distribution of seats for terms of five years (USAID, 2010). Under this list system,

votes are for the party and only individuals affiliated with a party can run for office (CCHR, 2012: 1). The Judiciary consists of the Supreme Court, Appeals Court, and lower courts (U.S., 2011).

Until recently, local governance was directed at the national level through state appointed representatives such as commune and village chiefs (Ninh and Henke, 2005: 12). In 2002, the newly established commune council elections under decentralization reforms allowed local officials to be elected directly. One caveat still intervenes however and candidates must run on party tickets rather than as individuals. Depending on the size of the commune, there are between five and eleven council members in a council serving five year terms. Responsibilities include promoting the welfare of citizens, maintaining security and public order, public service arrangement such as road construction and maintenance, health, education waste, water and sanitation as well as promoting social and economic development and seeking investors for said development. Finally, commune councils are to promote mutual tolerance and social harmony. In fact, one study found that local conflicts and dispute resolution is the primary activity of councilors outside of administrative tasks (*Ibid*: 13).

According to critics, the country's administrative system has significant room for improvements (CCHR, 2012). The Judiciary, often used to strong-arm political agendas, is criticized for being corrupt and incompetent (HRW, 2005). In 2005, the prime minister increased his control over the Judiciary after placing the Supreme Council of the Magistracy under the Ministry of Justice. The Council, a disciplinary body for the judiciary, can best fulfill its role only if it is independent (*Ibid*). The electoral system works better for larger parties and executive branch accountability is limited as the National Assembly can implement laws rejected by the Senate. Rather than working for the people, senators within the indirect, party-list system are accountable to their party. The 'rubber stamp' Senate is often criticized for its lack of power, independence and for pandering to party lines (CCHR, 2012).

One example of party influence comes from 2008 where EU election observers criticized the country for not meeting international election standards, primarily impartiality and the role of the governing CPP. According to monitors, the CPP disproportionately dominated the media and widely and consistently used state resources for campaigning efforts. Moreover, the presence of CPP officials connected to the National Election Committee compromised the committee's independence. 50,000 registered voters were allowed by the Committee to be removed from the electoral roll (Delauney, 2008).

The next section presents a brief outline of the post-reconstruction development process in Cambodia including the Rectangular Strategy, the National Strategic Development

Plan and the National Sustainable Development Strategy for Cambodia (NSDS) which outlines the country's approach to sustainable development.

### 6.3 FROM DESTRUCTION TOWARD SUSTAINABLE DEVELOPMENT

After years of conflict, the establishment of a new government, the end of the 1979 economic embargo, and the arrival of inflows of capital in the form of foreign direct investment (FDI) and Official Development Assistance (ODA), the process of rehabilitation was started. In 1994, the government adopted its first development plan within the National Programme to Rehabilitate and Develop Cambodia (NPRD). In line with this, the first Socio-Economic Development Plan (SEDP) 1996-2000 was formulated to reach economic growth, social development, and poverty alleviation objectives by 2000. To implement SEDP, the annually updated, rolling Public Investment Programme was developed to ensure foreign and domestic development assistance could reach areas of priority (Kingdom, 2009: 1).

#### THE TRIANGLE STRATEGY (1998-2003)

Additional framework for sustainable development was presented to the National Assembly by Prime Minister Hun Sen in 1998. The Royal Government Platform for the period of 1998-2003 gave policy directions for a range of domestic to foreign social and economic issues. Policy objectives were aimed at maintaining macroeconomic stability while promoting sustainable development and natural resources management. Other important issues to sustainable development were outlined and included in the areas of decentralization, health, education, reduced population growth, rural development, and food security.

The Government's Triangle Strategy presented the country's long term economic plan (Kingdom, 2009: 1). The Triangle laid out three priority areas. The first focused building peace, stability and security while the second was concerned with regional integration and normalizing international relationships. The third was concerned with promoting development based upon the objectives of the first two points. During this time the National Preparatory Committee also was established with the responsibility of formulating a national assessment report on sustainable development initiatives to present to the 2002 World Summit on Sustainable Development in Johannesburg (UNEP, 2009: 4; Kingdom, 2002: 3). In line with this and after the United Nations Millennium Summit in 2000 that outlined the MDGs to be achieved by 2015, Cambodia developed the Cambodia Millennium Development Goals (CMDGs) with a continued focus on promoting human development and reducing poverty.



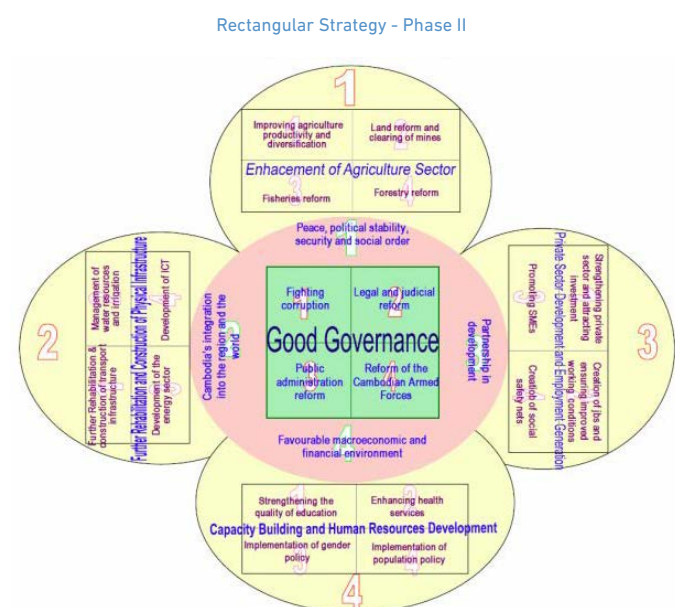
## SEDP II ( 2001-2005)

Between 2001-2005, the second five-year SEDP, again focusing on economic growth and poverty, was in effect. Also, in further support of the CMDGs, a National Poverty Reduction Strategy was adopted in 2002 (Kingdom, 2009: 2). While these two complementary initiatives formed the basis of development planning, they were not fully evolved as “harmonisation blueprints.” For the period covering 2006-2010, the RGC decided to develop instead the more comprehensive National Strategic Development Plan (NSDP).<sup>104</sup> As this plan was designed according to the Rectangular Strategy framework (Kingdom, 2009: 2), the Rectangular plan is discussed first.

## THE RGC RECTANGULAR STRATEGY I AND II (2003-PRESENT)

The original Rectangular Strategy was launched in 2003; updated in 2008 (Kingdom, 2009: 2; GTZ, 2009: 30), the Rectangular Strategy II is the successor to the Triangle Strategy and is based upon various policies including the Millennium Development Goals, the Cambodia Socio-Economic Development Program 2001-2005, and the 2003-2005 Cambodia National Poverty Reduction Strategy (Sen, 2004: 4). Outlining the country’s long-term development plan, RGC promises to promote a sustainable and equitable development that will “establish progress, prosperity, harmony, decent livelihood and dignity for Cambodians from all walks of life and the entire nation” (Sen, 2004: 3-4) as well as one that manages natural resources (GTZ, 2009: 30).

Figure 29. The Rectangular Strategy.



Chan, 2008

The core of the Strategy is the Governance Action Plan (Kingdom, 2009: 2) whereby reformation under good governance includes combating corruption, undertaking legal and judicial reform as well as public administration reform including decentralization and deconcentration. Finally, the Royal Cambodian armed forces will be reformed. Reformation will take place in a world-integrated Cambodia within a favorable macroeconomic climate characterized by peace, stability, security and order and in partnership with all development stakeholders. Four growth rectangles contain four areas of focus (Sen, 2004: 5):

- **Rectangle 1: Enhancement of Agricultural Sector** addresses (1) improved productivity and diversification of agriculture (2) land reform and clearing of mines (3) fisheries reform and (4) forestry reform
- **Rectangle 2: Continued Rehabilitation and Construction of Physical Infrastructure** addresses (1) continued restoration and construction of inland, marine and air transport infrastructure (2) management of water resources and irrigation (3) development of energy and power grids, and (4) development of Information and Communication Technology
- **Rectangle 3: Private Sector Growth and Employment** addresses (1) strengthened private sector and attraction of investments (2) promotion of SMEs (3) creation of jobs and ensuring improved working conditions and (4) establishment of social safety nets for civil servants, employees and workers
- **Rectangle 4: Capacity Building and Human Resource Development** addresses (1) enhanced quality of education (2) improvement of health services (3) fostering gender equity, and (4) implementation of population policy

The prime minister recognized 17 challenges facing the government in the full implementation of the strategy (Sen, 2009: 6). Those directly relevant to this study are persistent rural poverty, land concentration, landlessness, and illegal claims on state land, the inefficient use of ELCs, and the narrow-based economy. The last challenge is a major driver of private sector partnerships within agricultural developments.

As the growth of the economy has been primarily based on the garments and tourism sectors which leave the economy open to external shocks, the government will create the right conditions for domestic and foreign private sector participation so that “high-potential agricultural and agro-industrial sectors” can be exploited toward “larger positive windfall gains in the improvement of the livelihoods of the rural people” (Sen, 2008: 13). Moreover, through improving agricultural productivity and diversification, the agriculture sector will “serve as the dynamic driving force for economic growth and

<sup>104</sup> See: <http://www.oecd.org/dataoecd/41/55/33813377.pdf>

poverty reduction” (*Ibid*). This in turn will “bolster economic growth, create employment and generate income in the rural areas, thus ensuring nutritional improvement, food security and increased agricultural exports” (*Ibid*). Thus, point 46 of Rectangle 1 Enhancement of Agricultural Sector lays out the priority of “establishing partnership between small landholders and large-scale agricultural farms or corporations, and between economic and social land concessionaires, especially those involved in agro-industries such as rubber plantation in accordance with the Strategic Plan for the Development of Rubber, Cashew, and Sugarcane” (Sen, 2008: 24). Just as important, point 50 pledges to increase tenure security, take legal action against private individuals in possession of state land as well as accord priority to indigenous areas to reduce land conflict. The government also attaches priority to granting land ownership rights for housing, farming and small businesses to poor families and other vulnerable groups (Sen, 2008: 25).

### THE NATIONAL STRATEGIC DEVELOPMENT PLAN (2006-2013)

The third five-year plan for 2006-2010 was renamed the National Strategic Development Plan (NSDP). As stated previously, the plan follows the framework of the Rectangular Strategy and is designed to be the only national policy to outline goals, targets and initiatives (Kingdom, 2009: 2). Its purpose was to outline the initiatives and resource allocations needed to implement the Rectangular Strategy. With methodological refinements, the NSDP Update 2009-2013 remains the implementation map for the Rectangular Strategy II (Kingdom, 2009: 4).

### THE NATIONAL SUSTAINABLE DEVELOPMENT STRATEGY (2006- PRESENT)

Closely aligned with the RGC Rectangular Strategy and the NSDP (UNEP, 2009: 45) is the National Sustainable Development Strategy (NSDS). In 2006, Cambodia requested UNEP support to adopt the NSDS formulated within Chapter 8 of Agenda 21 (UNEP, 2009: v). At the 1992 UN Conference on Environment and Development held in Rio de Janeiro, gov-

ernments committed to adopting the NSDS. International Development Goals (IDGs) developed at various UN conferences after Rio set targets for the implementation of sustainable development within a specific timeframe. Recognizing that country policies and programs for environmental protection, social wellbeing and economic growth often are disconnected and do not align with sustainable development principles, one IDG called on countries, particularly developing nations, to implement the NSDS by 2005. Later the seven IDGs were assimilated into the Millennium Development Goals (UNEP, 2009: 2). By 2009, the RGC had drafted and approved the Royal Kingdom of Cambodia NSDS (*Ibid*: vi).

The NSDS is a long-term, integrated approach to sustainable development that contains country specific targets and indicators. In line with the popularized Brundtland position, the NSDS provides guidelines for social, economic and environmental sustainability. Not surprisingly, the NSDS offers a particularly ambitious, and in some cases, slightly conflicting neoliberal Western democratic development paradigm. Examples of social sustainability within the NSDS include human rights, democracy, social equity and maintaining local culture and traditions. Economic sustainability includes the creation of enterprises, the collection of user-based fees for services to the redistribution of wealth to disadvantaged groups (UNEP, 2009: 9).

Cambodia’s NSDS outlines the country’s vision to 2030 and is based upon multi-stakeholder participation, coordination across sectors and cooperation within a three pillared approach that includes social wellbeing and development, environmental and natural resource sustainability and economic and infrastructure sustainability (UNEP, 2009:5, 10). Within each, specific objectives, targets and indicators are described under Strategic Areas for Sustainable Development in Cambodia (*Ibid*: 6).

According to the Ministry of the Environment, the NSDS is a “driving force for innovation, establishment of new businesses and industries and also employment opportunities across the country” as it increases the opportunity for green technology and green policy establishment (UNEP, 2009: v).

Figure 30. Cambodia NSDS areas of focus.

Social sustainability	Environmental sustainability	Economic sustainability
Poverty alleviation and food security	Environment for development	Land use and agriculture
Health	Environmental quality objectives	Forestry
Education	Indicators	Water resource management
Gender equality		Fishery
Zero victims of land mines and UXOs		

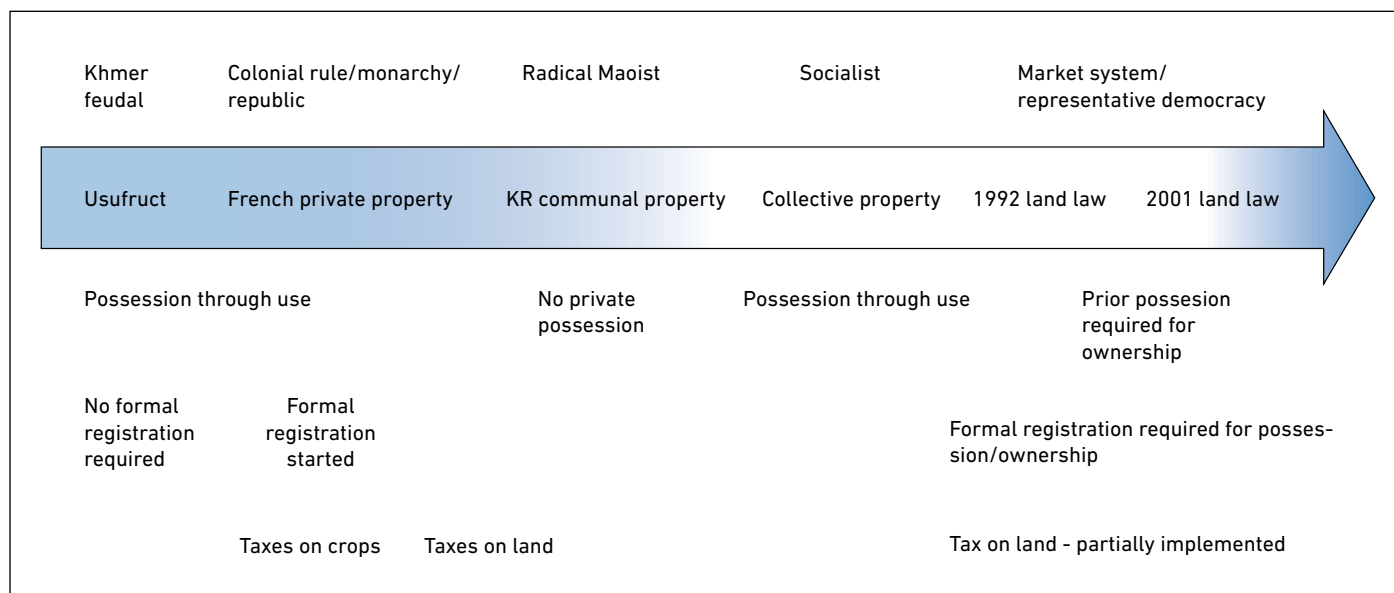
Adapted from UNEP, 2009

## 6.4 LAND GOVERNANCE

As land governance is fundamentally about power and the political economy of the land, land tenure systems in Cambodia traditionally have been influenced by those holding political

occupied land provided opportunities for ownership by 1930 (*Ibid*). While the system continued after independence, conflicting information on the level of land privatization exists. According to a report by GTZ, it was limited (2009: 12) while Sar (2010:4) states that 84 percent of agricultural households

Figure 31. Cambodia's land management regimes.



Adapted from Center et al, 2006: 3

power (Sar, 2010: 4; Center et al, 2006: 1). During post-conflict reconstruction, land management systems were shaped by donors and the UN (UNDP, n.d.: 33). Given the political legacy of the country, land tenure regimes are characterized by significant discontinuity. This section presents the history of land governance in the country, outlines specific laws relevant to the study as well as the Land Administration, Management and Distribution Program (LAMDP) and the donor-sponsored Land Management and Administration Project (LMAP). Finally, a review of land conflict in Cambodia completes the section.

### 6.4.1 HISTORY

#### PRE-COLONIZATION TO INDEPENDENCE (PRE-1873 TO 1975)

Traditionally, land tenure was a mixture of usufruct and private (Sar, 2010: 4; Center et al, 2006: 1). Before 1863, land was owned by the sovereign but could be freely owned, sold and cultivated (Sar, 2010:4; GTZ, 2009: 12). After colonization, a private property regime was introduced somewhat unsuccessfully (GTZ, 2009: 12). The Land Act of 1884 was formalized but due to resistance was not implemented until 1912 (Sar, 2010: 4). Under the French private property system, plantations were established, agricultural plots were registered, and un-

were listed as owners as opposed to tenants and sharecroppers in the 1962 Census. Land sales used to cover debt increased landlessness (Sar, 2010: 4).

#### SOCIALIST LAND REGIMES (1975-1989)

Land management changed drastically during the Khmer Rouge restructuring. All land was collectivized (Sophal and Sarthi 2002 as cited by GTZ, 2009: 12). The government expropriated landowners, private ownership of land was outlawed and cadastral documents were destroyed. As later attempts at reclaiming property were not recognized by the state, 1979 has been referred to as the 'zero hour in the history of Cambodian land regimes' (Zitelmann, 2005 as cited by Center et al, 2006: 1).

After the regime was deposed by the Vietnamese, displaced and starving Cambodians returned to their homes. Under damaged infrastructure, limited resources and threat of famine (GTZ, 2009: 12), agriculture and residential land was collectively organized under solidarity groups called *krom samaki* (Boreak, 2000: 4; Sar, 2010: 5; Center et al, 2006: 1). The collectives were based on the resources, such as draft animals and land, available in each area. Levels of collectivism varied within three groups (Sar, 2010: 5) and ranged from full sharing of labor, materials and output to being collective in name only and managed at the household level (Center et al,

2006: 1).

## TRANSITION TO PRIVATIZATION - 1989 TO THE PRESENT

In the 1980s, private land rights returned during the transition from socialism to a market economy. The first decree to recognize private land rights was Sub-decree No. 25 (Supreme, 2007: 8; Center et al, 2006: 2). Khmer citizens who had continuously used their land for a year before market policies were promulgated were granted ownership rights for residential property under 2,000m<sup>2</sup> (Supreme, 2007: 8; Center et al, 2006: 2). Shortly thereafter, Instruction No. 3 voided ownership rights before 1979 and claimed all land as State property (Boreak et al, 2000: 4). In addition, three categories of land were established (Sar, 2010: 5). Land for domicile allowed private ownership while land for cultivation only allowed Cambodians to manage, occupy and use land. The third category, land for concessions, did not entail private ownership rights. These agricultural parcels, greater than 5 ha and reserved for future development, implied the right to possess, use and occupy (*Ibid*).

Instruction No. 3 also ended *krom samaki* and redistributed collective, non-concession land (Sar, 2010: 5). Land was to be equitably redistributed by village chiefs “first come first serve principle” according to the amount of available land and family size (*Ibid*; GTZ, 2009: 12). In addition, refugees and returnees from the Khmer Rouge or overseas would be allocated unoccupied housing and farming land if returning to a village. As land was allocated based upon family size, growing families soon found their plots insufficient (GTZ, 2009: 12). According to one source, allocation was done fairly and each household was allocated between one and two ha (GTZ, 2009: 13). Other sources place allocations between .5 ha in densely populated areas to 3 ha in less populated areas (Huy Phab, 1999 as cited in Boreak, 2000: 5). The question of fairness has been disputed by those who state that equity was elusive in cases where local authorities captured the redistribution process whereby lots close to water resources and out of flood areas were given to family members (Van Acker 1999 as cited by GTZ, 2009: 13) and lower quality parcels were allotted to less-favored residents (CCC & Catalla, 2001 as cited by Center et al, 2006: 2). In addition, as families grew their plot could no longer support them sufficiently; many have had to mortgage or sell their land in order to meet expenses (GTZ, 2009: 12). Finally, up to one million demobilized soldiers, refugees and their families have not been allocated land (Williams 1999 as cited by GTZ, 2009: 13); the families of local authorities received the land instead (Van Acker 1999 as cited by GTZ, 2009: 13).

On October 13, 1992 a new law was promulgated. The Land Law of 1992 reconfirmed the ownership rights of the state as

well as the illegitimacy of ownership rights before 1979.<sup>105</sup> Article 2 allowed Cambodians to possess, use, transfer and inherit land. The new law also “set the stage for land grabbing power abuses,” especially in Phnom Penh (Supreme, 2007: 8). When the Vietnamese withdrew, a “massive” land grab occurred as officials claimed state and other property as their own. Viewed as a “get rich quick manual,” the Land Law was used by the upwardly mobile to legitimize expropriations (*Ibid*). Due to a lack of recognition for communal land ownership of indigenous groups and other shortcomings, consultations for a new land law were conducted between 1995 and 1999 (UNDP, n.d.: 13).

In the interim of a new land law, a newly ratified Constitution set out in 1993 the overall intentions of land and resource management. Article 44 states that all Khmer people and legal entities, whether individually or collectively, have the right to own land and this ownership is protected by law. In addition, “The right to confiscate possessions from any person shall be exercised only in the public interest as provided for under law and shall require fair and just compensation in advance.” Article 58 also claims state property to include “land, mineral resources, mountains, sea, underwater, continental shelf, coastline, airspace, islands, rivers, canals, streams, lakes, forests, natural resources, economic and cultural centers, bases for national defense and other facilities” with their control and management to be determined by law. Article 58 implies that the state has the authority to include other resources if necessary (Kingdom, 1993).

After intense debate and funding from the Asian Development bank, the Land Law of 2001 was promulgated (UNDP, n.d.: 13). The law marks the beginning of another reformation of the land management system with Torrens-style registration, ownership rights on residential and agricultural parcels, systematic titling under one authority, and the establishment of a comprehensive system of dispute resolution (Center et al, 2006: 2; Sar, 2010: 5). Despite being weakened by a provision that requires lands to be recognized by administrative authorities, Article 25 also allows for indigenous groups to register traditional lands under communal title, including reserve land necessary for shifting cultivation (UNDP, n.d.: 13).

The Law allows for three ownership groups: individuals, groups or the state. Article 14 classifies land into two categories: inalienable state public land and state private land. There are seven categories of state public land<sup>106</sup>; state pri-

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<sup>105</sup> For the complete Land Law of 1992, see: <http://www.unhcr.org/refworld/docid/3ae6b567c.html>

<sup>106</sup> Categories include (1) property of natural origin such as forests, (2) property specially developed for general use such as harbors and railways, (3) properties for public use such as roads, (4) properties that provide a public service such as

vate land is all land falling outside of these categories (Center et al, 2006: 65; UNDP, n.d.: 14). While temporary use rights may be granted, state public property cannot be sold or transferred. State private property can be leased, transferred, sold, or concessioned (Center et al, 2006: 69). Any person who has possessed continuously private state land for five years and can satisfy three criteria (see figure 32) can obtain ownership rights (Center et al, 2006: 65).

Figure 32. 2001 Ownership criteria.

To regularize land holdings, the 2001 Land Law grants ownership to those who can satisfy the following criteria:

- Land must be state private land. State public land cannot be acquired through possession.
- The five elements of possession under Article 38 must be met: possession that is “unambiguous, non-violent, notorious to the public, continuous, and in good faith.”
- Possession must be initiated before promulgation of the land law on August 30, 2001.

Center et al, 2006: 65

Supporting the Land Law of 2001 is the 2005 Sub-Decree on State Land Management which outlines the procedures and mechanisms for the identification, mapping, (re)classification, registration, allocation and management of state land (Kingdom, 2005: 2). In addition, the 2002 Law on Forestry is the most important legislation to outline forest and forest resource management. The Law contains important elements such as Article 2 that allocates traditional user rights to communities for timber and non-timber products (Kingdom, 2002: 2) and Article 4 that recognizes full public participation in all decisions that may impact local communities (Kingdom, 2002: 2; UNDP, n.d.: 16).

## THE LAND ADMINISTRATION, MANAGEMENT AND DISTRIBUTION PROGRAM (LAMDP)

The Land Administration, Management and Distribution Program 2002-2017 (LAMDP) of the Cambodian government is designed to efficiently, equitably and sustainably manage the country’s land and natural resources through systematic land administration, land management and land distribution.

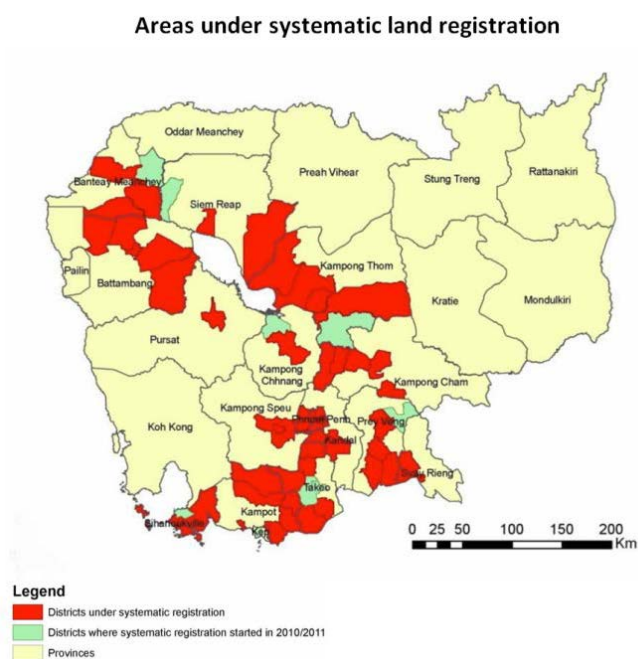
administrative buildings, (5) natural reserves, (6) historical and cultural areas, and (7) royal properties.

LAMDP is comprised of three sub-sector programs: the Land Administration Sub-Sector Program, the Land Management Sub-Sector Program and the Land Distribution Sub-Sector Program (Grimsditch & Henderson et al, 2009: 15; Muller et al, 2011).

The first phase of the LAMDP was implemented between 2002 and 2009 through the donor-sponsored<sup>107</sup> Land Management and Administration Project (LMAP). The Project supported the World Bank’s 2000 Country Assistance Strategy that identified the contributions to poverty made by a lack of access to land and an absent land management framework in Cambodia (WB, 2010: 11). Established to improve land security tenure and increase the efficiency of land markets, the Project had five components: policy and regulatory framework development, institutional capacity building, development of a land titling and registration system including a central database, stronger conflict resolution mechanisms and participatory land management mechanisms (*Ibid*: 12; WB, 2009: 2).

LMAP included Environmental and Social Guidelines following Bank policies as well as a protective Resettlement Policy

Figure 33. Districts under systematic land registration.



Muller et al, 2011

Framework for evictions resulting from titling state land, public works and Right of Way parcels as well as an Indigenous

<sup>107</sup> Total funding of US \$38.43 million was provided by the World Bank (\$28.3 million), GTZ (\$3.5 million), Government of Finland (\$3.5 million), and Canadian International Development Agency (upwards of \$10 million through 2012). In 2007, World Bank funding was temporarily suspended as a result of corrupt contract dealings.

Minority Policy Framework. Implemented in fourteen Project Provinces, nearly one million parcels of land were registered and titled as of 2009 (WB, 2009: 2-3). Up to 2012, roughly 1.7 million plots have been registered (Loehr, 2012: 4).

Nonetheless, despite accomplishments, various shortcomings were recognized. In particular, there was a decoupling between project achievements and security of land tenure particularly for the urban poor and rural indigenous groups (Ibid: 3-5). For example, as the project excluded the titling of disputed lands, areas could be excluded by authorities and implicitly titled to the state (Ibid: 6). According to one report, the relevant municipal authority “granted itself the unilateral right to excise portions of lands surveyed” and thus effectively “decided not to apply the systematic titling to those excised areas” (WB, 2009: 11). One example of this comes from a complaint filed by 4,250 families of the Boeung Kak Lake community who claimed that the program failed to formalize their tenure and that the land was instead awarded to a private developer (WB, 2010: v). A World Bank Inspection Panel found that the community was denied adjudication of their property under LMAP, the manner of displacement fell short of World Bank policy under the Project, and that grave harm was done to the affected families (Ibid: vi).

Figure 34. LMAP.

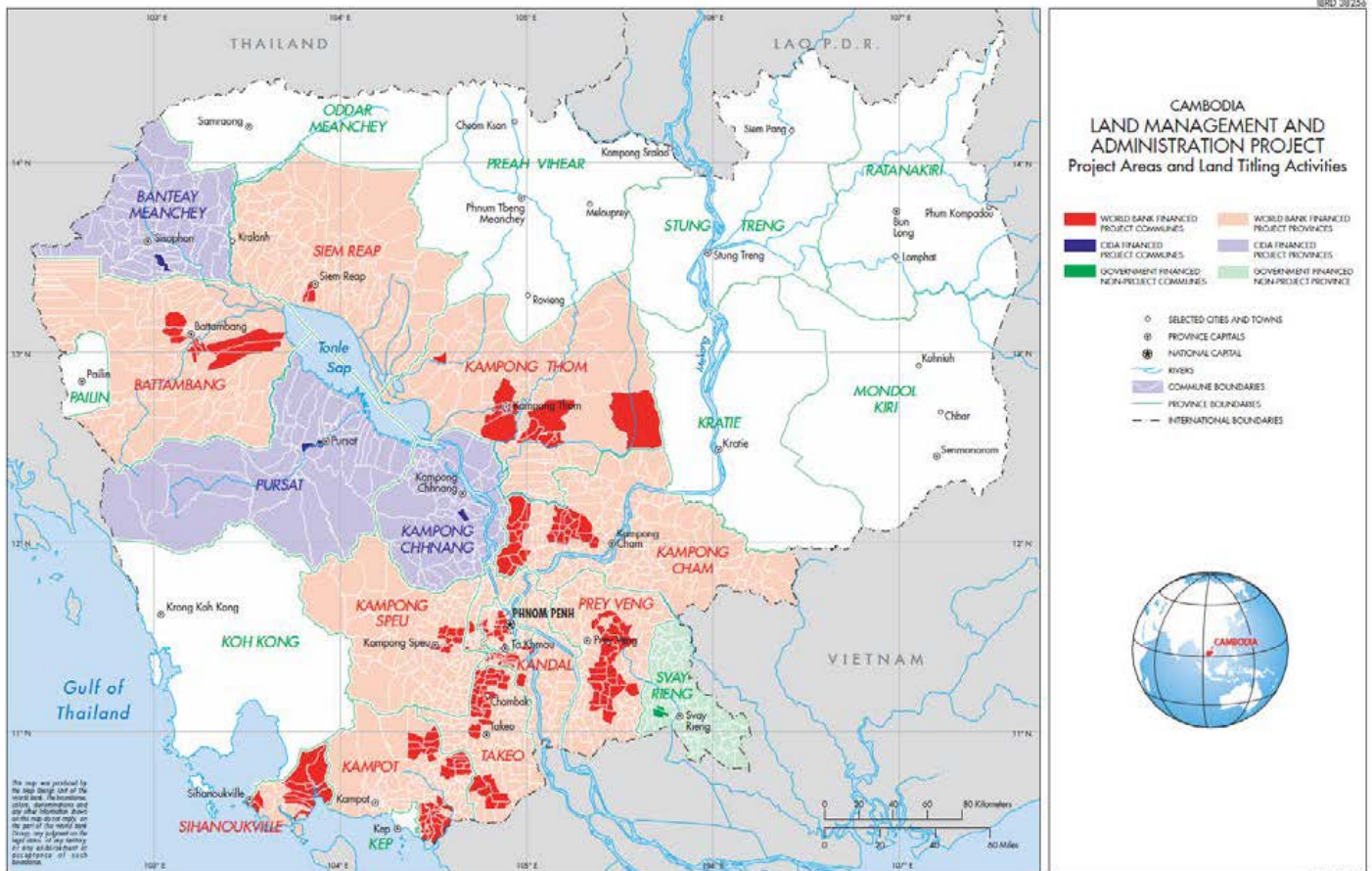


Figure 35. LAMDP.

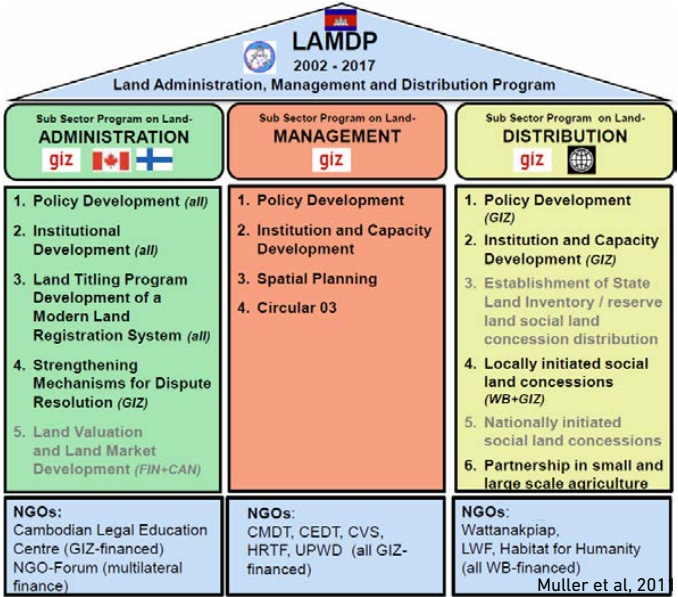
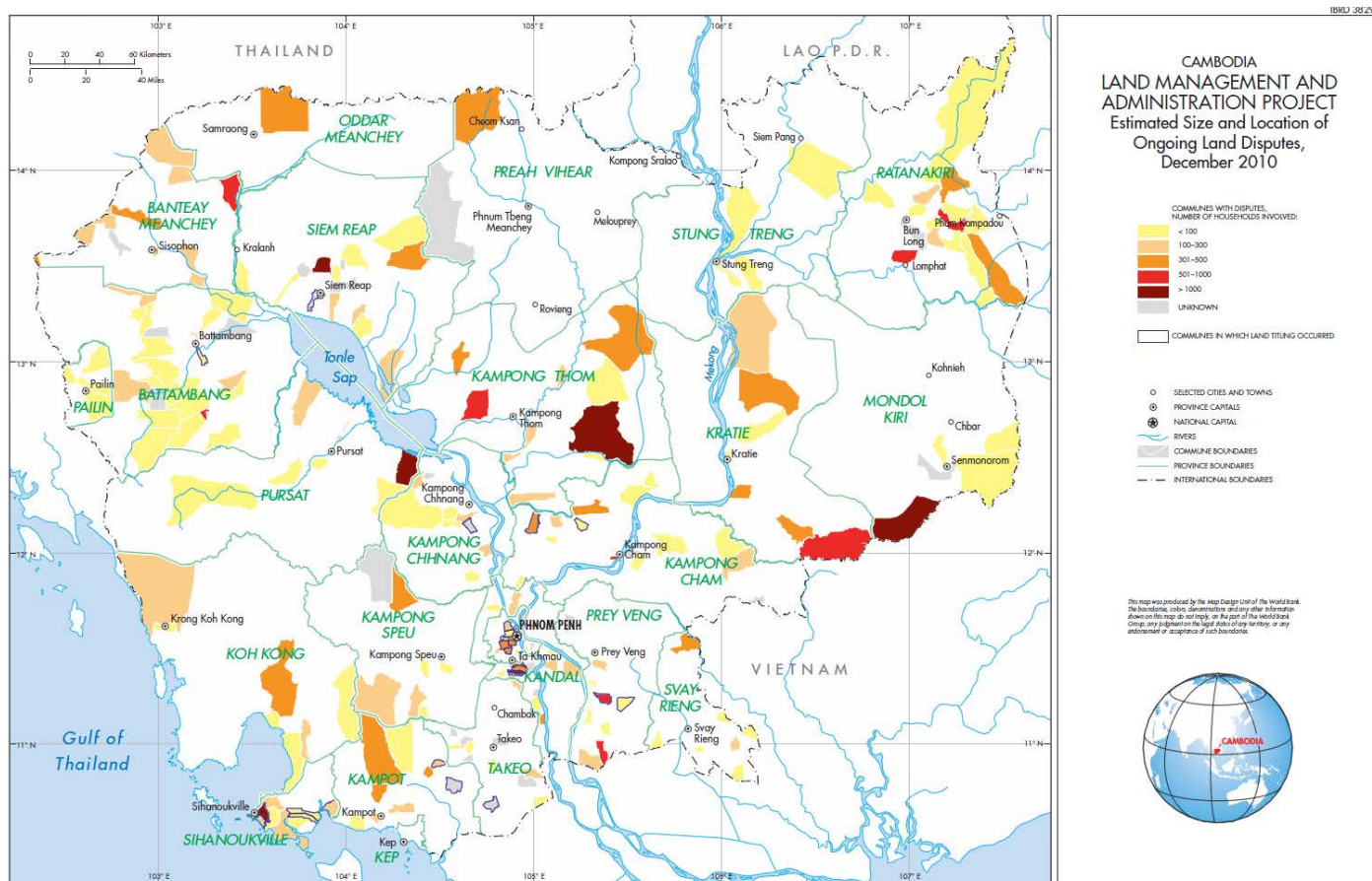




Figure 37. LMAP Land Disputes 2010.



World Bank, 2011

According to the Sub-Decree on Economic Land Concessions (ELCs), an ELC is a mechanism that grants contracts on private state land for agro-industrial exploitation. The purpose of ELCs is to create jobs and diversify livelihoods in rural areas as well as to encourage economic investment and generate state, provincial and commune revenue (Kingdom, 2005: 4). ELCs are awarded based on the project's ability to increase agricultural production and processing, generate employment and raise standards of living, protect the environment, minimize adverse social impacts and increase the level of linkages between social and economic concessions. Concessions may be solicited by the ELC Contracting Authority or unsolicited by an investor. Unsolicited proposals that introduce new technology, create linkages between social and economic concessions and present access to processing or export markets are prioritized (*Ibid*: 5).

The responsibility for administering and implementing ELCs resides with the following authorities: the Contracting Authority, the Technical Secretariat, the Provincial/Municipal State Land Management Committee, the District/Khan State Land Working Group and the Commune-Sangkat Councils (Kingdom, 2005: 10). The Ministry of Agriculture, Forestry and Fisheries (MAFF) is responsible for granting concessions greater than 1000 ha or ten million riels while all other con-

cessions are granted by the relevant provincial or municipal governor. Five criteria must be met before land can be granted (*Ibid*: 4):

1. Land must be registered as state private land in accordance with the relevant laws and sub-decrees.
2. A land use plan has been approved by the Provincial/Municipal State Land Management Committee; land use is consistent with the plan.
3. Social and environmental impact assessments have been completed.
4. Involuntary resettlement of lawful landholders is not permitted and access to private land is to be respected.
5. Public consultations regarding projects and proposals are to be held with relevant authorities and local residents.

The sub-decree requires the Contracting Authority to send copies of project proposals to the relevant Commune Councils for recommendations and to organize public consultations within 28 days of receipt (*Ibid*: 15). In addition, the terms



and land use fees on concessions granted prior to the issuance of the sub-decree are subject to review; public consultations on concession must be held. Concessionaires holding parcels larger than 10,000 ha are requested to reduce the size of the concessions voluntarily or through negotiation; undeveloped parcels, state public land, and areas in dispute are subject to reduction. Exemptions may be given to concessions granted before the promulgation of the Land Law of 2001 (*Ibid*: 16-18).

## 6.5 HUMAN RIGHTS

*The success of the Royal Government in implementing its “win-win” policy has enabled the profound transformation of Cambodia from a region of uncertainty, war, internal strife, instability and backwardness into an epicenter of sustained peace, security and social order, respect for Democracy, human rights and dignity, cooperation and shared development.*

Address by Samdech Hun Sen, Prime Minister on The Rectangular Strategy for Growth, Employment, Equity and Efficiency in Cambodia, 2004<sup>1</sup>

<sup>1</sup> See page 3 of the address at: [http://www.cdc-crdb.gov.kh/cdc/aid\\_management/RGC\\_Rectangular\\_Strategy\\_2004.pdf](http://www.cdc-crdb.gov.kh/cdc/aid_management/RGC_Rectangular_Strategy_2004.pdf)

Although human rights protection has come “a very long way”<sup>108</sup> and international assistance has helped the country to achieve stability and rebuild governance institutions after years of political turmoil and violent conflict, Cambodian society is characterized by corruption and poor governance practices operating within a traditional hierarchical patron-client system of relationships based upon inequalities of power and wealth (Anseeuw et al, 2012: 48). Unlike the impersonal rule of law, this system lends itself to “authoritarian forms of power politics antithetical to the principles of deliberative democratic interaction” (Freedom, 2006). These types of regimes “combine the architecture of seemingly modern democratic states with the informal reality of persisting ‘personalized, unaccountable power and patron-client ties’” (Diamond 2008 as cited by Anseeuw et al, 2012: 48). Thus despite democratic claims and being signatories to important human rights treaties, Cambodia has a poor record in human rights (HRW, 2012: 1).

<sup>108</sup> Janice Beanland , Amnesty International: [www.atimes.com/atimes/Southeast\\_Asia/LA22Ae01.html](http://www.atimes.com/atimes/Southeast_Asia/LA22Ae01.html)

The ruling Cambodian People’s Party (CPP) controls the government and does not tolerate opposition. Voters are intimidated, the media are not independent, speech and assembly is restricted, critics are imprisoned and protesters are curtailed. The following list briefly highlights a few of the current human rights issues in the Kingdom.

- **Judiciary independence.** Khmer Rouge trials are hindered by the prime minister and any challenges are threatened with contempt of court. Political opponents of the CPP, such as Mu Sochua and Sam Rainsy, are not well-tolerated. Both were stripped of their immunity from prosecution in 2009 in order to face criminal charges. As a result, Rainsy is in a self-imposed exile in France.<sup>109</sup> Able to commit offenses with impunity, police, military and other officials hold considerable power over their communities, particularly if affiliated with the CPP.<sup>110</sup>
- **Freedom of expression, assembly and association.** While the constitution provides for freedom of expression, assembly, and association, the peaceful expression of views is criminalized through the use of defamation and incitement charges (HRW, 2012: 2). The use of firearms to intimidate activists is common and demonstrations often turn violent. Attempts to suppress demonstrations often result in protesters being injured and killed. Three women were shot during a garment factory protest in February; in May 2012 a fourteen year-old girl was fatally wounded during a demonstration against land lost to a rubber company.<sup>111</sup> While investigating illegal logging, environmental activist Chut Wutty was killed by military police.<sup>112</sup>
- **Arbitrary arrest, torture, and detention.** Protesters of land grabs and forced evictions, including women with their infants, are imprisoned in poor conditions without access to sanitation, healthcare or sufficient food and water. The homeless, street children and the disabled are held in treatment facilities where they are beaten and forced into labor. Torture is used to secure confession toward convictions; females are subject to sexual harassment, beatings and rape by authorities while imprisoned (HRW, 2012: 2).
- **Discrimination.** Ethnic minorities face social and economic discrimination.<sup>113</sup> Ethnic minority children often are not registered at birth and subsequently are later

<sup>109</sup> See: <http://www.bbc.co.uk/news/world-asia-pacific-13006828>;

<sup>110</sup> See: <http://www.hrw.org/legacy/backgrounder/asia/cambodia/elections.htm>

<sup>111</sup> See: <http://www.voanews.com/khmer-english/news/Girl-Fatally-Shot-as-Rubber-Plantation-Evicts-Families-in-Cambodian-Countryside--151736585.html>

<sup>112</sup> See: <http://www.bbc.co.uk/news/world-asia-17980399>

<sup>113</sup> See: <http://www.hrw.org/news/2009/01/21/vietnam-halt-abuses-ethnic-khmer-mekong-delta>

denied access to public services such as education and healthcare. This can have ramifications for employment opportunities, property ownership, voting, and protection under the legal system in adulthood. *Chbab srey*, a centuries-old written customary law that outlines appropriate behavior of women, legitimizes their discrimination (UN, n.d.). Women are restricted from reaching senior positions in business and elsewhere by cultural traditions (United, 2009) and despite comprising more than half of the economically active population in agriculture, women face restrictions in access to land and its resources (Supreme, 2007: 2). In education, boys are given priority if families have limited resources (United, 2009; UNEP, 2009: 5). Underage girls are at risk of prostitution trafficking (United, 2009).

Continued evidence of human rights abuse comes from visiting UN representatives as well as numerous NGO and media reports. RGC response has been one characterized by lies, character assassinations or “blanket denial” (LICADHO, 2009: 3). When Miloon Kothari, the UN Special Rapporteur on Housing Rights, commented on the land grabbing frenzy he witnessed 2005, Prime Minister Hun Sen stated that he had come only for money. NGO reports are discounted as “naïve,” “sensationalist” or “rubbish.” Ambassador Hor stated in 2009 that donors were “fully aware of the way the Royal Cambodian Government’s [sic] conducts its affairs and its commitment to demonstrating the highest possible standards” (as cited by LICADHO, 2009: 3-4).

Perhaps they are. Despite grave human rights abuses that extend further than those outlined above, donor response has been limited and money continues to flow into the country (HRW, 2012: 5; LICADHO, 2009: 17). Japan is the largest donor to Cambodia but the country has remained uncritical. China, another major donor, increased aid without conditions. The World Bank has been concerned about corruption but has rarely taken action (*Ibid*).

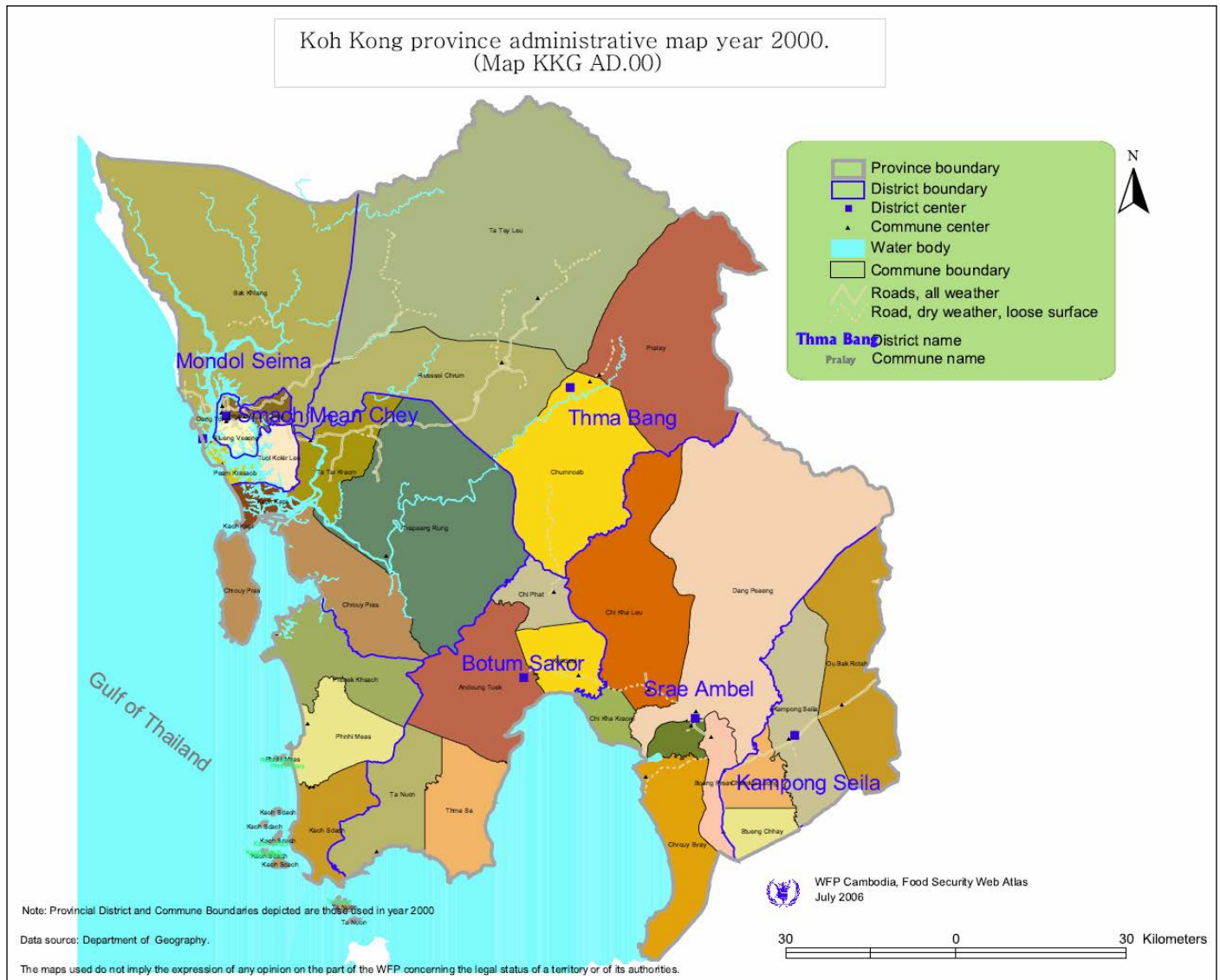
Foreign monetary assistance comprises over 50 percent of Cambodia’s budget. From 1998-2008, Cambodia received approximately \$600 million per year in donor contributions. Between 2009 and 2012, the country will receive US\$2.8 billion in development aid (*Ibid*).

The national context influences the local context. In the next section, a short description of Koh Kong province and Sre Ambel district are given.



## VII. THE LOCAL CONTEXT

Figure 38. Koh Kong province.



WFP, 2012

### 7.1 KOH KONG PROVINCE

Koh Kong is a rural province located in the coastal region of southwest Cambodia. Once an isolated hotbed of prostitution, human trafficking, marijuana smuggling, poaching and illegal logging, it was considered to be the “wild west” of Cambodia (LSCW, 2006: 6). More recently the area has been the focus of big developers. Projects include a 25-year, \$5 billion Chinese-funded seaport, airport, golf course and a commercial area (Lindt, 2011). China Huadian Corporation’s 338 megawatt Russei Chrum Krom hydroelectric dam reportedly cost US \$500 million.<sup>114</sup>

<sup>114</sup> See: <http://www.istockanalyst.com/article/viewiStockNews/articleid/4771203>

The province is 11,160 km<sup>2</sup> in size and contains eight districts, 33 communes and 132 villages, many of which are remote. The province is bordered by Pursat, Kampong Speu, and Kampong Speu provinces in Cambodia, Trat province in Thailand and the Gulf of Thailand (Legal, 2006: 6). Topography includes the largely undeveloped coastal region along the south and west, minor lowland paddy fields, and extensive upland forests that include the biologically rich Cardamom Mountains (WFPa, 2012; Lindt, 2011). In 2008, the population was 116,506 within 23,183 families (*Ibid*: 15) with a population density of 12 persons per km<sup>2</sup> (National, 2008:14). Major crops are corn, peanut, cassava and sweet potato (NCDD, 2009: 25). Primary occupations are fishing, rice farming (predominantly wet) and cultivating other crops as well as trades associated with

providing services. Livestock husbandry and the collection of non-timber forest products (NTFPs) are also practiced but to a lesser extent (*Ibid*: 16).

Despite being agriculturally oriented, 38 percent of rice farming families owned less than 1 ha of rice land while 11 percent owned no rice land in 2008 (*Ibid*: 24). The percentage of farmers whose main occupation is chamcar farming with less than 1 ha of chamcar<sup>115</sup> was 24 while the percentage of farmers with no chamcar was 10 (*Ibid*: 26). 49 percent of the province population obtains water from ring wells and open dug wells. Water security is a concern; 56 percent of families drank water from unsafe sources during the dry season (*Ibid*: 43). The ratio of people to latrines was 16.2 (*Ibid*: 40).

Figure 39. Asset poverty indicator.

asset poverty indicator	this province	national
% rural households with no crop land-landless 0 ha.	52	15
Average crop land area cultivated for all annual crops ha./rural hh	0.7	1.2
% households with thatched roof houses	33	34
% HH not owning any cattle or buffalo	83	49
% HH not owning any pigs-CDB 2004	78	54
Mean no. of households per car	51	39
Mean no. of households per motor	10.1	5.4
Mean no. of households per oxcart	20.1	4.0

WFP, 2012

According to the WFP, Koh Kong's remoteness from transportation, markets and health and education services creates socio-economic vulnerabilities in the province. Illiteracy contributes to lower incomes, higher poverty rates and child malnutrition (WFPb, 2012). Figure 39 compares the ownership of productive physical assets in 2004 within Koh Kong province to the national figures. Physical assets allow families to rely less upon common property resources and wage labor to generate income that pays for basic needs (WFPb, 2012).

## 7.2 SRE AMBEL DISTRICT AND CHI KHA LEU COMMUNE

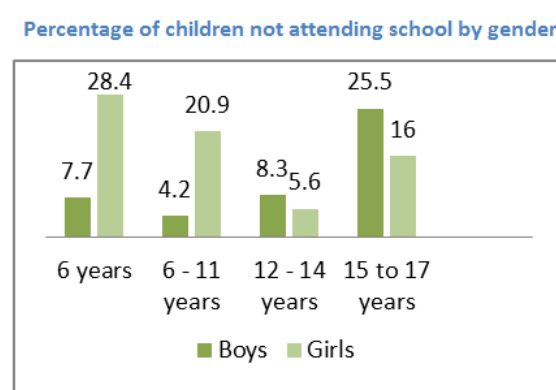
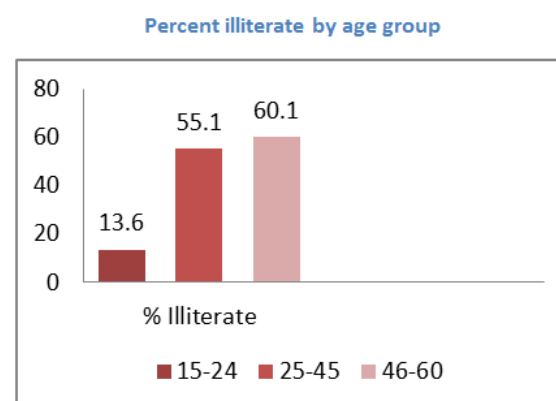
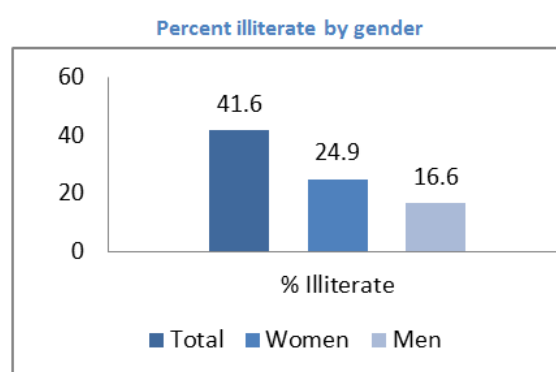
As stated previously, Sre Ambel is one of eight districts within Koh Kong province. The district contains six communes including Chi Kha Leu. The Chi Kha Leu commune contains four villages: Trapaing Kandaol, Chi Kha, Chouk and Tanie.

<sup>115</sup> Chamcar is non-rice land where other crops are cultivated.

The first two villages are the subject of this study.

In 2008, the total district land area encompassed 218,720 ha of which 15,700 were forested and 5,531 were cultivated (NCDD, 2009b: 7). The population in the district in 2008 was 35,218 within 7,011 families while Chi Kha Leu commune was at 3,723. Main occupations were parallel with the province with the majority of residents farming rice (albeit exclusively wet rice) and providing services. Others include the cultivation of alternate crops, fishing, and NTFP collection (*Ibid*: 12). 96.4 percent of the families in Chi Kha Leu commune were in agriculture. Corn, cassava and sweet potato were the main crops. Just over half of district families raised cattle or buffalo

Figure 40. Education vulnerabilities.



NCDD, 2009

while nearly 90 percent of Chi Kha Leu commune families raised cattle or buffalo for general and labor purposes. At both levels, pigs, chickens, and ducks are commonly produced (*Ibid*: 24; NCDD, 2009: 25).

In 2008, 43 percent of district families whose main occupation was rice farming owned less than 1 ha of rice land; 15.4 percent were families in Chi Kha Leu commune. 8 percent of district rice farming families did not own rice land; 3.44 percent of families did not own rice land in Chi Kha Leu commune (*Ibid*: 20). The percentage of district chamcar farmers in 2008 with less than 1 ha of chamcar was 30; 18.7 percent of Chi Kha Leu farmers were in this category. The percentage of district chamcar farmers with no chamcar was 4. This category did not apply to Chi Kha Leu farmers (*Ibid*: 23). Water sources include pump, ring and unprotected dug wells, and ponds, rivers, lakes and rain catchment. District-wide, 75 percent of district families drank water from unsafe sources during the dry season; this figure was 86.7 in Chi Kha Leu commune (*Ibid*: 39-40). The ratio of people to latrines in the district versus the commune was 16.2 and 169.2 respectively (NCDD, 2009: 45; NCDDb, 2009: 41).

Predicted poverty rates for 2009 placed Chi Kha Leu commune at 30.3 percent poor (NCDD, 2009: 89). Social aspects such as low education levels can lead to vulnerabilities that contribute to lower incomes, higher poverty rates and child malnutrition (WFPb, 2012). In 2008 in Chi Kha Leu commune, children did not attend kindergarten and the ratio of students to teachers and available rooms was high (*Ibid*: 29-30). The graphs on the previous page illustrate relevant vulnerabilities relating to education in Chi Kha Leu commune in 2008.



Figure 41. Sre Ambel district map.

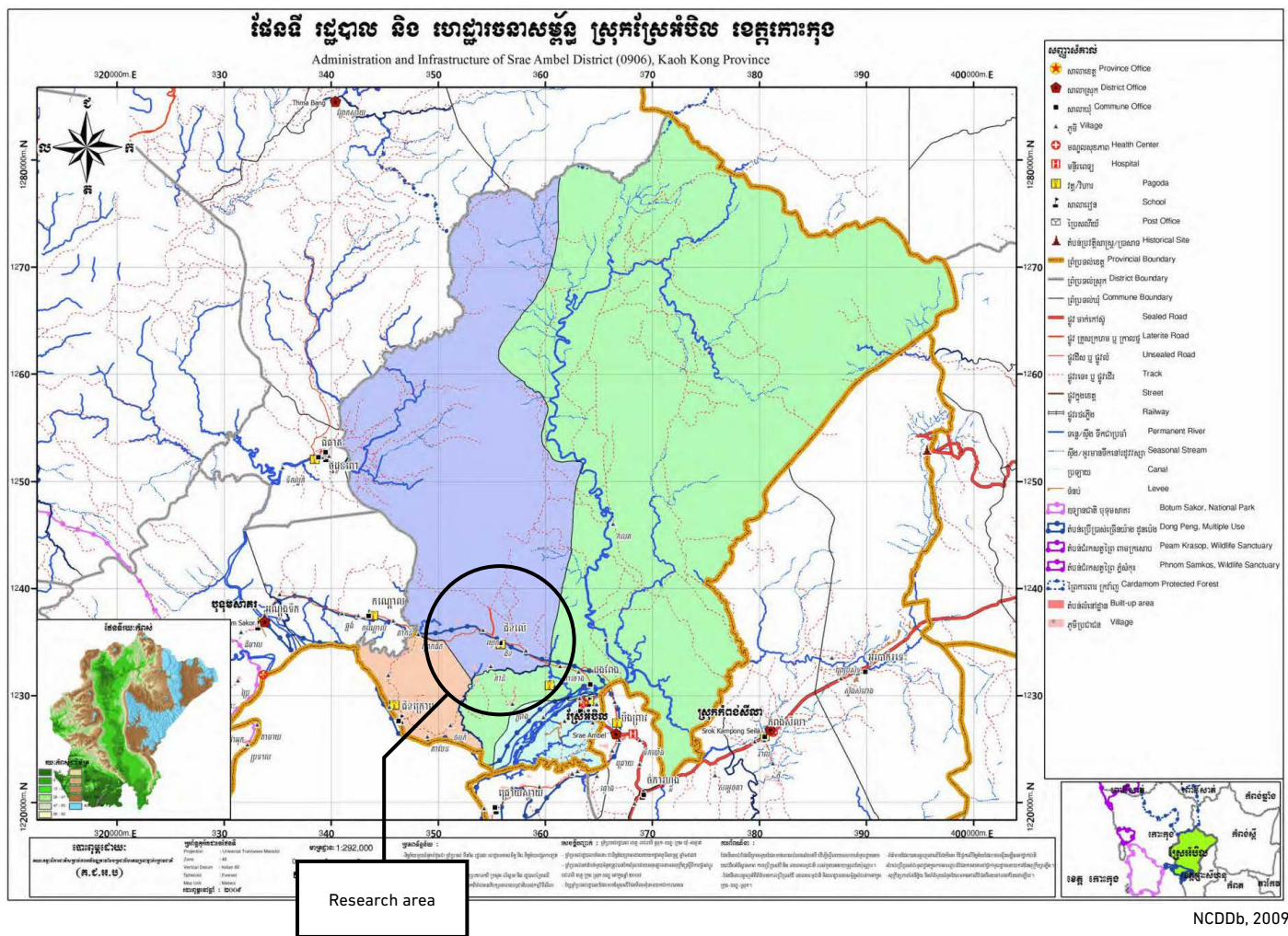


Figure 42. Villages impacted by the sugar concession.





## VIII. METHODOLOGY

### 8.1 RESEARCH AREA AND SELECTION

The research area encompasses Chi Kha and Trapeang Kand-aol villages in Chi Kha Leu commune, Sre Ambel district, Koh Kong province (see figures opposite). While Chouk village has been similarly impacted by the concession, it lies outside the scope of this study due to limited resources. Tanie,<sup>116</sup> the fourth village of the commune, is located south of Chi Kha village. As far as the author is aware, it has not been affected directly by the concession.

These villages were chosen for the study because each has been impacted by industrial agricultural development. With global drivers and international stakeholders, the dynamic nature and scale of the issue was also a determining factor.

### 8.2 SAMPLE SELECTION AND DATA COLLECTION

In a globalized world, land governance derives from and is dictated by complex societal institutions from local to international levels. Who makes the decisions regarding land and its resources? Who is involved in the ELC process for sugar and what drives the investors? How can development cooperation enable or disable better development outcomes? In order to collect the necessary information to answer the research questions, desk and field research were conducted and both quantitative and rich qualitative data were collected. Mixed methods were chosen as qualitative data provides insight into dimensions of the issue that are difficult to capture with statistics alone.

Desk research included a review of relevant policies and laws, such as Cambodia's Land Law of 2001 and the EU's EBA initiative. Each document provides a piece of the framework wherein land governance within industrial sugar production operates in Cambodia. In addition, relevant case documents provided important contextual information on the businesses involved in the issue, including PAPL Consultants, Tate & Lyle and American Sugar Refining Company. A wider literature review on the country of Cambodia provided insights into its cultural and political history and characteristics, business attitudes, and performance on human rights issues. Enhanced framework understanding was achieved through maps, online articles, travel guidebooks, blogs, and other literature.

Field work in Cambodia included a field reconnaissance, in-

depth interviews, participatory land mapping, household surveys, and three focus group discussions. In order to capture the most information, notes and photographs were taken and the information obtained was discussed at the end of the day with the translator(s) at length.

- **Initial field reconnaissance.** This allowed a general introduction to the human and physical characteristics of the affected villages, such as access, sources of water, types of houses, agricultural fields and their produce, as well as schools and other infrastructure. Visits to the nearest local market as well as the commune and district offices were conducted and their distances from the villages were measured.
- **In-depth interviews.** In-depth, semi-structured interviews with experts in Phnom Penh, a government representative at the commune as well as local farmers provided an understanding of the institutions, organizations and individuals – and their respective values and perspectives - involved at all levels of the process; it also allowed the respective roles, responsibilities, and power relations of stakeholders to be assessed. Interviews included questions on the role of community groups, views on ELCs and sustainable development, types of community participation in the development process as well as personal experiences surrounding the issues.
- **Pre and post-concession mapping.** This activity was designed to gain insight into the perception of villagers. Land mappings, both pre and post-concession, were conducted to obtain a cartographical representation of each village, to illustrate the association between the community and the land and to visually compare villages. During this exercise, the general positioning of houses as well as natural and manmade features such as crop and forest land, water bodies, and roads were drawn. During the exercise, the participants spoke about what life was like before dispossession, and how villagers perceive their situation post-dispossession. Two translators assisted with activity organization and with interpreting the discussion. Interest in the activity was high and participants were willing to draw and discuss the issues.
- **Focus group discussions.** A total of three FGDs were held. As the themes were particularly sensitive, these meetings were planned to be the last activity of the field work. Topics of the first two discussions included compensation and common pool resources. To allow for no-shows, a purposive sample of 10 participants from each

<sup>116</sup> There is no spelling standardization of names in Cambodia; different spelling versions of the place names are common.

village was selected from the household survey; criteria for selection included land loss and level of access to CPRs. Both compensated and non-compensated households were included. Finally, a third FGD on employment within the sugar industry with participants of both villages was held. As speaking out about the industry or simply being associated with such an activity is inherently risky, 8 volunteers whose family has direct experience with sugar industry through employment were gathered by community representatives.

The following section describes the topics that were discussed and the reason for their selection.

### COMPENSATION

Compensation is an important topic to the dispossessed, yet case documents and interviews indicate that compensation was not systematically administered or allocated. This FGD point aimed to garner more information about the compensation process as well as the perceptions of the villagers surrounding the topic of compensation. Key questions on compensation included negotiations, representatives, criteria, method and timing of payments.

### COMMON POOL RESOURCES

Before the economic land concession was awarded, many families collected various timber and non-timber forest products and aquatic resources from common pool resource (CPR) areas for livelihood support. Case documents indicate that access to these CPRs has been restricted to many both by the sugar company as well as by the NGO Wild Aid. The main objective of this FGD point was to garner more information about CPRs in the research area. Key questions addressed levels of access to these areas both pre and post-concession, the types of products collected as well as the perceptions of the villagers surrounding the topic of CPRs and livelihoods.

### SUGAR INDUSTRY EMPLOYMENT

One of the benefits of economic land concessions put forth by the government and investors is the increase in local employment. The aim of this FGD was to determine the general characteristics of industrial sugar production processes that provide local employment opportunities. Therefore, general cultivation practices, the level of local employment provided, the types of jobs available and who fills these positions, transportation, management and remuneration arrangements were explored. Finally, as one interview introduced the issue of child labor, this issue was investigated more thoroughly. Key questions included gender and ages of child laborers, types of employment, working conditions and remuneration.

- Household surveys.** The household survey attempts to capture the dynamic situation within Chi Kha and Trapaing Kandaol villages in the aftermath of the sugarcane development project. Comprised of pre-coded and open-ended questions used to collect pre and post-ELC information for comparison, it is used to assess family demographics, including basic health and education levels, the conditions of school withdrawal, livelihoods pre and post-dispossession, land loss, crops, income, household food consumption and food stocks and labor migration. 48 and 38 households were chosen in Chi Kha and Trapaing Kandaol villages respectively. This is a large enough sample to represent the villages. The number of land-loss households in the three affected villages (456) divided by commune data on total number of households in the three villages (573) determined the anticipated proportion of .8. A confidence level of 95 percent was used with a margin of error of 10.9 percent. The sampling interval, determined by dividing the number of households in the population by the number of households in the sample, was four in Chi Kha and two in Trapaing Kandaol. A random starting point was determined by flipping a coin and surveys were conducted at regular intervals. In Chi Kha village the sampling interval was reduced to two after enumerators covered their survey areas yet had not achieved the required sample size. One possibility may derive from the commune data; it lists the number of families and this was assumed to be the number of households in each village.

Figure 43. Sample characteristics.

	<b>Tropaing Kandaol</b>	<b>Chi Kha</b>
<b>Sample size (n)</b>	38	48
<b>HH Size</b>		
Mean	5.44	6
<b>HH Head Gender (%)</b>		
Male	86.8	77.1
Female	13.2	22.9
<b>HHH Age</b>		
Mean, years	43	45.59
<b>HHH Education (%)</b>		
None	39.5	31.2
Primary	47.4	52.1
Secondary	13.2	14.6
High school	0	0
Bachelor	0	2.1

For food security assessment, WFP methodology was used.

Figure 44. Household survey and food consumption.

6.0 Counting backwards from yesterday and for the last seven days, what food did you eat? Where did you get the food? (Write zero if food was not eaten in the last seven days).				
	Food item	Number of days eaten in last seven days	Food Source	
			Self-produced	1
			Fished, hunted, gathered	2
			Bought	3
			Borrowed	4
			Exchanged it for labor	5
			Exchanged for goods	6
			Gift	7
			Food aid	8
			Other (specify)	9
		Days	Main source	2nd source
6.1	Rice			
6.2	Bread			
6.3	Maize			
6.4	Cassava			
6.5	Sweet potato/potato			
6.6	Pulses (beans/peanuts)			
6.7	Milk products			
6.8	Eggs			
6.9	Meat			
6.1	Wild meat			
6.11	Fish			
6.12	Water animals (crab, frog, shrimp, snail)			
6.13	Fruit			
6.14	Vegetable (including leafy)			
6.15	Sugar/sweets (including honey)			
6.16	Fats (animal/vegetable)			
6.17	Condiments (fish/soy sauce, prahok, etc.)			

The household survey used the above questions to collect dietary diversity and food consumption patterns from each household in order to assess household and community level food security. Based on WFP methodology, food consumption scores are achieved by first grouping the consumed foods into categories based upon their caloric and nutrient content (see figure 45). Consumption amounts are tallied and scores above 7 are recoded as 7. This number is then multiplied by its weight. Weights from each group are summed and the final figure achieved is the food consumption score (FCS).

missing survey data; where values are missing, the number is listed.

Techniques based upon WFP methodology were used for the assessment of food security. The survey revealed that mean combined sugar consumption is 6.44 days and mean fats consumption is 4.9 days. If fats and sugar are calculated along with the other food groups, food consumption scores become skewed. In order to avoid this, two actions have been taken before analysis. As sugar provides no nutritional benefit and is usually consumed in small quantities, it has been eliminated

Figure 45. Food groups and weights.

Food Group	Examples	Weight
Main staples	Maize, rice, bread and other cereals, cassava, potatoes, sweet potatoes	2
Pulses	Beans, peas, groundnuts and cashews	3
Meat and fish	Beef, poultry, goat, eggs and fish	4
Vegetables	Vegetables, including leafy	1
Fruit	Fruits	1
Milk	Dairy products	4
Sugars	Sugar, sugar products and honey	0.5
Fats	Oil, fats and butter	0.5
Condiments	Fish/soy sauce, prahok, etc.	0

Adapted from WFP, 2008: 8

Figure 46. Food consumption scoring.

Profile	Standard Food Consumption Score	Adjusted Score
Poor consumption	0 to 21	0 to 24.5
Borderline consumption	21.5 to 35	25 to 38.5
Acceptable consumption	> 35	> 38.5

Adapted from WFP, 2008: 9, 21

Through the various methods outlined above, a significant amount of both qualitative and quantitative information was gathered. These combined methods were used to complement each other, to fill in information gaps and to triangulate information and so eliminate the inherent weaknesses of one individual means of data collection. In order to put this information to use, various means of analysis were employed. This is outlined in the next section.

### 8.3 ANALYSIS

Narrative data collected for this study was analyzed and interpreted by exploring patterns and connections. Emergent categories are organized into themes and considered in relation to the theoretical framework. Finally, the household survey provides the opportunity for primary data to be categorized and statistically analyzed. List-wise exclusion was used for

from measurement. Additionally, in order to maintain the importance of oil to a diet but avoid skewed results, the thresholds for each food group were adjusted upwards by 3.5 points to compensate for the frequency of fats consumption. While condiments were surveyed and can provide a more thorough diet profile, they are eaten in small amounts and thus weighted as zero.

In this study, food security is determined by the food consumption score; households that have poor or borderline food consumption are defined as food insecure.

### 8.4 LIMITATIONS AND STRENGTHS

This study has inherent weakness and strengths. First, the study of large-scale land acquisitions is relatively young. While this is changing, much of the information initially has

come from media reports criticized for their inaccuracies. Furthermore, much information is unavailable due to low levels of technological development (such as a lack of or incomplete national cadastral databases) as well as low levels of transparency in the processes of land acquisition (Deininger et al, 2011: 145).

At the local level, ELCs, land seizures and the impunity of powerful government officials are particularly sensitive and controversial topics, particularly in Cambodia. A significant amount of attention has been placed on the negative impacts of the development project in Sre Ambel, particularly regarding human rights violations. Closely connected to this is the well-known fact that Ly Yong Phat does not wield his power lightly. Opposition is not tolerated and even relatively minor challenges have led to harassment, imprisonment, and bodily harm.<sup>117</sup> Perhaps as a result, information from government and business sources was not made available and requests for interviews, both in Thailand and Cambodia, were denied or simply ignored. Moreover, the social hierarchy and the subsequent subordinate behavior of those of lower status toward those of higher status added another layer of considerations and challenges. District and commune staff, clearly aware of their precarious level of accessibility, were generally suspicious and cautious and tried to remain fortified behind bureaucracy and positions of control. For the research assistants from Sre Ambel, some of whose families lost land to the development project, the stakes are higher as they confront, face-to-face, established power bases within their village.

As a result of this atmosphere, initiating fieldwork was a time-consuming process. Due to the sensitive nature of the research it was suggested by the host organization in Phnom Penh that formal introduction letters would help to obtain research cooperation. Nonetheless, despite an introduction and explanation of the research, fieldwork was denied by both commune and district authorities as local officials did not want the villagers to speak poorly about the sugar company.<sup>118</sup> Research approval thus had to be made at the provincial level. As the governor of the province is perceived to be biased toward sugar company interests,<sup>119</sup> the decision to conduct fieldwork without this informal permission was made. Despite local police following the researchers and inquiring into the purpose of the research, all research activities were completed successfully. However, once underway, sensitivity also had the potential to influence the availability and quality of information obtained as some villagers were fearful to

speak or speak openly. Yet, perhaps given the unacceptable level of resolution thus far and the stakes at hand, the majority of residents were willing to participate.

Figure 47. Land mapping.



Author

Other challenges were presented during the course of research. In order to assess changes caused by dispossession, respondents were asked to recall their previous situation. As land clearance started six years ago in 2006, recall may be characterized by memory gaps. Additionally, the level of English in Cambodia can be low, even at higher levels of academia. Moreover, a common urban bias revealed during informal conversations in Phnom Penh is that the rural population are uneducated and unintelligent; rural people would not understand the questions and so would not be able to provide "good information." Thus final information received in English is limited to the informant as well as the skill, motivation, and particular mindset and preconceptions of the translator and the vagaries of having been translated. In order to limit this, several participatory avenues were used to gather information and to cross-check the information that was collected. In addition, information was collected from two villages and information was obtained from young and old, men and women. Finally, seven weeks allowed only a glimpse into this complex situation.

Despite the limitations, this research illustrates how international and national policies combine to have an effect on society at the micro level. The findings generally can be illustrative of other Cambodian communities affected by industrial sugar production.

The strengths and weaknesses of the research should be kept in mind when considering the findings presented in the next section.

<sup>117</sup> This information was obtained during the focus groups discussions.

<sup>118</sup> The chief of Chi Kha commune provided this as one reason for his inability to assent to the research.

<sup>119</sup> This information was obtained during consultation with local research assistants.



## IX. FINDINGS

Since land clearing for the sugar plantation began in 2006, Chi Kha commune villagers have claimed impacts ranging from reduced access to land and its resources and lost livelihood opportunities, impacts to food security and associated human rights abuses. The motivation behind this project is to assess the situation in the communities of Trapaing Kandaol and Chi Kha villages. As such, this study was designed to uncover the international to local factors that influence developmental outcomes in the study areas and the impacts of land loss upon these rural agricultural villagers. Land governance is fundamentally about power and the political economy of the land and a major finding of this research is that relationships and power structures operating under a dominant neoliberal development paradigm are an important determinant of who benefits and who is left aside in the development project.

Figure 48. The Koh Kong sugar mill.



Author

This section presents the most important findings of the research. First, a description of events begins with the first land clearing. Next, the connection between the Cambodian and international drivers outlined in previous sections is briefly restated in order to answer the first two research questions. Following, the contextual background is presented through an outline of the general characteristics of the villages. Finally, the strong nexus between land and livelihoods and the impact on those who lost land is illustrated through the pre and post-concession characteristics of livelihood composition, land holdings and loss, livelihood practices within agriculture, animal husbandry and common pool resources. Next, findings regarding compensation, food security, health, debt and assets are presented. The section ends with a synthesized overview of the impacts from land loss.

### 9.1 ANATOMY OF DISPOSSESSION

In May of 2006 the land seizure began. Armed military and police stood alongside bulldozers as land belonging to roughly 450 families was cleared. As there was no prior warning or consultation, land holders were surprised. Some villagers took pictures so that they could retain proof of what was under cultivation. Farmers tried to stop the land clearing but were told that the land belonged to the state and that they should not complain. Two people were shot and five others were injured. The bulldozers began felling the largest trees first.

Through word of mouth, residents learned that the concession was larger than they had expected. They were unfamiliar with the company responsible for taking their land as well as the reason for the land being cleared. In order to obtain more information, both village chiefs and commune chiefs were approached however all representatives stated that they had no information. Residents then turned to the truck driver and the security guards present at the land clearing for more information but they were told to seek information at a higher level. Villagers then proceeded to submit a protest letter to the commune chief. Unable to take action, he advised residents to seek assistance at the district level. After three months of no response, 200 villagers traveled to the district offices where officials directed them to the provincial level. After some time the province notified residents that they also could not provide assistance. Letters were submitted to the National Assembly, the national authority charged with solving land disputes, the prime minister as well as local human rights groups. Once again no recognition was received from authorities and the farmers who lost land decided to share the

Figure 49. Household survey.



Author

US \$100 cost of renting a truck to travel to the National Assembly house in Phnom Penh. Human rights groups provided food as the farmers camped in front of Wat Botum near the National Assembly building. Protests were later held in front of the prime minister's house in Kandal province.

After the main road providing access to the forest was blocked as it cut through the concession, villagers demonstrated in 2007 to have their access reestablished. As the protest resulted in conflict with local police, the situation was monitored by UN Human Rights officials, ADHOC, and other civil society groups. Negotiations with the Ministry of the Interior were held and access was eventually reestablished.

With no solution in reach, villagers continue to seek resolution through advocacy such as radio talk shows. One motion filed with the government in 2007 was stalled until early 2010 when the court asked both parties to submit evidence. The villagers are now waiting to attend the hearing.

## 9.2 DRIVERS AND KEY PLAYERS

Given the overview of the 2006 sugar regime reformation, the GSP and the Everything but Arms trade scheme, perhaps it is already clear that in the EU operates within the international trade regime under the dictates of the WTO and a largely neoliberal development paradigm. Herein the market is viewed as an effective development mechanism; through modernization and economic growth, poverty is alleviated and standards of living are raised. Aligning with this neoliberal course since the time of market reform and national reconstruction in Cambodia are the combined policies of the Kingdom that began with the first Socio-Economic Development Plan (SEDP) 1996-2000 and the Triangle Strategy to the more recent National Strategic Development Plan. Since the publication of the Brundtland report, 'sustainable' development principles have been thrown under the formula and Cambodia presents this multi-faceted outlook in the National Sustainable Development Strategy. Particularly important to this research and tidily illustrating this path to development is the Kingdom's policy on economic land concessions. ELCs are designed to attract FDI, increase agricultural production and processing, generate employment and raise standards of living, minimize adverse social impacts and protect the environment. In exchange, investment risks are met with a multitude of incentives including tax breaks, low land lease fees, GSP eligibility for market access to Australia, Canada, EU, Japan and the USA, unrestricted repatriation of profit, and special visa conditions for employees and family members.

Through ELC policy and the EBA trade scheme of the EU, avenues of opportunity from local to international levels have compounded and clearly driven industrial sugar production in Sre Ambel as evidenced by the statement from KSL Group

regarding the EBA. In fact, the land grabbing scenario that has resulted appears almost text book. Supported by the mediating role of L.Y.P. Group as is clearly conveyed in their brochure, a partnership was forged to produce sugar in Sre Ambel.

The predominant players are L.Y.P Group and Ly Yong Phat, KSL Group and their long-standing partners at Ve Wong Corporation. In addition and despite claims of limited involvement and knowledge, Tate & Lyle are a key player. These claims are particularly contradictory since - as noted previously - Tate & Lyle and KSL selected PAPL Consultants to develop the sugarcane estate in Koh Kong and so were involved from the start.<sup>120</sup> Thus as the father/son team that is PAPL Consultants played a major role as the on-site developers of the estate they are included in the list of key players. Finally, ASR assumed a position on this list with their purchase of Tate & Lyle's sugar holdings.

It is also important to point out that as Managing Director and Consultant Technical Director of Asia for American Sugar Refining subsidiary T&L Sugars, Tom Fordham remains actively involved. He currently provides direct technical assistance programs for Cambodian and Laotian cane estates. Both countries have recently been featured in the media regarding the suspension of new concessions.

Before presenting the remaining findings, the general characteristics of Trapaing Kandaol and Chi Kha villages are presented. For an in-depth look at the general characteristics of the research area, please see the tables provided at the end of this document and under the relevant headings.

## 9.3 LIFE IN CHI KHA COMMUNE

Trapaiong Kandaol and Chi Kha are rural villages located in the southwest coastal zone of Cambodia where the majority of livelihoods have been in farming both chamcar and rice fields. A variety of crops including watermelon, mango, coconut, cassava, cashew, jackfruit and rice have been cultivated. Households also have traditionally practiced animal husbandry as well as fishing and forest product collection. Families have lived in the villages for as far back as 60 years with a mean residence time of nearly 25 years. In 2010, Trapaing Kandaol had a population of 433 people and Chi Kha had a population of 1,032 people. The majority of households have male heads with a combined mean age of 44 years. The highest level of household head education obtained is primary school at 50 percent; 35 percent hold no formal education.

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<sup>120</sup> Koh Kong Cambodia: Tate & Lyle and KSL Select PAPL to Develop Sugarcane Estate: <http://www.paplconsultants.com/#/news/4544867443>



The villages are relatively remote and thus face restrictions in services. While each village holds a primary school, the secondary school is located in Chi Kha. There is no electricity available and the majority of homes obtain their water from unprotected wells. In addition, the majority of households have no toilet facilities. The main form of transportation is by motorbike.

Figure 50. Sre Ambel market area.



Author

Local administration follows the structure outlined previously and is comprised of a village chief, a deputy chief and village staff. For every ten households one group leader is assigned. In addition, another group leader is assigned to every 50 households. Six people serve on the commune council: three are from the CPP, two are from SRP and the final person was described as 'neutral;' this position requires passing an exam. In addition, the commune also has placed Hean Sokhum of Chouk village as the land dispute advisor to the commune chief. Finally, ten elected land-loss representatives from the three affected villages have been recognized.

As the research is based in large part upon impacts resulting from land loss, the next section presents the major findings on the connection between land and livelihoods starting with the livelihood profile of the villages combined.

#### 9.4 LIVELIHOODS AND LAND

As can be expected for this rural area, household livelihood support is derived largely from a combination of agriculture, animal husbandry and forest and fishing resources obtained from the commons – all of which require access to land. To a much lesser extent, household income sources are obtained from salaried positions such as government employment as well as construction and factory work and domestic and international remittances. With four percent of values missing,

the majority of households or 61 percent earn under \$100 per month; 18 percent of households earn between US \$101 and \$200 per month.

The chart provided in this section illustrates for comparison the combined percentages of households holding land both pre and post economic land concession. Combined land holdings include chamcar, rice, irrigated agriculture, forest and grazing land types. Chamcar land is generally where crops other than rice are cultivated however this is not always the case. It is also the type of land that was lost to the sugar concession. The majority of cultivators obtained their land through clearing the forest and family inheritance.

Figure 51. Land holdings.

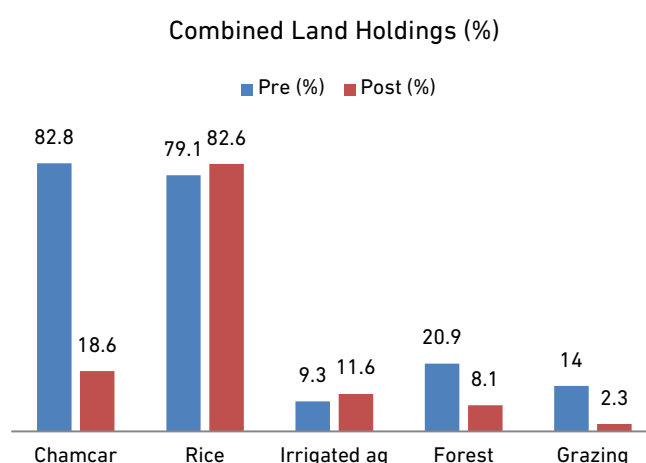
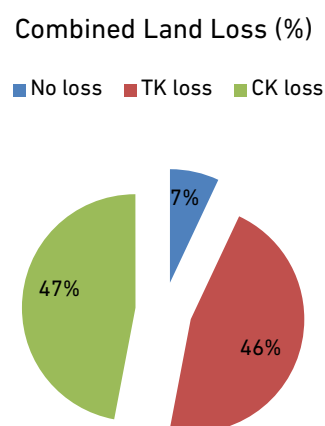


Figure 52. Combined land loss.



While the ELC has encroached significantly on land used by locals and non-locals alike, three families were unwilling to discuss amounts lost. This was expected due to the sensitivity of the topic; family members of two research assistants lost land but did not want to lodge complaints or be involved in

any activity that challenged the powerful Ly Yong Phat. In addition, many families were unable to provide specific amounts particularly for less-defined areas such as forest and grazing land. As a result, figures are unable to reflect actual amounts and categories are underreported. From information collected by community representatives, a total of 3,265 ha were reported lost between three villages of Trapaing Kandaol, Chi Kha and Chouk. Land loss in the area has affected holders in the villages as well as Sre Ambel town, Phnom Penh and other provinces of Cambodia including Kampong Cham.

Out of 72 households holding chamcar land pre-concession, 67 households or 93 percent lost land. Out of the 64 households that provided amounts (three values are missing), a total of 392 ha of chamcar land was lost. Losses ranged from .5 ha to 33 ha with a mean of six ha and a mode of five ha. At least 60 households lost all chamcar land holdings. In addition, 89 ha of forest and grazing land was reported lost. With four missing values, amounts lost range from .5 ha to 27 ha with a mean of 5.9 and a mode of 3 ha. As noted earlier, due to common use, these areas are typically less-defined and as a result actual losses may be higher. In addition, as compensation is typically not provided for these types of areas, many people may be encouraged to disregard their importance.

Figure 53. Typical unprotected tube well in Chi Kha.



Author

Finally, a total of 8 families currently hold no land. Of this amount, two held no land pre-concession and earn non-farming incomes. Of the remaining six households, each held at least 5 ha land pre-concession and is now landless. One household lost 20 ha of chamcar and now holds no rice land. Finally, one farming family whose head is a policeman lost a total of 28 ha and is now homeless and landless.

Pre-concession tenure types include titled, community and 'none.' There is some confusion regarding tenure status in

the research area as many farmers believe that the documents given by the local government are primary land titles. However, land in the research area has yet to be adjudicated by the tilting team. Nonetheless, farmers in possession of this type of document have sufficient proof that they are the legal possessors and so have a right to apply for land title when LMAP comes to the area.

## 9.5 LIVELIHOOD PRACTICES

This section outlines in more detail the livelihood practices within the research area. 65 percent of households would like to start a new business with raw materials (40 percent), microcredit (30 percent) and training/advice (19 percent) as the needed assistance.

### 9.5.1 AGRICULTURAL PRODUCTION

Figure 54. Thai hand tractor, or koyun.



Author

Households diversified agricultural production from rice and have grown a variety of crops for both subsistence and market use. Crops lost to the concession include watermelon, fruit trees, maize, cassava, sweet potatoes and cereals. While households currently grow maize, cassava, sweet potato, vegetables, fruit and cereals, the predominant crop is paddy rice.

Yield amounts for all crops but rice are generally not addressed in the survey; chamcar production is often for household use and thus earnings may be limited. However this is not always the case - cash crops were grown on chamcar land pre-concession including watermelon, mango, cashew and maize. Two maize yields obtained from the survey are US \$250 and \$275 per season. While 10 of the 25 pre-concession fruit yield values are missing, available values range between US \$12.50 per season to \$1,500 per season with a mean of \$430 and a mode of \$250. Out of eight post-concession house-

## PICH CHAMPEY,

born in Takeo province, owned a grocery business. Her husband, born in Pny Veng province, joined the service and left his hometown in 1979; he was stationed at various locations around the country. Pich met her husband in Sre Ambel and they married in 1992. They have three daughters. As a soldier for the Royal Army, they frequently moved but eventually settled in Sre Ambel in 1996 to be closer to her uncle. That same year her husband left the military and became a Sre Ambel district policeman. Through the position the family received 5 ha. Later transferred to Chi Kha Leu commune, his salary is 450,000 riel or US \$112.50 per month. Pich and her husband also bought three ha near Chouk village from a Muslim family. Her husband also cleared more than thirty ha from the forest; he planted rice in the first year. Two years later he planted cassava which provides good yields in only three years. The family borrowed land in the village and built a house from wood collected in the forest. They lived there six years before the owner reclaimed the land and they had to leave.

Things changed when the sugar company arrived and took their land. The cassava trees, three meters high, were bulldozed for the concession. Her husband used to farm but now he stays home. As a commune policeman, he has to abide by the police code; the family would like to protest their land loss but if they do he could lose his job and they could be sent to prison. One couple who protested got into an argument with a sugar company employee about their land loss. They were soon ordered to appear in court. When they arrived for questioning they were jailed in Koh Kong instead. The husband was imprisoned without a trial for three months while his wife was similarly imprisoned for a year with her one year-old baby. Pich placed her name on the land loss list instead. Three of her husband's colleagues with influential relatives are paid a salary of US \$150 per month as security guards at the mill. Her husband was not offered a position.

The family also composed two letters describing the type and size of land lost and sent them to a development committee in Koh Kong that is an arm of the CPP and of which Ly Yong Phat is chairman. They also sent a letter to the district house. In the letters, the commune chief advised the family to claim only five ha; they were told that if a higher amount was listed they will not receive compensation.

The family has been taken in by neighbors. Pich now travels around the area selling cakes. The family has not yet received compensation. Homeless and landless, they have no plan for the future.

holds growing fruit, seven values are missing. The single crop value provided is US \$500. From the FGD, participants stated that each watermelon yield will pay out \$750 after 55 days of cultivation. In addition, according to one interview with CLEC representatives, crop profits were between \$500 and \$1000 per year.

Households were able to provide yield information for rice. Pre-concession yields ranged between three sacks or 108 kg and 110 sacks or 3,960 kg at the minimum with one value missing. The mean yield was 40.38 sacks or 1,454 kg and the mode was 30 sacks or 1,080 kg. Post-concession yields range between two and 100 sacks or 72 to 3,600 kg. The mean yield is 33.4 sacks or 1,202 kg and the mode is 30 sacks or 1,080 kg.<sup>121</sup>

<sup>121</sup> Rice yields are reported by farmers in the hh survey per sack with weights ranging from 36 kg to 50 kg per sack. Standardization during data collection was

## 9.5.2 ANIMAL HUSBANDRY

Livestock traditionally has been important to livelihoods in the research area and villagers have kept a combination of chickens, pigs, cows, buffalo, duck and others. Only one household has not kept animals either pre or post land concession. The survey shows that the concession has impacted animal husbandry practices. While the number of households keeping animals has not changed significantly, the number and types of animals kept have. The numbers of cows and buffaloes, animals which require more space, have declined; since the concession was established, less grazing land is available and cows and buffaloes have become a liability. In general, villagers have sold larger livestock. One family holding over 50 head of livestock lost access to forest and grazing land and

not adhered to so the minimum weight of 36 kilograms was used to report findings. Actual yields are likely higher.

Figure 55. Combined animal husbandry.

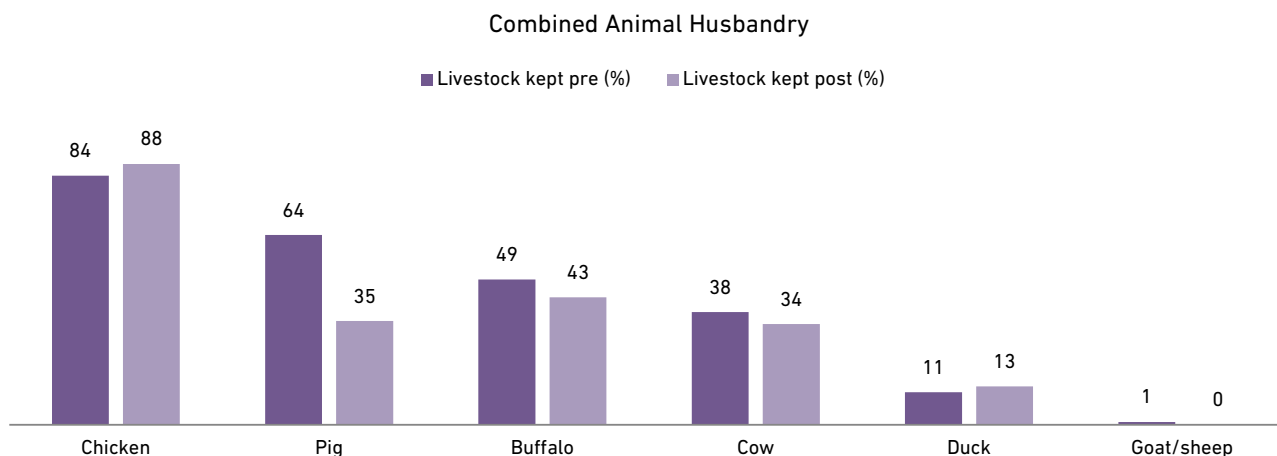
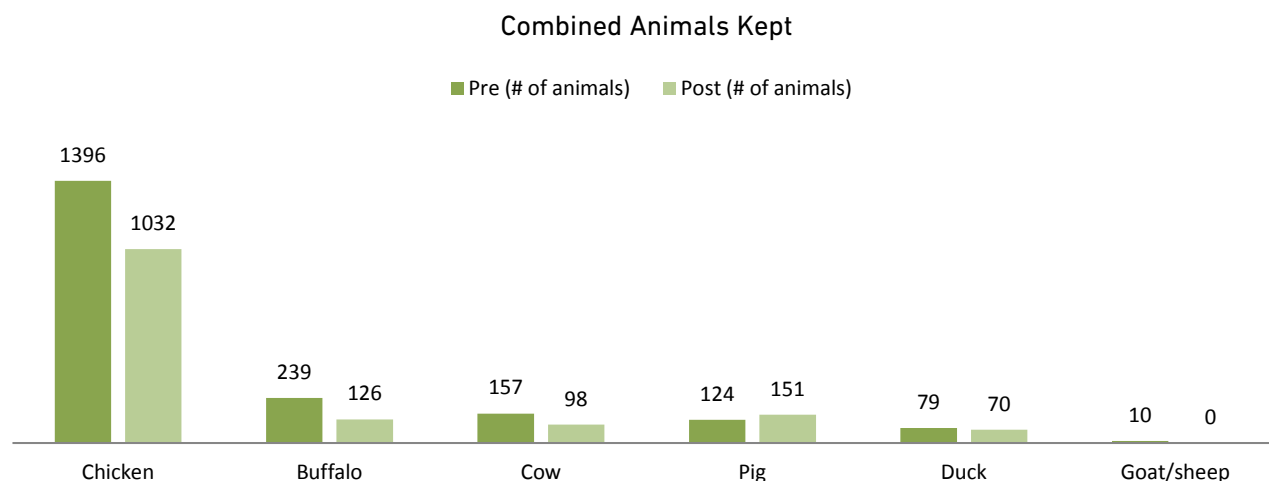


Figure 56. Animals kept.



subsequently reduced the head count to seven cattle. Moreover, livestock caught on concession land has been shot or held for ransom by the company's security guards. According to one source, payment for trespass was US \$7.50 to \$10 per head. Another family took out a loan of \$37.50 to pay security guards for their livestock trespassing on the concession. Families sold livestock to avoid the problem; other reasons to sell include livelihood support including costs related to illness. At least one other household sold livestock to buy a tractor.

### 9.5.3 FOREST COLLECTION

Residents have traditionally received a significant amount of livelihood support from the forest and have collected products including wood and bamboo, mushrooms, medicines, honey and beeswax and meat among others. Products have been collected for both household and market use. However villagers state that they have faced increased restrictions from two entities on forest land access: an international NGO and the sugar company.

According to informants, 'good' forest is located roughly 12 kilometers away and is protected by an NGO called Wild Aid. If too many people access the forest, rangers start to police protected areas and start asking questions. While the NGO has prevented villagers from clearing the forest for agriculture and they were limited in collecting products, pre-concession they were able to use forested areas for grazing livestock. Moreover, increasing restriction has occurred since forest land was cleared to make way for the sugar plantation. Rent-seeking fees collected by security guards ranged from partial forest product confiscation to 60,000 riel or \$15 for one ox cart. Some households report that the sugar company does not allow access while others continue to access the forest with hindrances imposed by security guards including continued rent-seeking.

The household survey shows that the number of households

accessing the forest has dropped since the concession was established. Pre-concession, 62 percent of households relied upon the forest for livelihood support while post-concession the figure dropped to 42 percent. The chart below illustrates the percentage of households collecting each product. One household reported losing \$250 per month of forest income.

### 9.5.4 FISHING RESOURCES

Many springs and small lakes are located in the area and villagers have traditionally relied on local aquatic resources for food and livelihood support. Water sources have been an important drinking source for both people and livestock and products collected have included fish, small shrimp, snails, crab, crayfish, frogs and small turtles. Villagers could still fish on the concession land until access was blocked in 2008 by the sugar company.

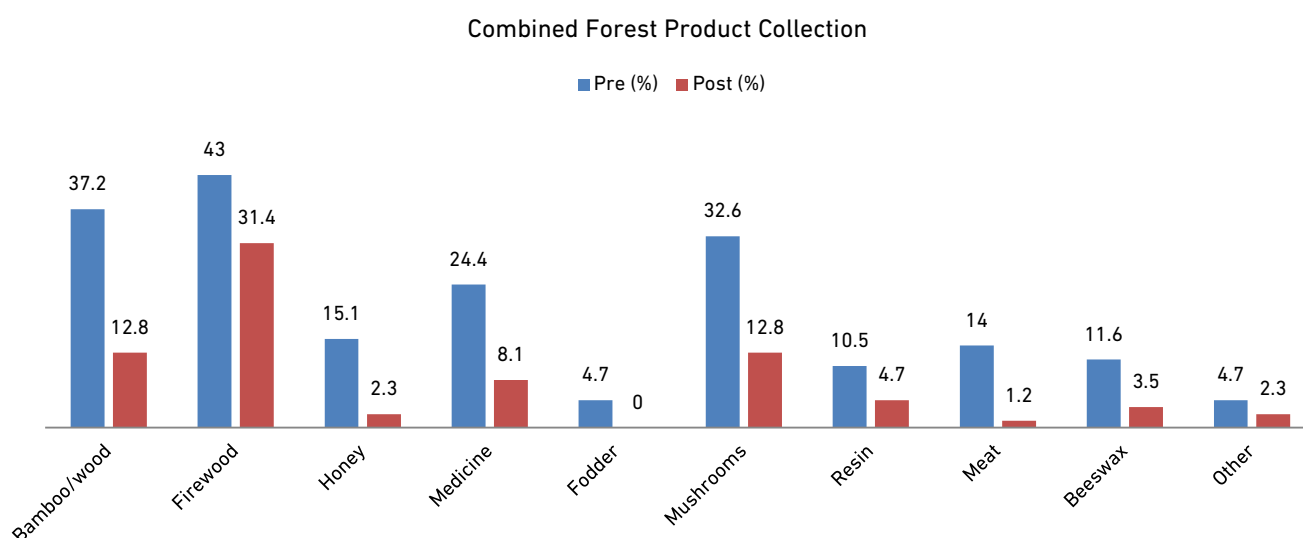
According to informants, the sugar company has reduced access and poisoned local water resources since 2008 with pesticides and fertilizers. Buffalo reportedly foam at the mouth and are unable to eat grass after drinking; buffalo from the nearby village of Torn have died from drinking from these contaminated sources. While no person has been sickened, locals found dead fish and thus ceased using the water.

Fishing conducted before the economic land concession was for household and market use. Survey results indicate that 77 percent of households fished before the concession; the figure dropped to 49 percent post-concession.

### 9.5.5 COMPENSATION

Despite significant land and resource loss directly related to livelihood support, compensation was generally not provided. Compensation was not given for livelihood support obtained from the commons. When given, lost land was undercounted, undervalued and the process was characterized by intimi-

Figure 57. Forest product collection.



dation and coercion.

Figure 58. A page from the list of land owners and their losses.

**តារាងបញ្ជីអ្នកបាត់បង់ដីរបស់កសិករនៅភូមិឈូក**  
Table of Villagers who lose their Farm Land at Chhouk Village

N.	Full Name គោត្តនាម-នាម	Sex ភេទ	Present Address ស្នាក់នៅបច្ចុប្បន្ន	Side of Land (ha) ទំហំដីសរុប	Evidence ភស្តុតាង	Demand the Land(ha) តម្រូវការដីកម្រិតណាស់
1	កៅ ឆៃ Kao Chai	ប្រុស M	ភូមិឈូក Chhouk Village	6	សៀវភៅគ្រួសារ ២០០៨ Family Record Book 2008 ស្នាមញញឹម Identification ស្នើសុំបញ្ជាក់អាយុ និង ភេទ Affidavit of identity and age ស្នើសុំបញ្ជាក់កម្មសិទ្ធិដី Certificate of Ownership	6
2	រិន ឆុន Rin Chhun	ស្រី F	ភូមិឈូក Chhouk Village	6	សៀវភៅគ្រួសារ ១៩៩៩ Family Record Book 1999 ប័ណ្ណបោះឆ្នោត ១៩៩៨ Voter Card 1998 ស្នើសុំបញ្ជាក់អាយុ និង ភេទ Affidavit of identity and age ស្នើសុំបញ្ជាក់កម្មសិទ្ធិដី Certificate of Ownership	6
3	ធឿវ ហៀន Cheav ean	ស្រី F	ភូមិឈូក Chhouk Village	11.5	សៀវភៅគ្រួសារ ១៩៩២ Family Record Book ប័ណ្ណបោះឆ្នោត ១៩៩២ Voter Card 1992 ស្នើសុំបញ្ជាក់កម្មសិទ្ធិដី Certificate of Ownership	11.5

Author

After the protest in Phnom Penh, Nut Sa An of the land conflict committee visited the villagers who were demanding five ha. Mr. Nut and the Ministry of the Interior in return offered compensation of two ha per family in an unnamed location as well as US \$500. Ly Yong Phat also visited the villagers and while he stated that the company could not return land holdings, he promised alternate land in a new location for those who lost their fields. According to one source, the governor of the province owns all of the surrounding land of a similar quality. As he is unlikely to relinquish his holdings or sell below market value, the two ha promised is not likely located nearby. At the meeting Ly promised that the situation would be better for those who lost land. The farmers believed him.

After the meeting, Phat charged Heng Huy with administering compensation; the commune in turn also assigned compensation matters to Chin Meng, Sre Ambel resident and former general manger of the Kampong Speu sugar operations in Aural district. Villagers suspect that Heng is a close friend of Phat. Chin visited households to discuss compensation matters and negotiate payments. According to FGD participants, households were obliged to agree with the sugar company in order to receive compensation; protesters do not receive compensation nor are they offered employment. When visiting households the representatives unsympathetically stated, “The land is lost – it is up to you whether you receive compensation or not.” Or, “If you don’t agree, we will get the land for free. Farmers either take compensation or wait 95 years to get the land back.”

The compensation amount is dependent upon the following: size of land, age and type of crops lost, a person’s negotiating skills and ultimately, familial relations and the strength of

community relationships described by community members as the ‘power’ a person holds. According to one farmer who received compensation, the payment was not for the land that was lost but for the loss of his labor. Lump sums, decided upon by Heng and Chin, ranged between \$75 and \$2000 according to one source. Those with more power receive more compensation.

Negotiations involve traveling to the lost land to determine the value. According to Trapaing Kandaol residents, one ha was valued at 350,000 riel or \$87.50 for immature crops while mature crops fetched 550,000 riel or \$137.50 per ha. However, as varying amounts have been reported, it is clear that no standard figure per hectare was employed. From the household survey, some offers of 200,000 riel or \$50 per ha were made. Another household received 300,000 riel or \$75 for ten ha while one family, at \$30 per hectare, received \$150 dollars for losing five ha. Suspected by farmers to be a means to avoid high compensation payments, the bulldozers felled large trees first. In addition, if someone has lost a significant amount of land, no compensation is offered. A commune policeman who lost 28 ha was coerced by the commune chief into signing a letter that claimed his land loss was only a fraction of the actual amount. Even though he is homeless and landless, he has not yet received compensation.

Some farmers traveled to the mill to have their picture taken and to sign the paperwork. Once the amount is negotiated and agreed upon, farmers must wait three days for payment. Some received money at the mill while others collected compensation payments on their former land holding without witnesses. Some villagers stated that this was to keep the amount of the payments confidential so that compensation representatives could retain some of the money for themselves.

According to Hean Sokhum, advisor to the commune chief and representative of those who lost land, Ly Yong Phat offered compensation but families rejected the offer because it did not sufficiently compensate their losses. While Trapaing Kandaol was the only village to accept the offer they have yet to receive the compensation promised. Residents have lost hope in Ly’s promises. Given the profits that can be made from cash crops, residents want their land back.

A total of US \$5,600 was given to 23 households that lost land. Compensation amounts ranged between US \$75 and \$750 with a mean of \$243; only two households received \$750. The majority of households – 48 in total – have not received compensation for any of their losses.

The government claims that FDI through the granting of ELCs will contribute to local development by raising standards of living through new job opportunities. At the inauguration of the new sugar mill in Koh Kong, Prime Minister Hun Sen

promised to help KSL to find the necessary land and 4,000 employees required.<sup>122</sup> The company representatives have also claimed that industrial sugar production will provide much needed jobs to the surrounding villages. The next section briefly describes findings on the industry including mill characteristics and cultivation cycles. Finally, local employment opportunities are outlined.

## 9.6 KOH KONG SUGAR AND NEW LIVELIHOODS

Figure 59. Chi Kha village mother and baby.



Author

The sugar mill is located in Ta Thong village in Dang Peang commune and close to the research area. The final product produced at the mill is raw sugar. According to a sugar company representative at the mill, raw sugar is particularly good for export to the EU as it can be used to produce many different products. In addition, seasonings and alcohol such as beer and ethanol can be produced as the water used in processing has a sugar content of 35 to 40 percent sugar. The company has plans to further refine the sugar in the future and obtain ISO certification.

The bagasse left over from processing is burned and the electricity that is generated powers the plant. The company has plans to expand energy production in order to supply areas outside of Sre Ambel - an energy supplier already supplies that area.

According to the representative, the concession is a total of 20,000 ha of which 10,000 are currently under cultivation.<sup>123</sup>

<sup>122</sup> Economic partnerships: <http://ec.europa.eu/trade/wider-agenda/development/economic-partnerships/>

<sup>123</sup> As per the MAFF website, the concessions are 9,400 ha and 9,700 ha. However, company representatives often refer to a 20,000 ha figure.

As current production amounts are not sufficient, raw material supply is lacking. The company will expand the fields and cultivate more sugarcane in order to increase final output. In April, the company was clearing more land.

### 9.6.1 CULTIVATION

The cane harvest cycle begins in December. Depending on the amount of sugarcane, cutting lasts for roughly four months. Cane is cut both by hand and by machine. If the company needs the cane quickly, workers cut until eight o'clock in the evening. There are two varieties of cane cultivated; one type is burned before harvest to rid the stalks of their blades.

In order to acquire the necessary labor, the company holds a campaign during the cultivation season. Advertisements are placed in newspapers and on the radio and information travels by word-of-mouth. Workers are told that they will be paid 50,000 riel or \$12.50 per day. Whole families come from many different provinces. As some cannot afford to pay for transportation, they walk and beg for money along the way. In addition, intermediaries are contracted by the sugar company to find and deliver labor. The workers are collected and transported by truck (with loads of at least 50 people) in the morning for a fee of 1,000 riel or 25 cents roundtrip. The company does not provide tools, food, or water. Also, the company is not responsible for broken tools resulting from rock strikes. According to the informants, there are more women than men working in the fields. Men prefer to collect NTFPs as they can earn more money. In addition, lengthy trips made for forest collection is a burden for women as they must cook and clean and take care of the children.

Figure 60. Child harvesting cane in Ksach Sa, Koh Kong.



Vink, 2011

In the field, the management structure includes a Thai unit leader, a Khmer assistant to the leader, and a Khmer interme-

diary. There are a total of 15 assistants and 15 unit leaders in the field within the Koh Kong concession.

### 9.6.2 EMPLOYMENT

According to FGD participants from both villages, the sugar industry offers the following employment opportunities and wages. Roughly 12 to 13 people are employed formally out of all three villages. In addition, more women than men work as day laborers as men can earn more money by collecting products in the forest. Finally, children as young as nine years old cut, tie and bundle sugarcane. Additionally, children from age 13 perform jobs such as spraying that require more dexterity.

- **Second planter/pickers** remove dead cane plants and re-plant living stalks; payment is \$100 for every 10,000 plants.
- **Cane cutter/cane tier/cane porter.** A cane cutter cuts cane stalks flush to the ground while tiers bundle the stalks together. Porters haul the bundles to the truck for inspection and transportation to the mill. Laborers may work from 8 am – 8 pm. One woman reportedly cuts between 30 and 70 bundles per day. Children aged nine and above work alongside family members, with neighbors or alone cutting, tying and carrying cane bundles. Bundles of the unburned variety of cane are comprised of 15 stalks while pre-burned cane bundles are comprised of 20 stalks. The work is strenuous as one bundle of low quality sugarcane weighs ten kg per bundle while one bundle of best quality cane weighs 40 kg. Children can earn about 75 cents delivering roughly 30 bundles per day. They are paid the same as adults: 100 riel or two US cents per every bundle. Porters can collaborate and share the proceeds of 7,000 riel or \$1.75 per ton. Workers make the most money by working through lunch or staying after five pm.
- **Tractor plough** (by Thai *koyun*). Workers use their own *koyuns* to plough and are paid 75,000 riel or \$18.75 per ha. Fuel and other expenses are the responsibility of the laborer.
- **Truck drivers** transport imported Thai fertilizer in a company truck at a base rate of \$5.00 plus 500 riel per sack. Truck drivers also transport cane from Kampong Speu to the mill in Sre Ambel. Drivers are paid a daily rate of \$5.00 plus a bonus of 500 -2,000 riel or 12 to 50 cents per ton for the distance driven and the weight of the load. If the load is nearby, the bonus is the lower amount. As truck drivers deliver goods, employment depends on shipments. The work is seasonal and only full-time during harvest season. Only ten drivers are permanent staff. Another 20 are hired during harvest season.
- **Fertilizer/pesticide sprayers.** Prepared fertilizer is

placed in a tank on a company-owned *koyun*. One *koyun* can carry three to four tanks of 200 liters each. The average spray per worker is five to six tanks and spraying occurs from planting until harvest time. Mostly males between 13-15 years old perform this job as it entails driving the tractor. However there is at least one 17 year-old female sprayer. According to villagers, only males spray pesticides. Payment is 10,000 riel or \$2.50 per tank.

- **Grass cutters** are paid roughly \$20 to \$30 per ha with the higher pay for abundant grass.
- **Gardeners** take care of the gardens at the mill Monday through Saturday from eight am to five pm with a one hour break for lunch. The mill employs two gardeners who are paid \$4.00 per day.
- **Unit leader assistants** have been educated at Chakrey Sirin Thorn School donated by the princess in Kampong Thom province and trained in Thailand. These employees speak Thai and Khmer and are not from the immediate area. Their salary is unknown.
- **Intermediary.** This position is via contract with the sugar company. This person fulfills labor quotas for the company and is the field manager who monitors the cane cutting and checks cane bunches for quality. If a bunch is short, the intermediary punishes the cutter by not paying for five bunches. If not cut flush to the ground repeatedly, the intermediary will not rehire the cutter. This position receives 17,000 riel or \$4.25 per ton.

Other positions the FGD participants had knowledge of but no direct experience with include excavation drivers who clear the land, warehouse workers, and skilled mechanics. Harvest occurs during Chinese New Year and no time-off is provided; formal employees are released with pay for two weeks during Khmer New Year. Formal employees also receive a health care reimbursement of up to 3,000 baht or roughly \$95 in total. Finally, security is contracted out to a company based in Phnom Penh.

### 9.7 FOOD SECURITY AND HEALTH

Figure 61 presents a randomized selection of food consumption scores of land loss-affected households in the sample. Figure 62 illustrates the thresholds for poor, borderline and adequate consumption scores.

For the seven days prior to the survey, one household had the lowest FCS of 31.5 while the highest score of 90.5 was achieved by three households. Mean combined FCS was 56.5. 69 households or 97 percent had acceptable food consumption; there were no households with poor consumption. Three



households or 4.2 percent within both villages had borderline food consumption and thus were categorized as food insecure.

Figure 61. FCS per affected household.

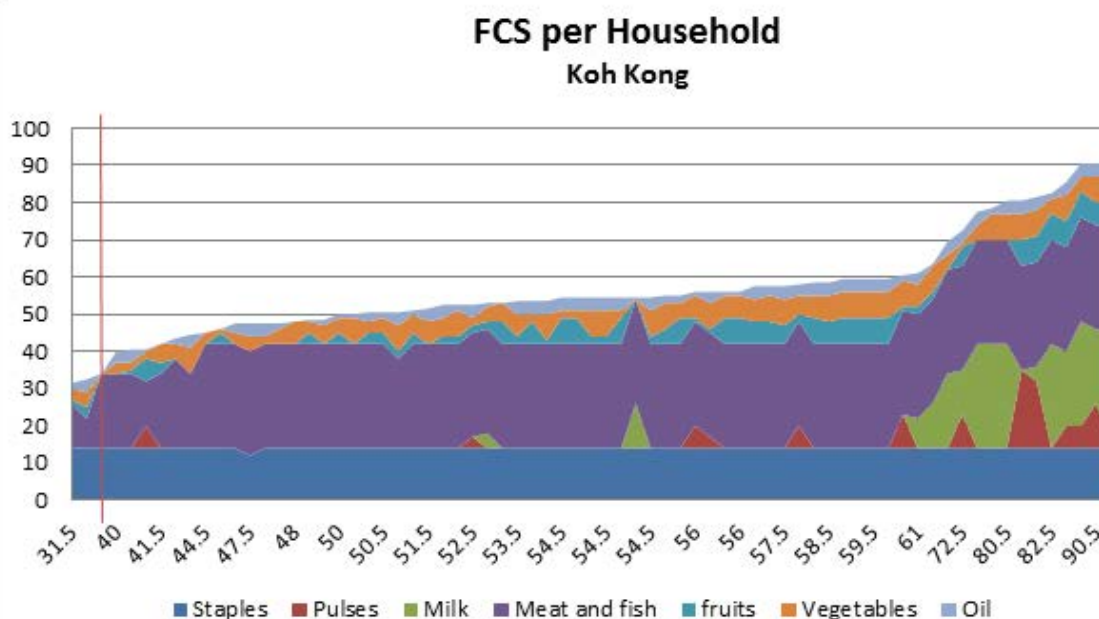
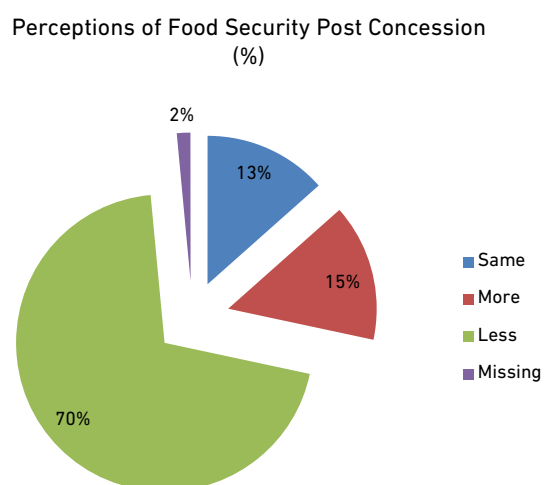


Figure 62. FCS thresholds.

Profile	Standard Food Consumption Score	Adjusted Score
Poor consumption	0 to 21	0 to 24.5
Borderline consumption	21.5 to 35	25 to 38.5
Acceptable consumption	> 35	> 38.5

Adapted from WFP, 2008

Figure 63. Perceptions of food security.

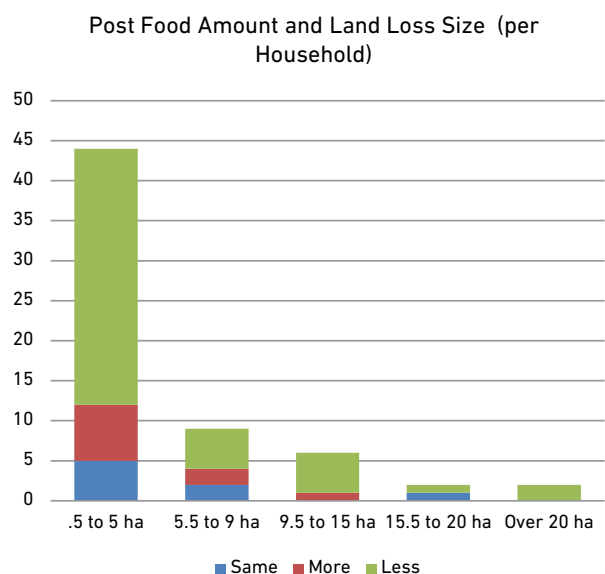


Of the 67 households who lost land, responses regarding pre and post-concession food security were collected. While the cross tabulation shows that 70 percent of households said yes to land loss as well as yes to having less food post-concession, there is no clear pattern regarding perceptions of post-concession food security and the size of land lost. However, of the ten families who reported more food post-concession, three had larger rice holdings after the concession was established.

Main food storage items are paddy and milled rice. Eight households have no food stored while 12 households have no paddy rice stored. Of the remainder, stores range from 30 kg to 3600 kg with one value missing. Within households storing paddy, mean storage is 738 kg. One kg of paddy rice is equal to 0.65 kg of milled rice.

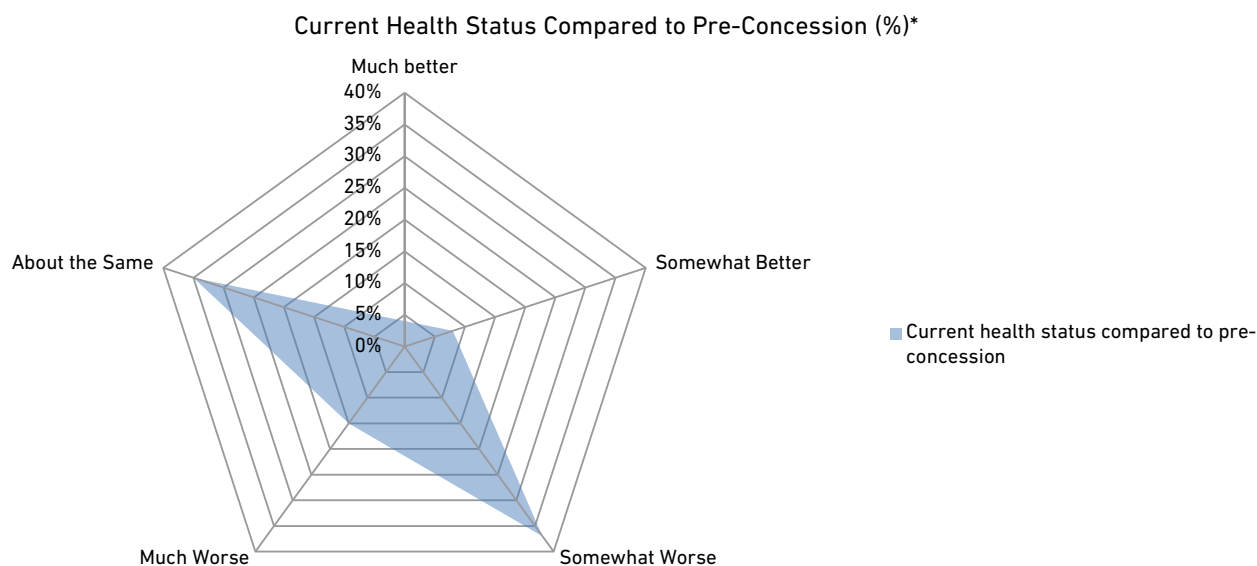
Of milled rice with two values missing, 46 households or 53 percent have no stores. Within the remainder, stores range from two kg to 400 kg with a mean of 55 kg and the majority holding 20 kg. Only one household has a store of ten kg of maize while three households have stores of cashew – two

Figure 64. Post food security and size of land loss.



with 30 kg and another with 20 kg. Finally, one household has 60 kg of sweet potato. Households have no stores of the following: mung, sesame, peanut, and cassava. Combined household food storage will last a mean of 149 days with a mode of 60 days. Next paddy rice harvests range from one to twelve months; the majority of households will harvest in six to eight months' time. The top food security strategies households reported include relying on less preferred or less expensive food, purchasing food on credit or incurring debt, reduced food consumption and relying on help from friends or relatives.

Figure 65. Perceptions on health status.



\* 161 values or 34 percent of responses are missing.

## HEALTH

The prominence of health issues in the community may be observed through survey results. While the response rate is not ideal at roughly 66 percent of the sample population, households generally reported that their health has deteriorated since pre-concession conditions. Many families attributed this to reduced food security and drop in household income.

Given that 75 percent of households have no health insurance and that the majority of household incomes fall within the lowest range of less than \$100 per month, productivity loss and expenditures for health care are considerable. Over 80 percent of families had at least one sick household member over the past 30 days; 29 percent of households had at least one member visit a health facility within the last 30 days with a mean cost of \$113.20 per visit and a mean of nearly days lost to the illness. 64 percent have taken medicine. Supporting data comes from the number of households who report experiencing bad health as a household shock - 26 percent.

At least one family was unable to seek medical attention due to a lack of money; households have taken out loans and sold land and cattle to pay for illness in the family. As a result of high health-related expenditures, free healthcare is the leading first preference for assistance at 29.1 percent, far ahead of cash from an NGO or the government at 12.8 percent.

Government support is reportedly limited to the provision of mosquito nets; one household reported water treatment assistance.

### MALY BOTUM

is a widow. Her husband died ten years ago from an illness. Her only child is her 17 year-old son who is in the 9<sup>th</sup> grade. She cleared 2.5 ha from the forest and inherited her rice field from her parents. Since she lost her land to the concession, the 20 sacks of rice her land yields per year are not enough for her and her son. Before she lost her land she kept many cattle; she had to sell all but two to support her family. She also kept chickens but some were stolen and the remainder died.

She used to earn money by planting and cutting sugarcane but quit because the wage is low and she is sick. She worked 15 days per month. If she was sick she would stay home. Working between the hours of 6 am and 5 or 6 pm, she could cut 80 to 90 bunches. She earned 10,000 riels or \$2.50 per day planting cane. Her son, then 14 years old, would sometimes go to work with her or with a neighbor and earn the same wage. Wages were paid weekly by the intermediary. Although she worked seven days, the intermediary would claim that she only worked 5 so her pay often would be short.

Maly now sells cakes and fishes with her son for food. She receives \$.75 a day in help - 1,000 riel for her son's study and 2,000 riel for food. She also borrows paddy rice from a neighbor. She did not receive compensation for her land loss so now she is a protester.

### PHEAKDEI VIBOL

is 80 years old. Three of his children, two girls and one boy aged two, three and four years old, died of sickness during the Khmer Rouge Regime. His wife and five remaining children survived. During that time he was responsible for taking care of the community buffalo in the Sre Ambel area. When the buffalo died, local Angka officials informed him that he was going to be relocated to 'a new village.' This meant that he would be sent to the killing fields. He had a friend in the committee that was able to save his life by convincing the authorities that he was an original Khmer from the area.

Although he lost two ha of land to the concession, Pheakdei supports the Cambodian People's Party. Life is much better now than during the Khmer Rouge regime.



## X. CONCLUSION

Motivated by a trade scheme devised within a narrow neo-liberal development paradigm, local and regional elites have partnered to produce sugar in Sre Ambel. Operating in a governance void and unbounded by the law, wealthy investors are favored under the biased implementation of ELC policy. Facing little oversight from the Cambodian government or the EU Commission, 93 percent of chamcar farmers in Chi Kha and Trapaing Kandaol villages lost land to the sugar estate. Six households have been made landless. The majority of the households holding rice land now have one ha or less to farm. While Cambodia's Land Law provides for security of tenure and many farmers in the research area hold land tenure documents recognized by local authorities, this research illustrates that in many cases land rights were ignored. Moreover, despite legal stipulations outlining requirements for participation with communities regarding local development initiatives, neither company representatives nor local government officials attempted to consult local residents about the project or potential economic, environmental or social impacts. Moreover, the adjoining ELCs in Koh Kong are openly stated by company representatives to be one land concession designated for sugar production and clearing was initiated before the contract was awarded. Each of these concession characteristics is in violation of Cambodian law. Additionally, human rights breaches have defined company and government practices since the first land clearing began and include bodily harm and imprisonment without due process. Two people were shot while land was seized and cleared by armed men and bulldozers. A family – including a woman and her baby - were put in prison without due process for arguing with a sugar company representative. A prominent protester who took photographs of the clearings was found murdered under circumstances that remain unresolved.

The concession has resulted in a significant concentration of land ownership, the loss of chamcar land and reduced access to the commons. This is a problem for local households whose livelihoods are sustained through farming, animal husbandry and resources obtained from the commons. As a result, livelihood practices have been altered and income opportunities have been lost. While compensation should not be viewed as a blanket panacea for amelioration, land loss is a livelihood shock for agriculturalists and recovery assistance is necessary. However, compensation was generally not provided particularly to those who lost a large amount of land or those who protested the concession. The compensation process was vague and characterized by threats and intimidation. Those who received compensation were short-changed. The impacts of this as well as reduced access to productive resources are cumulative.

Chamcar holdings allow cultivation of a diverse range of crops that contribute significantly to farm incomes as well as household food security and dietary diversity. Chamcar crops supplement the yields obtained from smaller rice land holdings and so are particularly important during lean months (Sedara et al, 2002: 8). While the majority of households retain land, particularly rice land, small plots are economically and technologically non-viable. Households are faced with low yields and low profitability. Investment is financially nonsensical with limited cultivation intensification possibilities. Moreover, small plot sizes mean more food has to be purchased or foraged. Given higher food prices since 2008, all households that lost land are affected. Poor households are affected more severely.

In addition to chamcar losses, reduced access to the commons and reduced quality of the commons has impacts. Households have been unable to maintain traditional animal husbandry, forest collection and fishing practices to the same extent. This is a form of decapitalization and a threat to both livelihood and food security. Animals are a significant asset to households in many respects; not only a good source of regular protein, animals, particularly high-value cattle and buffalo, can be sold in times of financial need and are insurance against crop failure. In addition, common pool resources reduce household expenditures and provide significant livelihood support through income opportunities. For example, market proceeds from the commons have been used to purchase rice after stocks have been depleted. Aquatic resources house a good source of free protein and unlike farming, can provide a daily source of income that does not require the purchase of agricultural inputs. This is particularly important for households who are land or cash income-poor.

Impacts involving forest commons have derived from two entities. While the NGO Wild Aid has restricted forest practices, communities were able to graze their livestock. In comparison, the sugar industry eliminated forest land to make way for the plantation. Thus the environmental integrity of the commons is threatened; this is compounded if water resources have been polluted by industrial sugar production. As environmental impacts of sugar production are not addressed in this study, more research is needed to determine the extent of water pollution. Moreover, the company's practice of denying forest access continues to reverberate within the community and influence household activity. While access through the concession was restored after protests, guards continue to condition movement, question villagers, rent-see and generally intrude upon the activities of villagers far outside of company jurisdiction.

The impact of land loss – basically a reduction of natural and capital assets- is heightened when the dependency on cash income increases yet alternative livelihoods are unavailable within an insufficiently dynamic labor market. This is the situation in Chi Kha commune. Local polity further reduces already limited opportunities through the practice of nepotism; those with connections have more and better opportunities to make a living. While employment opportunities have resulted from the development project, raised standards of living for the majority are elusive. For most of those who work in the sugar industry, terms of employment as well as work conditions are without sufficient oversight or protection and thus rife with inequities. Wages are low and work is generally seasonal. Finally, employment can expose laborers, including children, to elementary health hazards resolved long ago in the developed world. Even the simplest arrangements such as transportation to the cane fields have not been properly accorded for. As a result, at the most basic of levels, government as well as company concerns for heightened rural development appear to be non-existent.

If people protested the project they will not be hired to work at the mill. Conditions of transportation to the cane fields are poor. The 16 year-old daughter of one cane cutter reportedly passed out on the truck because of overcrowded conditions and another 40 year-old woman from Dong Peng commune recently died of unknown causes during transport. If people claim that they are able to work, the intermediary will hire them. This includes pregnant women and children. One cane cutter from neighboring Tanie village could not make it home in time and so reportedly gave birth in Chouk village after working in the cane fields all day. According to FGD participants, children from poor families must devote less time to their education to work in the sugar industry. In fact, children as young as nine years-old regularly work in the sugar industry and hold inter alia second planter/picker, sprayer and cane and grass cutter positions. No spraying instruction is given to laborers and no protective gear is provided or used. In a vain attempt to avoid inhaling the overspray, sprayers cover their mouths with regular cloth scarves. Informants holding this position reported physical reactions including heightened sensations of energy and being addicted to the smell of the fertilizer to itchy skin allergies. Others reportedly throw-up blood after spraying.

Other labor issues involve intermediaries who live locally as well as in other provinces. Perhaps not surprisingly, those holding this position appear to come from higher social strata. For example, the Chouk village chief is an intermediary as well as the commune chief's son-in-law. While the mill staff are paid regularly and on-time on the last day of the month, the majority who work in the local sugar industry are not as fortunate. Intermediaries regularly cheat workers and short pay, delay pay or do not pay at all. Some people from

outer provinces cannot afford to wait for wages so abandon payment. While the situation is better for cutters than before and they now get paid daily after they complained about being cheated out of wages, laborers sometimes have to wait around until the early morning hours to be paid as the intermediary often runs out of money. Truck drivers do not know when they will be paid and intermediaries may offer excuses instead of wages. Sprayers also have problems with receiving payment. The workers protested to the commune chief for back pay but no result has been provided. Villagers state that they must accept unfair practices because they depend on the intermediaries for work.

The losses of land are particularly egregious considering community food security characteristics. While the food consumption analysis over the seven day recall period is positive for the majority, 70 percent of households who lost land state that food security was better before land loss. Some households have reported the need to sell assets or take out loans to support daily livelihood needs. In fact, most of the community – over 60 percent - is indebted through loans. The lack of indebtedness through loans is not necessarily good news for those without a loan; the majority of households without a loan are not financially fit to qualify. For both, the ability to build reserves in order to deal with agricultural and other stress is brought into question. Current food storage and next harvest characteristics indicate that leaner months are ahead and household expenditures will increase. Needless to say, nutrition impacts are particularly critical to children. Food security is multidimensional and not solely dependent upon land holdings. Impacts are long-term and difficult to assess. Nonetheless, the concession has reduced the natural and capital assets of households which are major determinants of food security. The situation of heavily indebted and underinsured households lacking livelihood alternatives does not bode well for present or future food security or the overall long-term health of the community.

Additionally, people in positions of power manipulate development outcomes to supplement their personal incomes. In an atmosphere of low wages and lack of oversight, corrupt practices such as cheating and rent-seeking exacerbate the impacts outlined above. This is important because rent-seeking decreases the amount of money villagers have available for basic needs such as food, health care and education. According to one interview, in exchange for project support, local authorities received gifts such as cash payments or motor-bikes. Families, the majority of whom reported reduced food security, reported having to pay informal fees to teachers as well as giving them rice. In addition, sugar company security guards trying to increase their earnings have led to livestock losses. Villagers passing by security guards after collecting forest products have reduced food security and loss of income as they are similarly required to pay fees or share collected food.

Moreover, the local sugar industry, particularly the three-tier management system in the cane fields, is a system functioning on inflated figures and bribes. From the unit leader down to the intermediary, each one has sufficient opportunity to supplement personal incomes. Unit leaders collude with intermediaries, over-count fertilizer tanks and split the proceeds. The official company pay to truck drivers is 1,200 riel or 3 cents per sack of fertilizer delivered however the driver only receives 500 riel per sack as the intermediary keeps the difference. Finally, villagers believe that the head of compensation, Mr. Heng Huy, was conducting compensation payments in private so that he could keep some of the money for himself.

While no community is completely harmonious and measuring social disarticulation is problematic, at the most basic level the concession has introduced a new source of conflict regarding one of the most fundamental components of rural living – land. This has catalyzed community fragmentation into various opposing groups: those who benefit from development outcomes and those who do not, those who will speak out and those who will not. Overall, the sustainability of the community is compromised by an environment of watchfulness, distrust and fear. Finally, the proletarianization of farmers has occurred for those who have transitioned from self-employment to wage labor. This was conveyed by farmers who spoke about the loss of freedom. Compared to farming their own plots, cane work is controlled by the company and the intermediaries. Work conditions are poor and more tiring, schedules are no longer determined by the farmer and the wages are low. Farmers prefer to farm their own land and reap the benefits of their labor for their families. Moreover, it is Cambodian custom to help ensure the success of future generations by passing land holdings on to one's children.

Given the above characteristics, the project cannot be considered sustainable at the local level. The same applies at the national level. The sugar is produced for export and the industry provides few quality employment opportunities. Technology transfer is limited. Additionally, tax benefits and low land lease fees do not contribute to the national economy. In fact, state resources are reduced through drawn-out court proceedings and lack of resolution. Finally, the project is jeopardizing further the government's legitimacy as well as the Kingdom's ability to benefit from the EBA.

### 10.1 TOWARD REMEDIATION

Given the high level of conflict generated, the number of Thai employees living and working in the area and the fact that KSL Group is a prominent and long-standing producer of sugar in the immediate region, it is highly unlikely that KSL Group is unaware of the most troublesome aspects of producing sugar in Koh Kong. In addition, long-standing business operations in the region with KSL and regular stakeholder meetings for

the sugar company in Cambodia makes Ve Wong's claims of limited awareness also suspect. Furthermore, as Tate & Lyle and PAPL Consultants were involved from the ground up, it is unlikely that either was unaware of decades-long land use by local villagers. As both Tate & Lyle and PAPL have extensive experience in the global sugar industry and Tom Fordham of PAPL holds two positions requiring expertise at ASR and claims to have "considerable experience working in Cambodia," it is highly unlikely that Tate & Lyle or the two-man operation of PAPL Consultants or Mr. Fordham himself are unaware of the problems and risks, financial and otherwise, inherent in any ELC-related project in an under-developed and relatively unstable country such as Cambodia. Nor is it likely that paid industry experts are unaware of pre-concession characteristics such as farming activity and land use patterns in the estate area or the potential affects on spatially concentrated and agriculturally-based local populations. After all, significant financial investments have been made. Across the board, the claims simply do not jibe for any of these companies; each has a decades-long track record of sufficient business acumen required to sustain operations and compete in a global marketplace. While KSL Group and Ve Wong Corporation are the primary investors, each company involved in the endeavor must be held accountable. Now that each has been brought up to speed on their own business dealings, a solution for those who lost land and livelihood opportunities may summarily be devised.

Figure 66. Locals claim that important water resources like this have been polluted by sugar production.



Author

The EU also holds responsibility. While the Charge d' Affaires of the EU delegation to Cambodia Rafael Dochao Moreno has stated that the EBA supports economic and social development in the country, this study illustrates that this is not always the case and can in fact be quite the opposite. While he also claims that human rights abuse and land rights violations

cannot be blamed on the scheme, the Commission is responsible in so far that it knowingly provides privileges to people who have repeatedly broken the law and perpetrate human rights abuses. This is clearly not the intent of a trade scheme for sustainable development. The EU has an obligation to assume a ‘do no harm’ approach; it is responsible for ensuring that its policies do not facilitate human rights abuses and that products are not bought from companies that are known to cause harm. The EU has an obligation not only to monitor the success of its policies but also the negative impacts, particularly in countries renowned for being hotbeds of land conflict and evictions, corruption and lawlessness with poor human rights records such as Cambodia. Finally, if resolution is left to the largely ineffectual Cambodian government, the EU Commission should be held implicitly responsible for continued human rights abuses.

Villagers have faced obstacles to participation in the development process including company representatives, government officials, limited infrastructure and limited awareness of relevant policies and laws. In response to land loss resulting from the project, villagers have sought recognition at the local, commune, provincial and national levels. Complaints have been filed with Tate & Lyle, the Organisation for Economic Development and Cooperation, and Bonsucro. A complaint filed five years ago with the National Human Rights Commission of Thailand has recently resulted in a statement that human rights abuses particularly within the right to life and self-determination have resulted from the development project.<sup>124</sup> Still largely ignored by the most influential entities in the matter, namely the Cambodian government, the companies involved and the EU Commission, land loss victims continue to find redress at the international level with legal assistance from civil society groups.

## 10.2 RECOMMENDATIONS

A number of recommendations can be drawn from this study some of which, if implemented, could immediately improve local standards of living.

- Although community members originally elected him to be a representative, commune chief advisor Hean should be replaced with someone who better represents the interests of the farmers who lost land. Villagers have come to view him as a betrayer due to the assistance he provided to Heng Huy, a close friend of Ly, in a land dispute case also involving sugar in Chi Khor Kraum. Hean appears to be out of touch with important issues and disregards the concerns of the villagers

who lost land in favor of the status quo. In his own words, “the poor villager must be the one to give.”

- While restitution cannot amend the injustices committed, the issue of just compensation, including land and strategies surrounding livelihoods, needs to be resolved jointly by community, company, and government representatives. Oversight from a specialized agency should be included to ensure effectiveness and transparency.
- As Cambodia receives GSP benefits as a signatory to important International Labour Organisation treaties, the sugar industry in Koh Kong should be subject to oversight and labor inspections regarding work time, wages, occupational health and safety, and child labor. While intermediaries were brought under contract by the sugar company, intermediaries should be better regulated and intermediary services and practices should be subject to periodic review by the company. Payment should be systemized to meet international standards and should include receipts or invoices for daily labor to avoid short payments.
- Current land concession fees, between zero and ten US dollars per ha (GTZ, 2009: 15), represent a loss of government income. Combined with other incentives such as tax breaks, most of the benefits are reaped by the holders of the ELCs. Higher fees should be collected and redirected toward local development initiatives.
- To avoid shallow, ‘resource curse’ situations, ag-led development in Cambodia needs to be pro-poor with policies that concentrate on smallholders and landless farmers. As opposed to large estates, known to be less productive per unit of land (Cypher and Dietz, 2009: 353), smallholder production gains can lead to multiplier effects for the economy as a whole.
- Doing business in Cambodia should be quid pro quo. In exchange for utilizing national resources and receiving state-funded incentives for company gain, businesses should be required to give something in return. Unfortunately the list of needed improvements in Cambodia is long. At the very least and in line with what their websites claim, the companies can build local capacities through enhancements in education and health facilities or contribute to the provision of basic services such as protected wells and toilets. These are sorely needed in Chi Kha commune.
- The EBA should not be given on blind faith and should be subject to better oversight. The EBA is a privilege, but who has benefitted? In Sre Ambel, special treatment has been handed to a wealthy Cambodian senator, one of Thailand’s wealthiest businessmen, and a large food producer in Taiwan. This practice makes local rural de-

<sup>124</sup> To read the statement, see: <http://www.boycottbloodsugar.net/wp-content/uploads/2012/07/NHRC-Findings-on-Koh-Kong-25-July.pdf>



velopment through trade an oxymoron. EBA impacts should be monitored and GSP conditions should be enforced. Sre Ambel is not an anomaly. As the sugar estates recently developed in Kampong Speu and Oddar Meanchay provinces also have resulted in human rights abuses, sugar privileges should be suspended for Cambodia.

- Finally, while the subject of land grabbing, the Kyoto Protocol and the United Nations Clean Development Mechanism are outside the scope of this study, attention should be paid to the sugar industry in Cambodia regarding green energy production. Companies producing sugar are looking to maximize profits along the sugar value chain and each of the sugar companies investing in Cambodia has plans to generate 'green' electricity as part of their sugar operations. It would be unfortunate if these companies could greenwash their activities and further profit from land grabbing under the guise of sustainability.



## XI. DISCUSSION

Land use and control are central development issues and are particularly important within fragile states and those recently emerging from decades of violent conflict (WB, 2003: xli). Land policy is an essential component of development, especially in developing and transitional countries where it provides rural populations with the foundation for social and economic well-being as well as the means to adjust to the pressures of globalization (Deininger, 2004: 2). Losing land translates to lost income opportunities and thus has direct implications for poverty alleviation and human development (Deininger et al, 2011: xxvii). Thus it is worth restating: to avoid shallow, ‘resource curse’ situations, ag-led development needs to be pro-poor with policies that concentrate on smallholders and landless farmers. As opposed to large estates, known to be less productive per unit of land (Cypher and Dietz, 2009: 353), smallholder production gains can lead to multiplier effects for the economy as a whole.

With the majority of the population living in rural areas in Cambodia, agricultural-led development has the potential to contribute to higher standards of living and increased food security. However, under such development scenarios land policy is particularly important, especially for underrepresented segments of the population. Yet roughly 80 percent of land in Cambodia is under nominal state control (WB, 2009: 5; Loehr, 2012: 4). As with other land-abundant developing countries (Deininger and Byerlee, 2011: 12), Cambodia’s weak institutional structures for agricultural growth and limited human resources leave land susceptible to speculation or economically non-viable exploitation characterized by loss of revenues and unfavorable environmental and social outcomes. While development through FDI is prioritized through government policy, it is non-strategic and often occurs in collusion between investors and national elites who find an easy framework to meet personal investment objectives. Cambodian law appears to be largely irrelevant for investors; property rights are ambiguous and in many cases this ambiguity has proved to be rather convenient. In cases of non-ambiguity, property rights are simply ignored. Government officials from the national to the local level collude with developers at the expense of local communities in spite of the Commune Administration Law 2001 which outlines how public participation shall occur in local development projects (UNDP, n.d.: 21). Officials with vested interests have blurred the lines between public and private and further compromised the role of the state and its ability to fulfill its responsibilities. Unlike smallholders, investors have sufficient funds, strong government support and a clear avenue to obtain land. This imbalance means that smallholders are more likely to lose out in land deals that reallocate resources. Decapitalization of key assets and impoverishment

create negative feedback loops that further embed wealth and power inequities and increase the likelihood of conflict. Suffice it to say, land disputes are more easily prevented than resolved. Thus, in poor but resource rich countries operating under corrupt governance systems characterized by lawlessness and elite-capture such as Cambodia, the ability of the EBA to fulfill its objectives is brought into question. After all, the quality of development depends upon whose needs take priority.

The first page of the Johannesburg Plan of Implementation states that, “good governance within each country and at the international level is essential for sustainable development” (UNDP, 2002). In the context of international trade schemes, good agricultural land governance requires not only pro-poor policy formulation and increased transparency and accountability at all levels but complete implementation that is sensitive to the local context. Moreover, the World Bank holds that regardless of immediate increases in economic efficiency, “stronger land rights can be justified on the basis of basic human rights considerations” (WB, 2003 xlv). This is where it is important to remember that EBA preference is granted and not negotiated by the EU in favor of “long-term planning and investment for development.”<sup>125</sup> In order to ensure the distribution of benefits, trade policies need to contain conditions favorable to rural development such as technology and capacity transfers and measures that ensure social sustainability. In principle, this may be viewed as counter-productive to most business endeavors. Cypher and Dietz (2009: 376) have pointed out that the continued expansion of TNCs in the agricultural sectors of developing countries has been a result of their advantage gained from their ability to develop, use and control technology. As their strongest asset, TNCs will “combat wherever and whenever they can the loss of their competitive edge.” Reductions in bases of power are often relinquished grudgingly (*Ibid*: 468). Nonetheless, GSP conditions allow for the temporary withdrawal of privileges under human rights principles outlined under the ILO Declaration and include:<sup>126</sup>

- Freedom of association and the effective recognition of the right to collective bargaining
- Elimination of all forms of forced or compulsory labor
- Effective abolition of child labor

<sup>125</sup> Economic partnerships: <http://ec.europa.eu/trade/wider-agenda/development/economic-partnerships/>

<sup>126</sup> ILO Declaration: <http://www.ilo.org/declaration/>

- Elimination of discrimination in respect of employment and occupation

Land deals achieved through proxy officials acting with impunity and without the benefit of due process increase the likelihood of land conflict which in turn creates an uncertain environment for investment. Perhaps businesses themselves will soon see the benefits that can be achieved through stronger laws and more capable administrative institutions that characterize good land governance.

Factors, both local and international, are mediating access to and control over the resources necessary to sustain rural livelihoods and altering the land-use patterns that support farming, grazing and fishing. While there may be no operational definition of sustainable development –what is sustainable - there are certainly concrete examples of what isn't sustainable development. The issues discussed in this study are multi-dimensional. Most of what is involved is well beyond this thesis. They operate on all levels and involve complex interactions between old and new, between well-embedded history and infant phenomenon emerging out of the continually evolving frontiers of what is simply termed globalization. Yet in the dimension where old inequalities reveal new faces there is the opportunity to once again, try to make things right.



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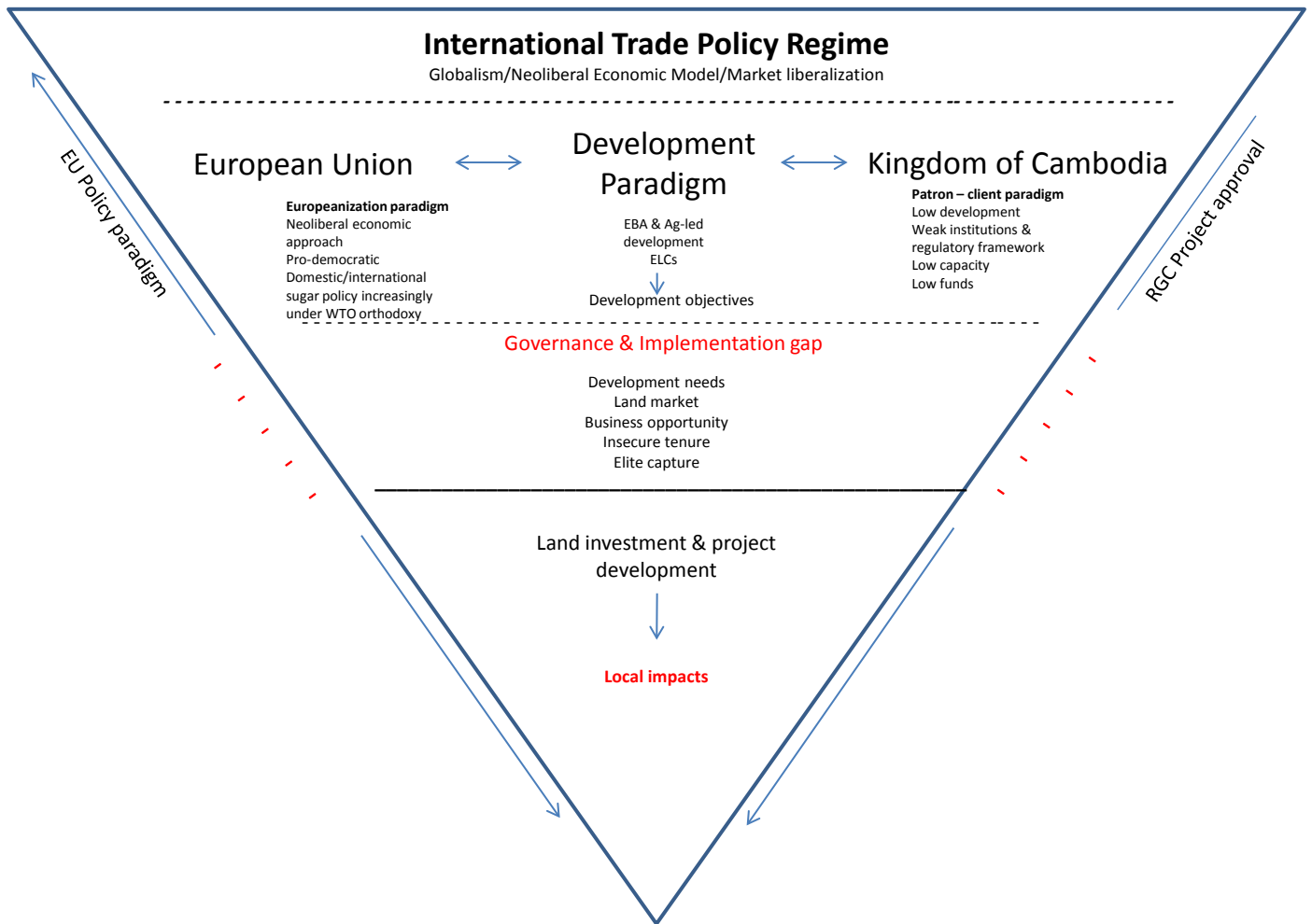
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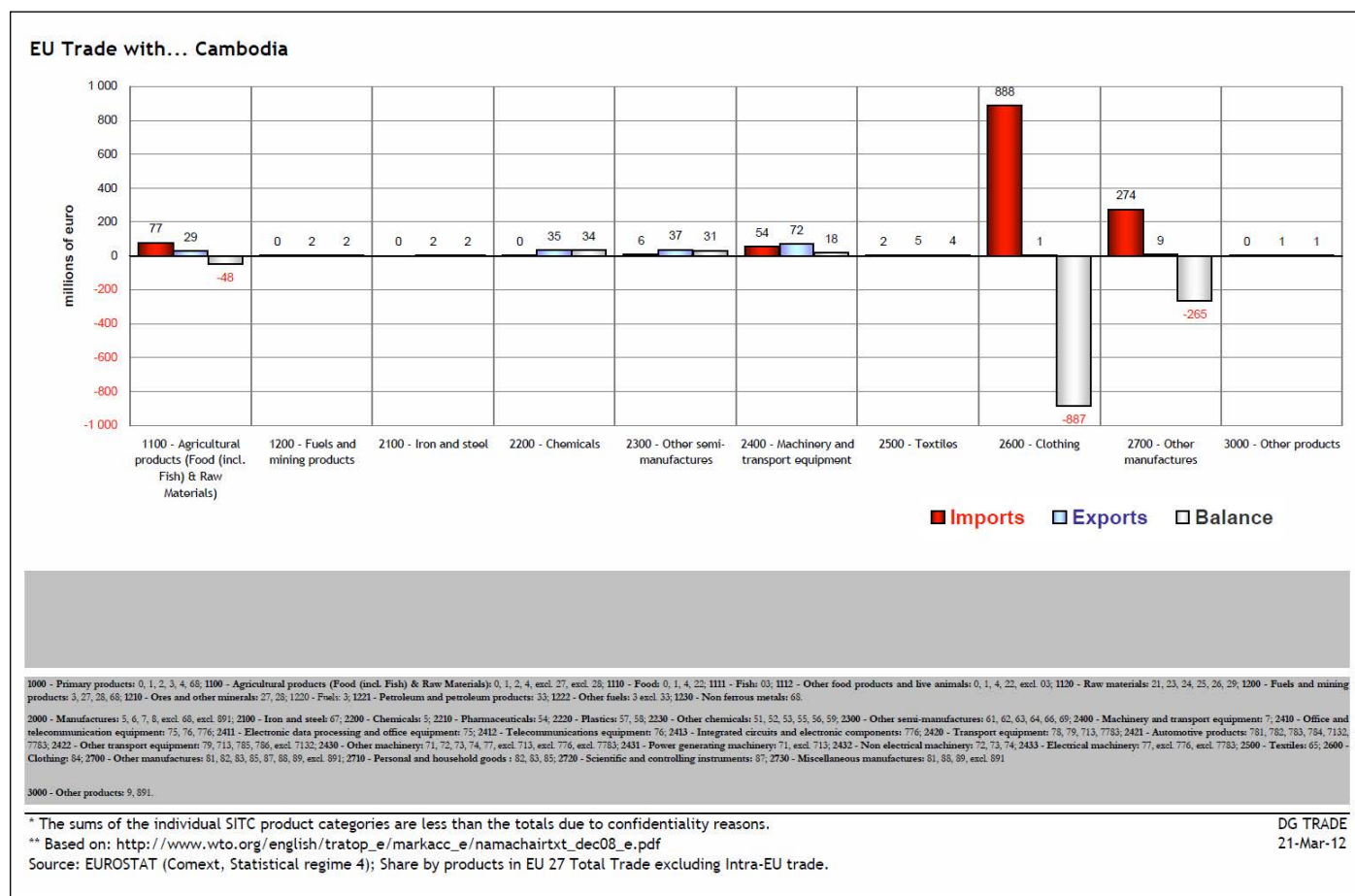
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# APPENDIX I: CONCEPTUAL MODEL



# APPENDIX II: EU/CAMBODIA TRADE

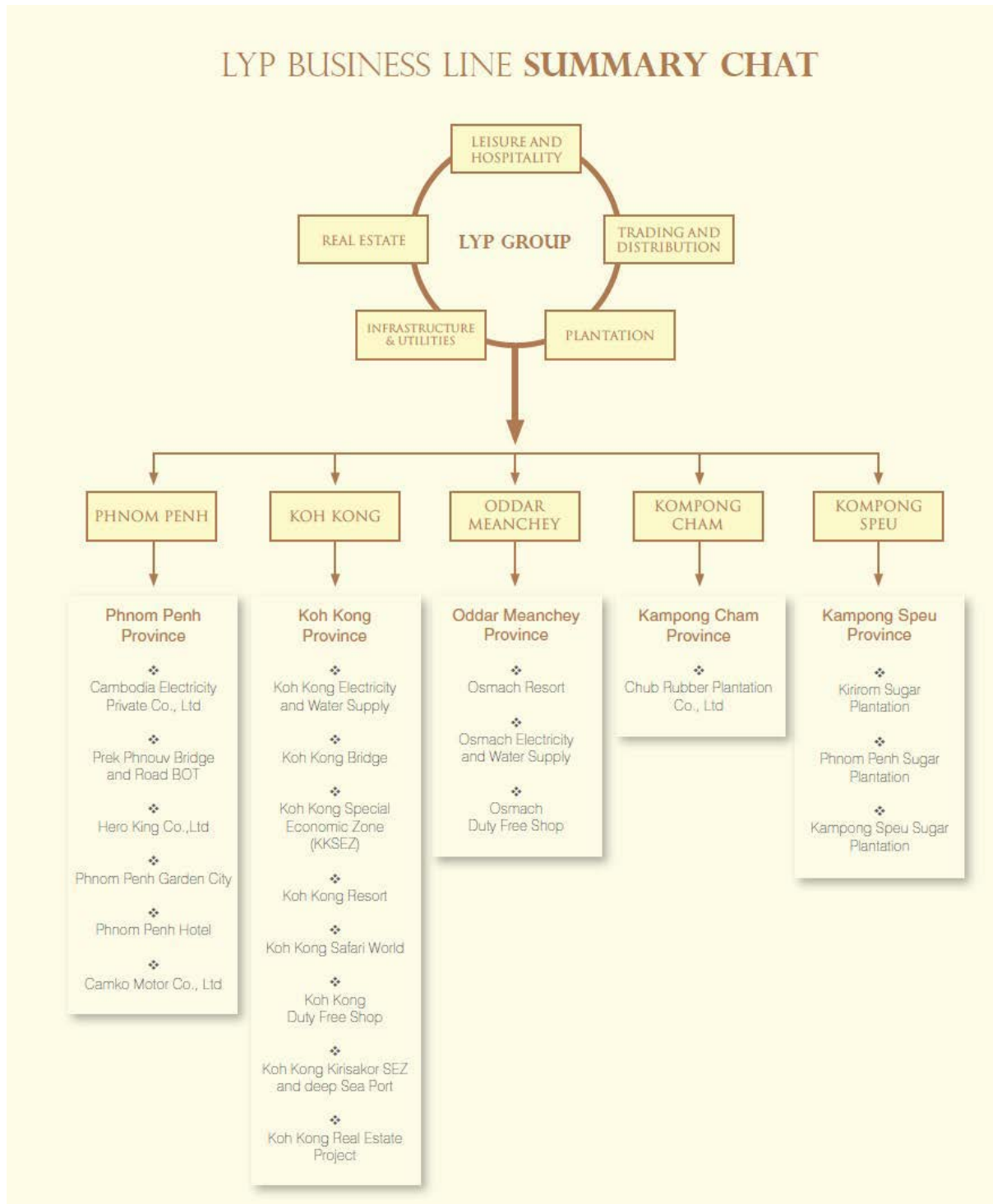
Figure 67. EU/Cambodia trade.



Source: [http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_113362.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113362.pdf)

# APPENDIX III: L.Y.P. GROUP

Figure 68. LYP Group activities.



LYP Group, L.Y.P., n.d. (b)

## APPENDIX IV: INTERVIEW SCHEDULE

<b>Date</b>	<b>Organization/Affiliation</b>	<b>Interviewee(s)</b>
3/8/2012	KSL Group, Bangkok	Attempted, no response
3/8/2012	Office of the National Human Rights Commission of Thailand, Bangkok	Attempted, no response
3/12/2012	UNWFP Phnom Penh	Attempted, no response
3/12/2012	ADHOC, Phnom Penh	Chan Soveth, Nay Vanda
12/13/12	Royal University of Phnom Penh	Keo Morokoth
3/15/2012	ADHOC, Phnom Penh	Nicolas Agostini, Chan Soveth
3/20/2012	Koh Kong Sugar Mill	
3/21/2012	BABC, Phnom Penh	Jocelyn Medallo, Sotheavann Chhoeng
3/23/2012	LICADHO, Phnom Penh	Mathieu Pellerin
3/26/2012	BABC, Phnom Penh	Jocelyn Medallo, David Pred, Sotheavann Chhoeng, Eang Vuthy
3/27/2012	CLEC, Phnom Penh	Sorphonneary Ny, Man Vuthy
3/28/2012	Earthrights International, Mekong Legal Network, Thailand	Bobby Sta. Maria
3/28/2012	SRP Opposition Member of Parliament, Phnom Penh	Mu Sochua, unavailable
3/29/2012	Community Representatives	Teng Kao, Yen Jeav, An Haiya
3/31/2012	Community Representatives	Teng Kao, Yen Jeav, An Haiya
4/6/2012	Environmental Jurists Association, Taipei	Roxanna Chen
4/7/2012	Chi Kha village	Chi Kha resident
4/7/2012	Chi Kha Commune Police	
4/8/2012	Trapaing Kandaol village	Trapaing Kandaol resident
4/8/2012	Chi Kha Leu Commune, Advisor to Chief	Hean Sokhum

# APPENDIX V: SURVEY RESULTS

## GENERAL CHARACTERISTICS

Figure 69. Sample characteristics.

	Trapaing Kandaol	Chi Kha	Combined
<b>Sample population</b>	228	240	468
<b>Average household size</b>	6	5	-
<b>Household head gender</b>			
Males	33	37	70
Females	5	11	16
<b>Household head age</b>			
Mean	43	45.5	44
Mode	43,45	37	45
<b>Years in dwelling</b>			
Mean	23.54	25.82	24.81
<b>Kitchen location (%)</b>			
Inside	63.2	50	55.8
Outside	36.8	47.9	43
<b>Ownership document (%)</b>			
Registered title	18.4	16.7	17.4
Common law title	34.2	31.2	32.6
None	47.4	52.1	50
<b>Occupation conditions (%)</b>			
Owned	100	95.8	97.7
None		2.1	1.2
Other		2.1	
<b>Housing plot cost (USD)</b>			
Mode	0	0	0
<b>Planning to move (# of households)</b>			
Yes, definitely	0	0	0
Yes, probably	0	1	1
No	38	47	85

Only four households purchased their housing plot. Three paid between US \$1,000 and \$2,000 while one paid \$20,000.



Figure 70. Services and transportation.

	<b>Trapaing Kandaol</b>	<b>Chi Kha</b>	<b>Combined</b>
<b>Water and sanitation</b>			
<b>Source (%)</b>			
Unprotected well	92.1	81.2	86
Protected well	5.3	16.7	11.6
Other	2.6	2.1	2.4
Distance from dwelling, mean (km)	0.06	0.28	0.18
Missing	0	2	2
<b>Storage</b>			
Containers or barrels	57.9	56.2	57
Tank with pump	39.5	37.5	38.4
Tank w/o pump	2.6	4.2	3.5
Other	0	2.1	1.2
<b>Purification</b>			
Boiling	50	64.6	58.1
Letting it sit	28.9	22.9	25.6
Filtering	7.9	2.1	4.7
Using cloth	0	6.2	3.5
Other	13.1	4.2	8.2
<b>Toilet access</b>			
No facilities	68.4	66.7	67.4
Pit latrine with slab	28.9	33.3	31.4
Pit latrine w/o slab	2.6	0	1.2
<b>Main lighting source</b>			
Electricity	0	0	0
Candles, battery	42.1	68.8	57
Firewood	18.4	12.5	15.1
Other	36.8	16.7	25.6
Missing	2.6	2.1	2.3
<b>Cooking fuel</b>			
Firewood, collected	89.5	83.3	86
Firewood, purchased	5.3	14.6	10.5
Charcoal	5.3	2.1	3.5
<b>Telephone</b>			
Access (%)			
Yes	89.5	66.7	76.7
No	10.5	33.3	23.3
Missing	0	0	0
Type (%)			
Fixed	10.5	8.3	9.3
Missing	10.5	2.1	5.8
Mobile	86.8	60.4	72.1

Figure 70. Services and transportation, cont.

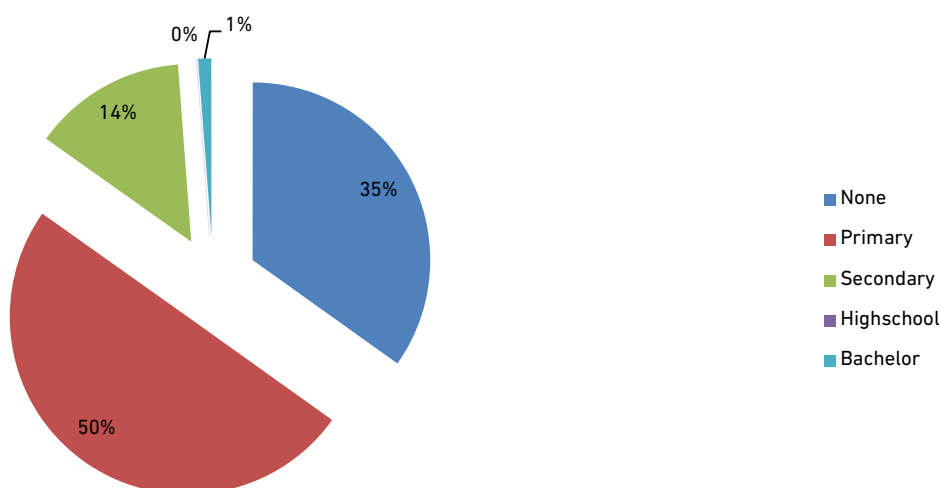
	Trapaing Kandaol	Chi Kha	Combined
Missing	0	0	0
Public	15.8	31.2	24.4
Missing	7.9	2.1	4.7
Mobile phone cost, mean (USD/month)	4.89	5.7	5.3
Missing, %	13.2	2.1	7
<b>Main form of transportation (%)</b>			
Motorbike	68.4	47.9	57
Taxi	15.8	22.9	19.8
Walking	0	14.6	8.1
Carpool	2.6	6.2	4.7
Animal cart	2.6	4.2	3.5
Bicycle	2.6	0	1.2
Private vehicle	0	2.1	1.2
Other	5.3	2.1	3.5
Missing (%)	2.6	0	1.2

No electricity is available in the area.

## EDUCATION

Figure 71. Highest education of heads.

Household Head Highest Education Obtained (%)



34.9 percent of household heads have no formal education while 50 percent listed primary school as their highest education obtained. 14 percent of household heads have obtained secondary level education and one head or 1.2 percent of the total holds a bachelor-level education.

## HEALTH

Figure 72. Health characteristics.

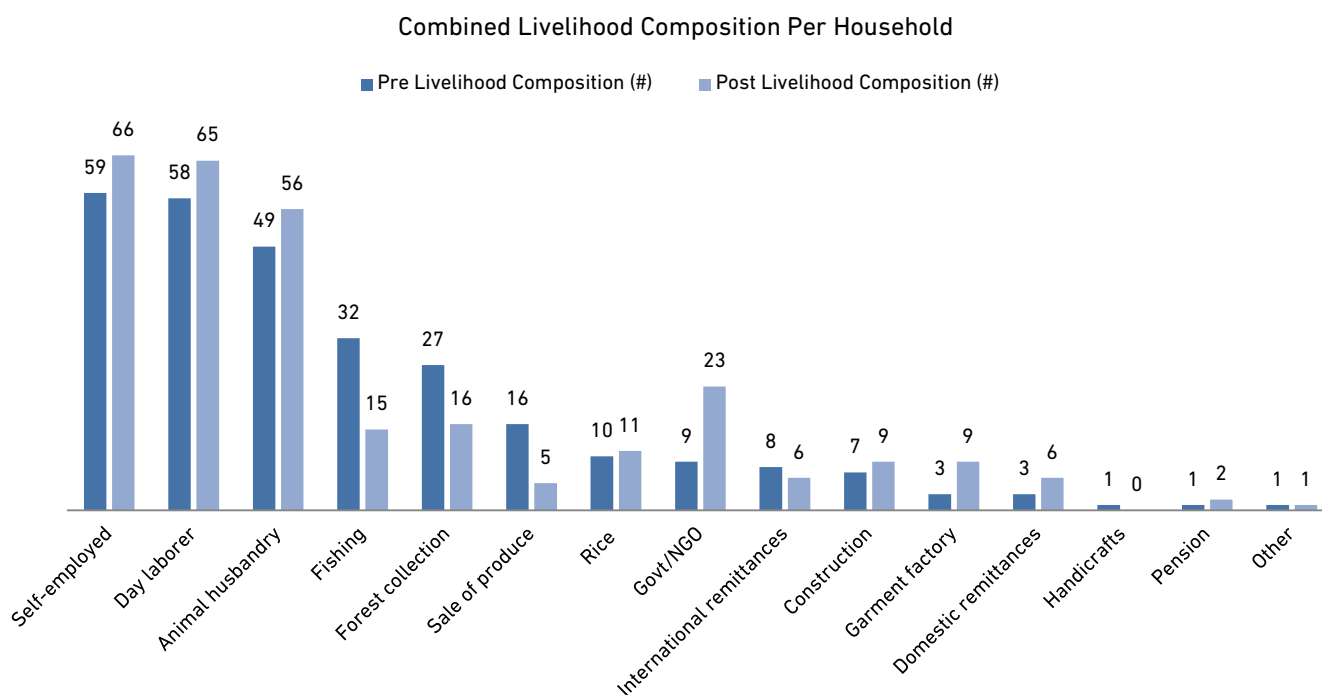
	Combined
<b>Illness (last 30 days, %)</b>	
Yes	80.2
No	18.6
<b>Days lost, mean</b>	
Mean	11.68
Mode	0
Missing	5.8
<b>Health facility visit (%)</b>	
Yes	29
<b>Number of visits, mean</b>	2.23
Missing	3.5
<b>Per visit cost, mean (USD)</b>	113.2
Missing	1.2
<b>Health insurance (%)</b>	
Yes, some	17.4
Yes, all	5.8
No	75.6
<b>Government support (%)</b>	
Yes	27.9
No	72.1
<b>Medicine use (%)</b>	
Yes	64
No	32.6
Missing	3.5
<b>Decrease healthcare as food security strategy</b>	
Everyday	0
Often	10.5
Occasionally	8.1
Hardly at all	9.3
Never	72.1
<b>Bad health as a shock (%)</b>	
Yes	26
<b>Loans (%)</b>	61.7
For consumer goods, including food	18.6
For illness	17.4
<b>Health care assistance (%)</b>	
Free healthcare as preference 1	29.1
Missing	1.2
As preference 2	11.6

Figure 72. Health characteristics, cont.

	Combined
Missing	2.3
As preference 3	2.3
Missing	1.2
<b>Community health volunteers available? (%)</b>	
Yes	52.3
No	45.3
Don't know	2.3
<b>Reliance on neighbors for medical care or emergency (%)</b>	
Pre land concession	55.8
Post land concession	53.5

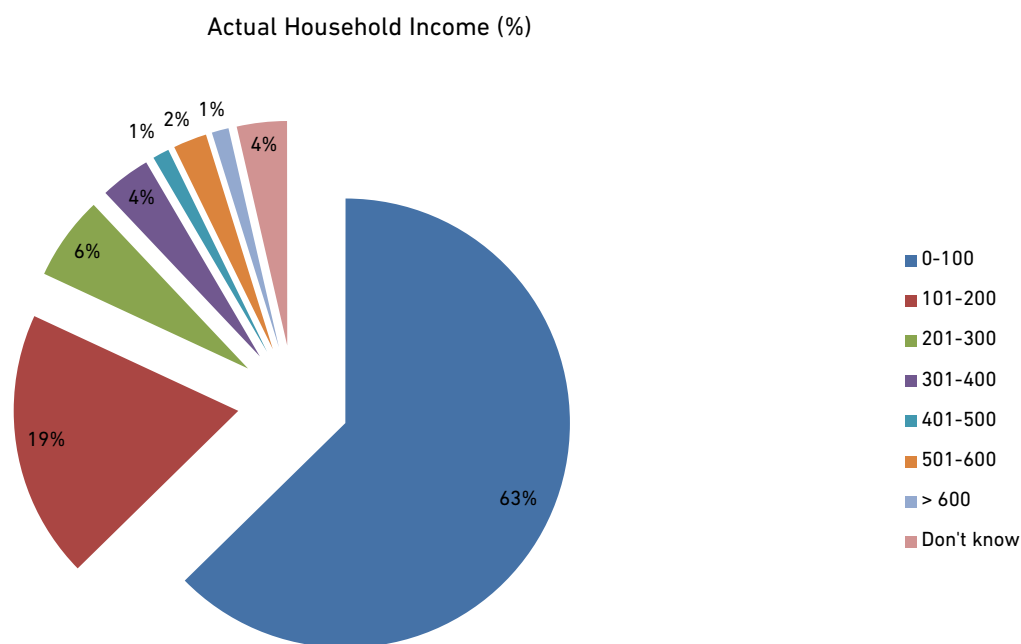
## ECONOMIC ACTIVITY

Figure 73. Livelihood profile.



As suspected, the results in the categories of 'self-employed' and 'day laborer in agriculture' show that that these two categories were understood to hold the same meaning. Thus the extent that households have had to work as day laborers for someone else cannot be determined.

Figure 74. Household income.



Household income has three missing values.

Households reported a range of minimum income needs per month. While households generally could provide a reasonable monthly figure, the actual income categories used in the household survey are too large. As a result, in many cases the survey does not illustrate which households are barely making ends meet and thus particularly vulnerable to shocks. .19 percent or 16 households did not experience a shock.

Figure 75. Household size and income.

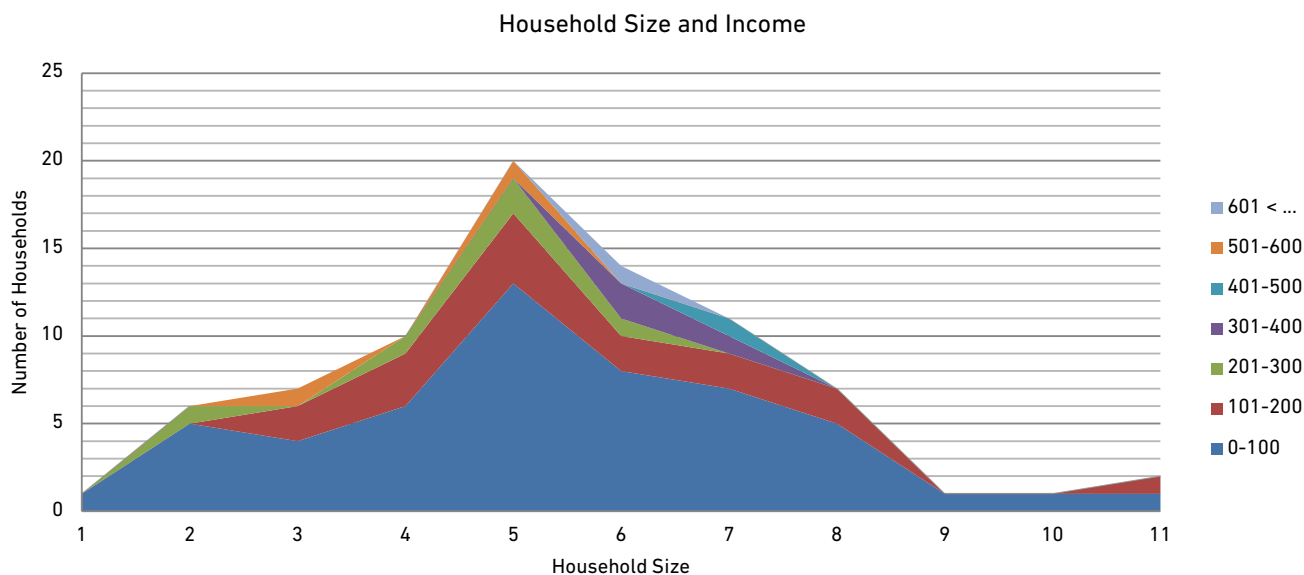


Figure 76. Household migration.

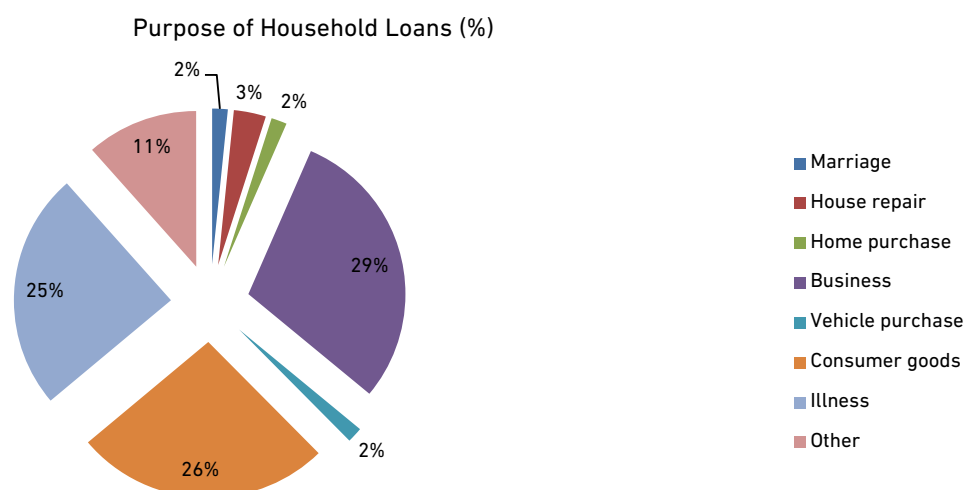
	Combined (%)
<b>HH member migrated</b>	
Yes	15.1
No	84.9
<b>Where</b>	
Cambodia rural	42.9
Cambodia urban	21.4
Thai rural	0
Thai urban	7.1
Another country	28.6
<b>Reason</b>	
Better income	84.6
Seasonal	7.7
Missing	7.7

The majority of households do not use labor migration.

Figure 77. Household loans.

	Combined (%)	
<b>Loans available</b>		
Yes	74.4	
No	25.6	
<b>Households with loan</b>	61.7	
<b>If no, main reason</b>		
Cannot qualify	82.6	
Too expensive	8.7	
Other	8.7	
<b>Type of loan acquired</b>		
Interest	57	
Interest-free	4.7	
None	38.4	
<b>Lender</b>		
Micro financing agency	62.3	
Another person	18.9	
Group saving	9.4	
Partner draw	3.8	
Commercial bank	1.9	
Other	3.8	

Figure 78. Loan purpose.



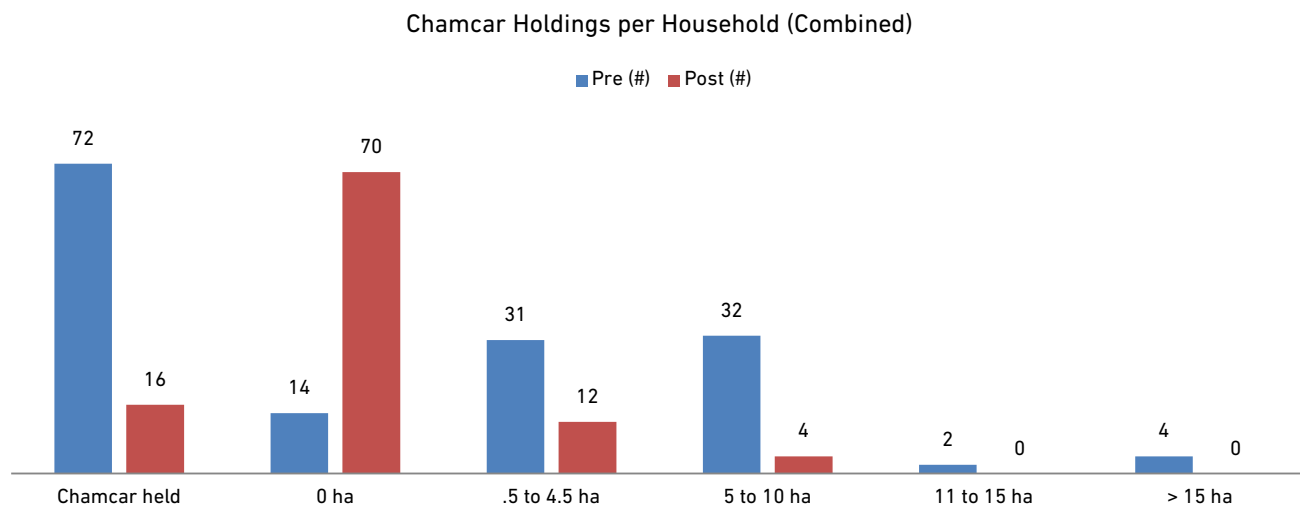
The chart illustrates the reasons households have acquired loans. The category of consumer goods includes three loans made to purchase food.

Figure 79. Preferences for starting a new business.

	<b>Combined (%)</b>
<b>New business</b>	
Yes	65.1
No	33.7
Missing	1.2
<b>Support needed</b>	
<b>First preference</b>	
Raw materials	40.4
Selling/marketing	8.8
Micro credit	29.8
Training/advice	19.3
Missing	1.8
<b>Second preference</b>	
Raw materials	0
Selling/marketing	8.3
Micro credit	45.8
Training/advice	41.7
Missing	4.2

LAND

Figure 80. Chamcar holdings.



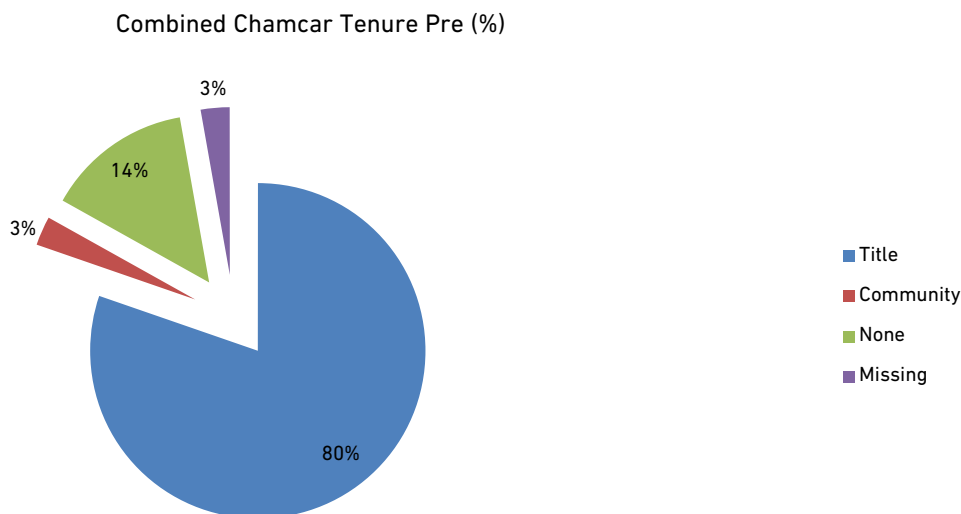
14 families reportedly did not hold chamcar land pre-concession while 72 households held a total of 418.5 ha. Three households were unwilling to specify amounts held. Out of available data, the mean size held was 6 ha and the mode was 5 ha. The largest sizes of chamcar held were 33, 28 and 20 ha. Thirteen families held 10 ha or more while 17 families held 5 ha plots.

16 families reported holding a total of 34 ha of chamcar land post-concession while 70 households held no chamcar. 2 households gained chamcar land post-concession. 7 families hold .5 ha. As a result, the post average size of chamcar land held is .4658 ha and the mode is 0 ha. The largest chamcar holdings are 6 and 7 ha.

67 households lost chamcar land to the concession – at least 58 households lost all chamcar holdings. In total and with three values missing, at least 387 ha of chamcar land was lost. Sizes lost range from .5 ha to 33 ha with a mean of 6 ha and a mode of 5 ha.

13 households had no chamcar pre or post- concession.

Figure 81. Chamcar tenure pre-concession.

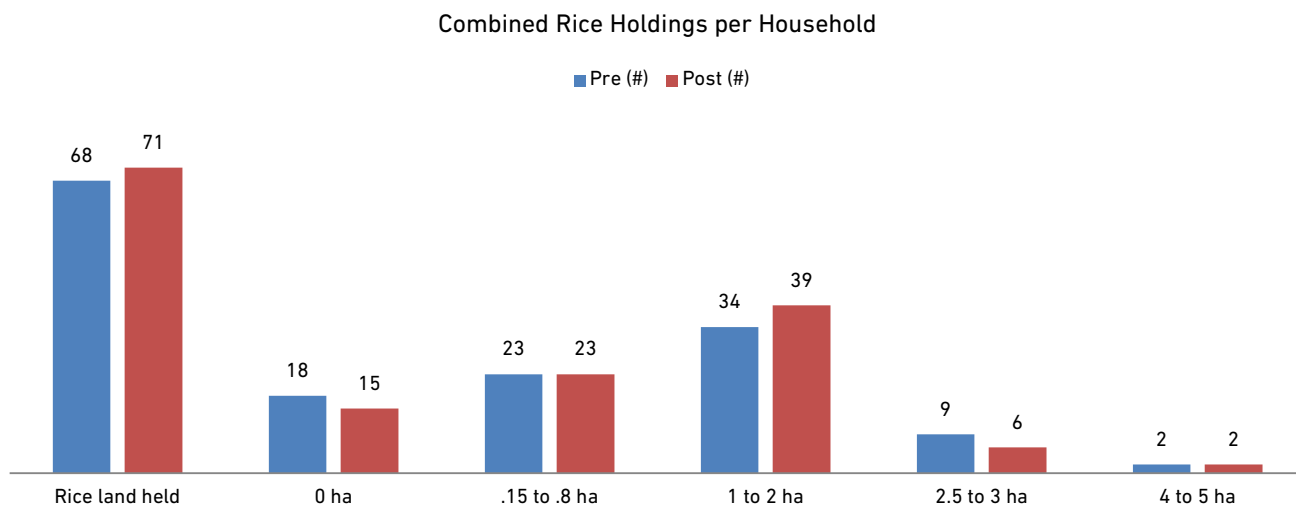


Tenure lengths ranged from 1 year to 50 years with a mean of 15.42 years and a mode of 10 years. 3 values are missing.



## RICE LAND

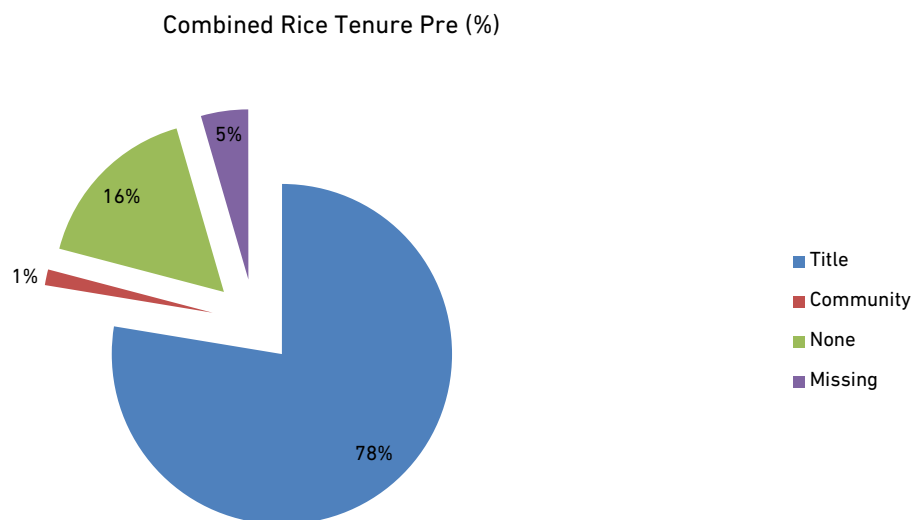
Figure 82. Rice holdings per household.



A total of 68 households or 79.1 percent of both villages held rice land pre-concession while 71 households or 82.6 percent have rice land now. Thus four families obtained rice land post-concession. One household no longer holds possession of rice land; this household lost all 20 ha of chamcar and is now landless. The mean rice holding pre-concession was 1.34 ha and the mode was 1 ha with no values missing. The mean holding post-concession is 1.35 ha and the mode is 1 ha. One value is missing.

Of those increasing their post-concession rice holdings, one family lost 1 ha of chamcar and obtained 1 ha of rice and 2 ha of irrigated. One household held no chamcar and obtained 1.5 ha of rice. The third household lost 20 ha of chamcar and obtained an unspecified amount of rice land. The final household recently married and while not specified, most likely received his 1 ha of rice land from his parents as per Cambodian custom.

Figure 83. Rice tenure pre-concession.



Pre-concession tenure lengths ranged from 2 to 50 years with a mean of 23.26 years and a mode of 30 years. Three values are missing.

## IRRIGATED LAND

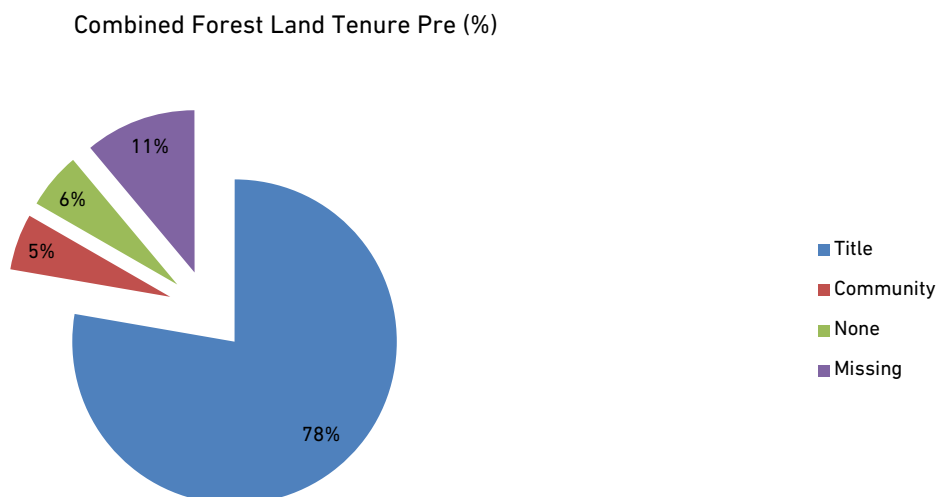
8 households or 9.3 percent stated that they held irrigated land pre-concession. 10 households or 11.6 percent hold irrigated land now. 100 percent – or 8 holdings of irrigated agriculture were under title tenure pre-concession while post-concession holdings fall under community and title at 4 and 6 respectively. Pre-concession irrigated plots ranged from .25 ha to 4 ha with a mean of 1.44 ha and a mode of 1 ha. Post-concession plots range between .25 ha and 4 ha with a mean of 1.43 with modes of 1 and 2.

Pre-concession tenure lengths ranged from 3 to 40 years with a mean of 15 years and a mode of 3 years.

## FOREST LAND

18 households or 20.9 percent combined state that they held forest land before the economic land concession. Post-concession the figure dropped to 8.1 percent combined or 7 households. Sizes pre-concession ranged from .05 ha to 10 ha with two values missing. Post-concession ranged from .5 to 3 ha. Pre-concession tenure lengths ranged from 2 to 32 years with a mean of 18 years and a mode of 30 years. Three values are missing.

Figure 84. Forest tenure pre-concession.



## GRAZING LAND

12 households or 14 percent from both villages stated that they held grazing land. Post-concession only 2 households or 2.3 percent now hold grazing land. 7 households used community tenure while 4 were titled. One value is missing. Both post-concession households are under community tenure use. Pre-concession tenure lengths ranged from 10 to 30 years with a mean of 22 years and modes of 20 and 30 years.

## AGRICULTURAL PRODUCTION

Figure 85. Combined crops grown.

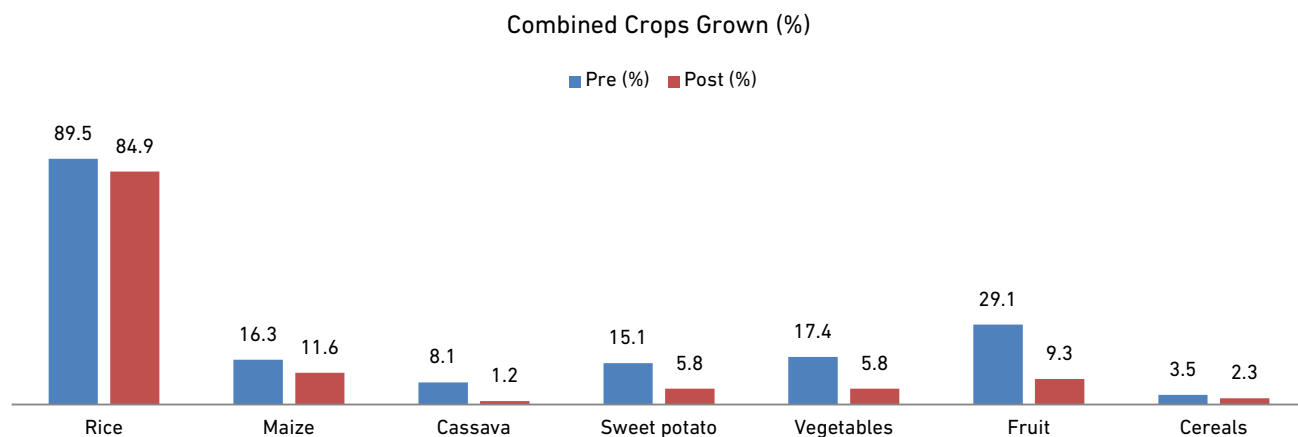


Figure 86. Crop use pre-concession.

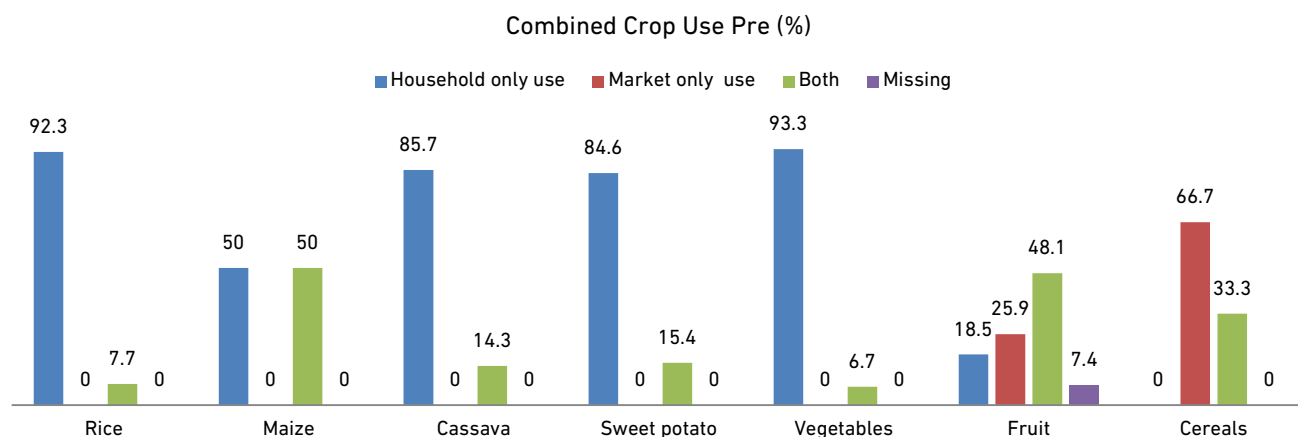
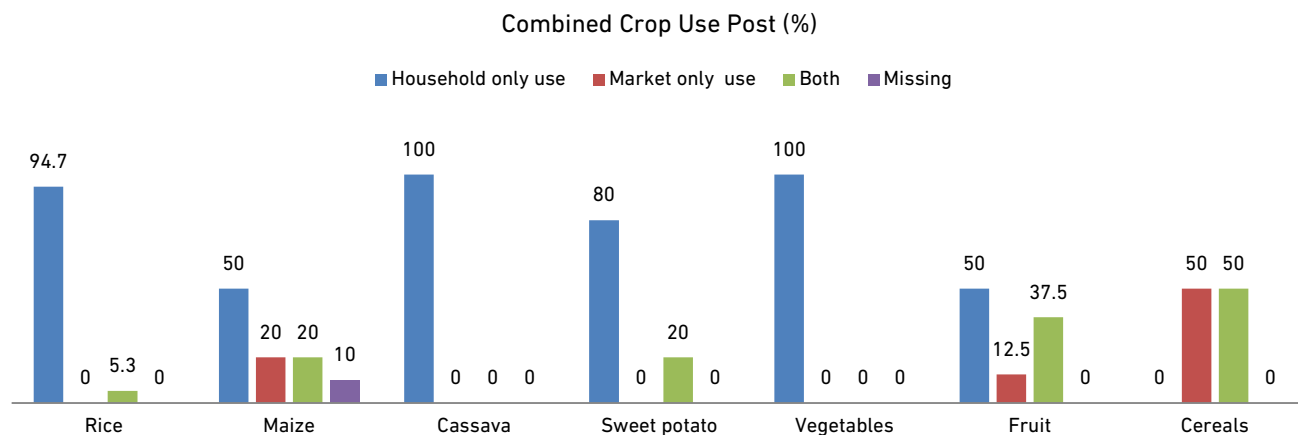
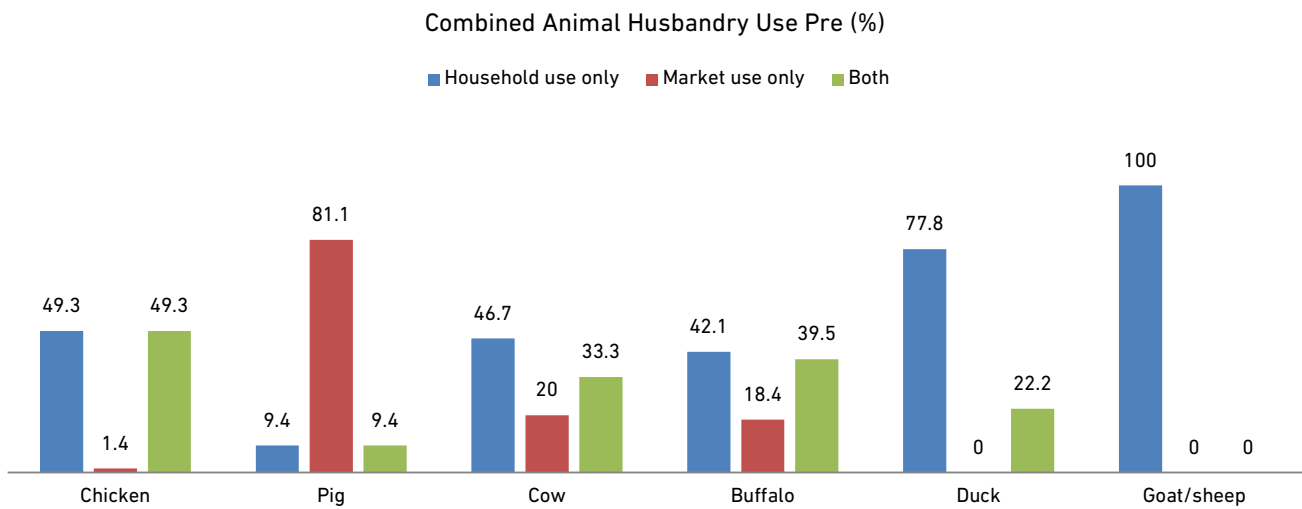


Figure 87. Crop use post-concession.



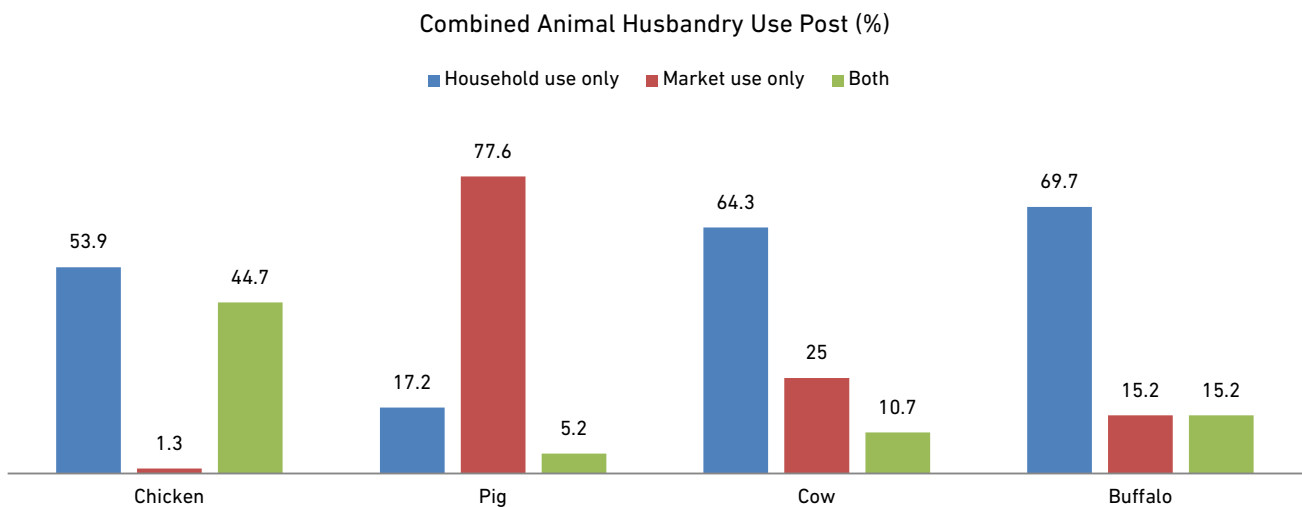
## ANIMAL HUSBANDRY AND FISHING

Figure 88. Animal husbandry use pre-concession.



1 value missing for chicken, 2 values missing for pig, 3 missing values for cow and 4 missing values for buffalo

Figure 89. Animal husbandry use post-concession.

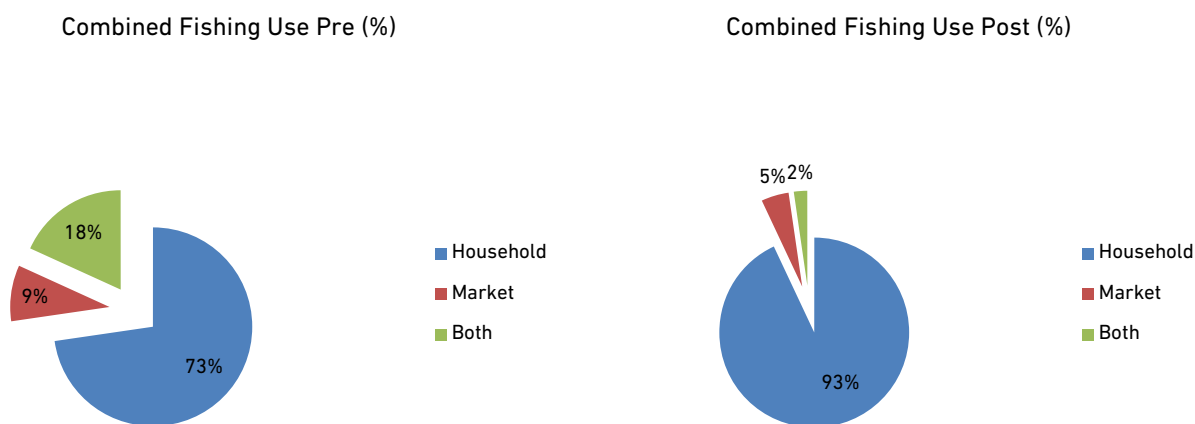


1 value missing for cow and 4 values missing for buffalo

Figure 90. Livestock values.

	Value Pre (\$)	Value Post (\$)
<b>Chicken</b>	1.50 to 11.25	2.50 to 10.00
<b>Pig</b>	12.50 to 250	6.25 to 250
<b>Cow</b>	37.5 to 250	100 to 500
<b>Buffalo</b>	125 to 750	42.50 to 1000
<b>Duck</b>	.1 to 12.50	2.25 to 7.5
<b>Goat</b>	2.25 to 7.5	na

Figure 91. Fishing use pre and post-concession.



Fishing conducted before the economic land concession was for household and market use.

## FOREST PRODUCT COLLECTION

Figure 92. Forest product collection pre-concession.

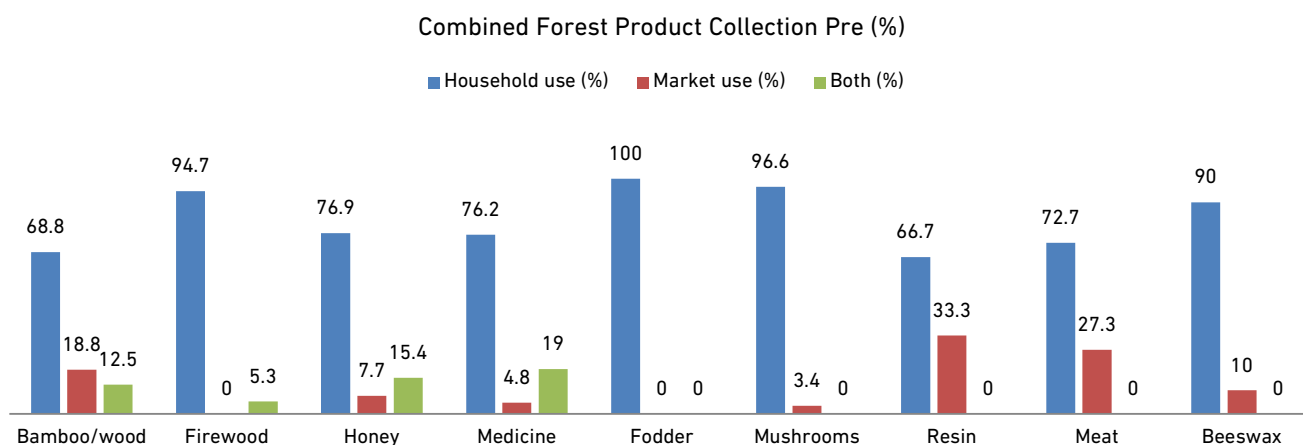
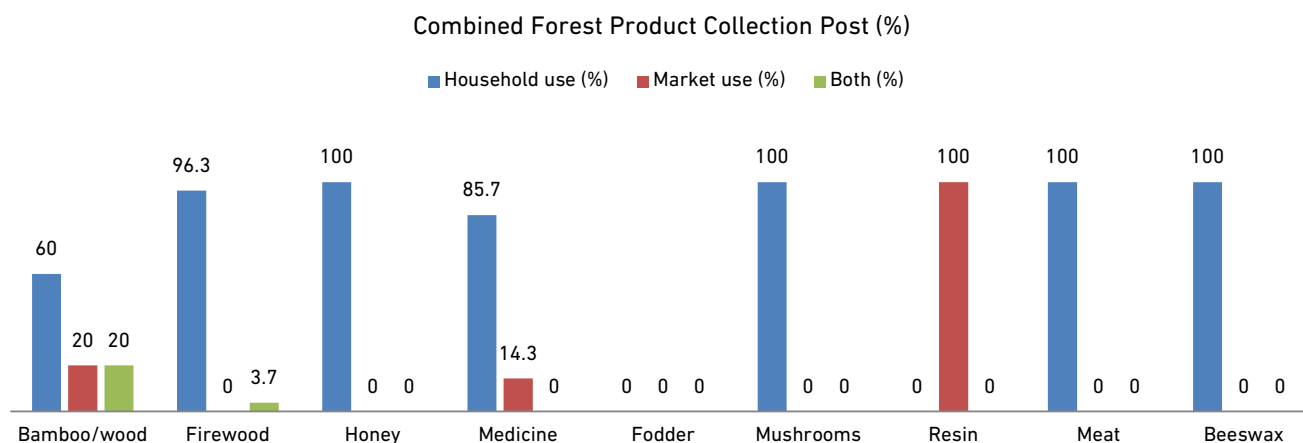


Figure 93. Forest product collection post-concession.



## FOOD SECURITY

Figure 94. Household food stores.

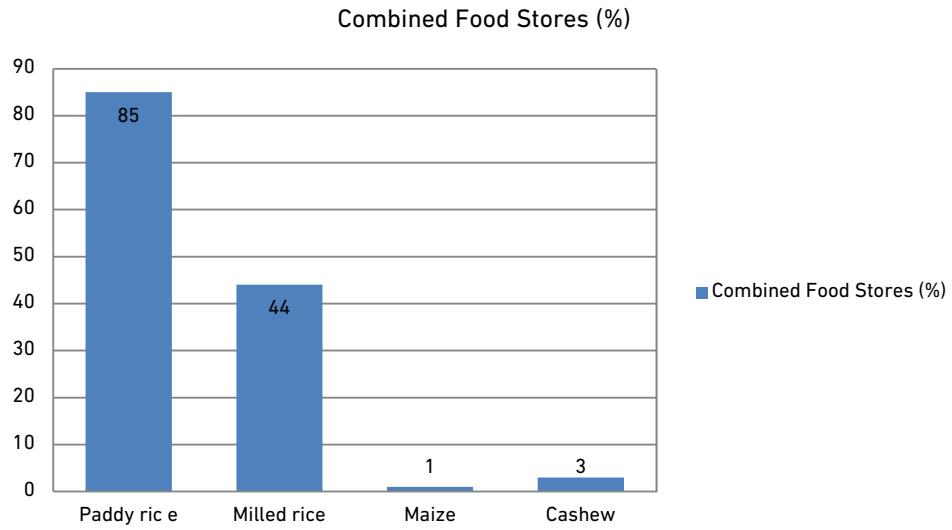
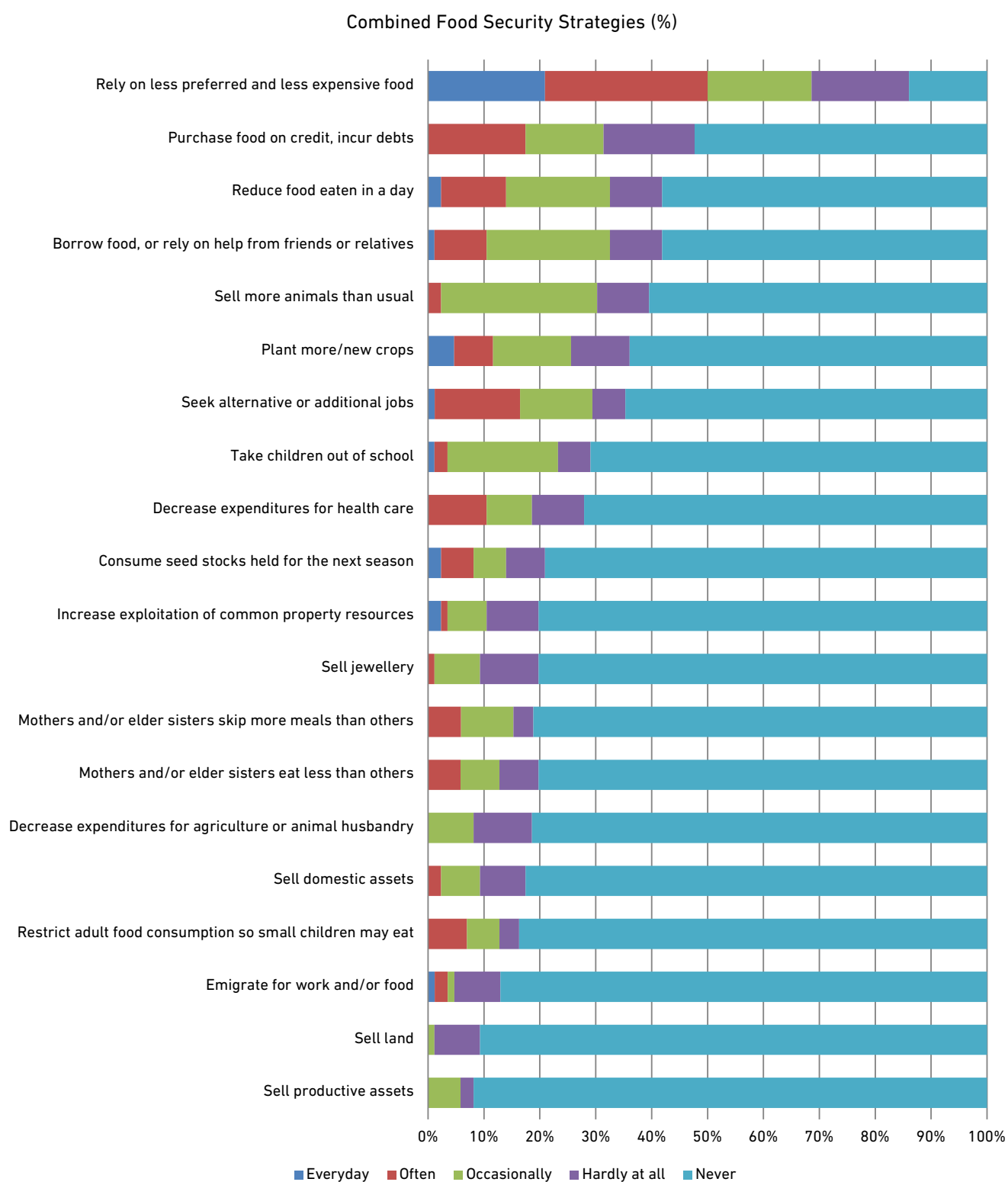
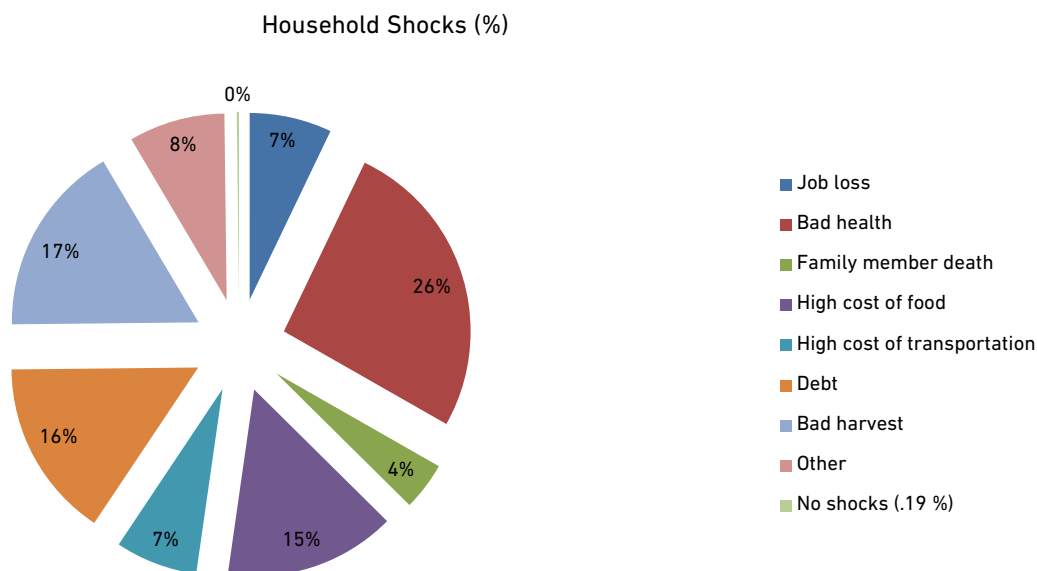


Figure 95. Food security strategies.



## COMMUNITY SHOCKS, COPING STRATEGIES, AND ASSISTANCE

Figure 96. Household shocks post-concession.



## PERCEPTIONS ON ACTIVE COMMUNITY GROUPS

Figure 97. Active community groups.

	Combined (%)
<b>Groups active in the community</b>	
Yes	88.4
No	10.5
Don't know	1.2
<b>Association meetings</b>	
Yes	55.9
No	43
Don't know	1.2
<b>Village/community meetings</b>	
Yes	65.1
No	33.7
Don't know	1.2
<b>Health volunteers</b>	
Yes	52.3
No	45.3
Don't know	2.3
<b>Groups providing social services</b>	
Yes	53.5
No	44.2
Don't know	2.3



Figure 97. Active community groups, cont.

	Combined (%)
<b>Cooperative organizations</b>	
Yes	19.8
No	77.9
Don't know	2.3
<b>Local politics</b>	
Yes	23.3
No	74.4
Don't know	2.3
<b>Religious groups</b>	
Yes	16.3
No	79.1
Don't know	4.7

Figure 98. Household reliance on neighbors.

	Pre	Post
<b>HH reliance</b>		
Yes	86	84.9
No	10.5	15.1
Don't know	1.2	0
na	2.3	0
<b>Childcare</b>		
Yes	66.3	52.3
No	30.2	47.7
Don't know	1.2	0
na	2.3	0
<b>Transportation</b>		
Yes	72.1	67.5
No	24.4	32.6
Don't know	1.2	0
na	2.3	0
<b>Food sharing</b>		
Yes	65.1	59.3
No	31.4	39.5
Don't know	1.2	0
na	2.3	1.2
<b>Medical care or emergency</b>		
Yes	55.8	53.5
No	40.7	46.5
Don't know	1.2	0
na	2.3	0
<b>Job search</b>		
Yes	39.5	38.4
No	57	61.6
Don't know	1.2	0
na	2.3	0

Figure 99. Household assistance received.

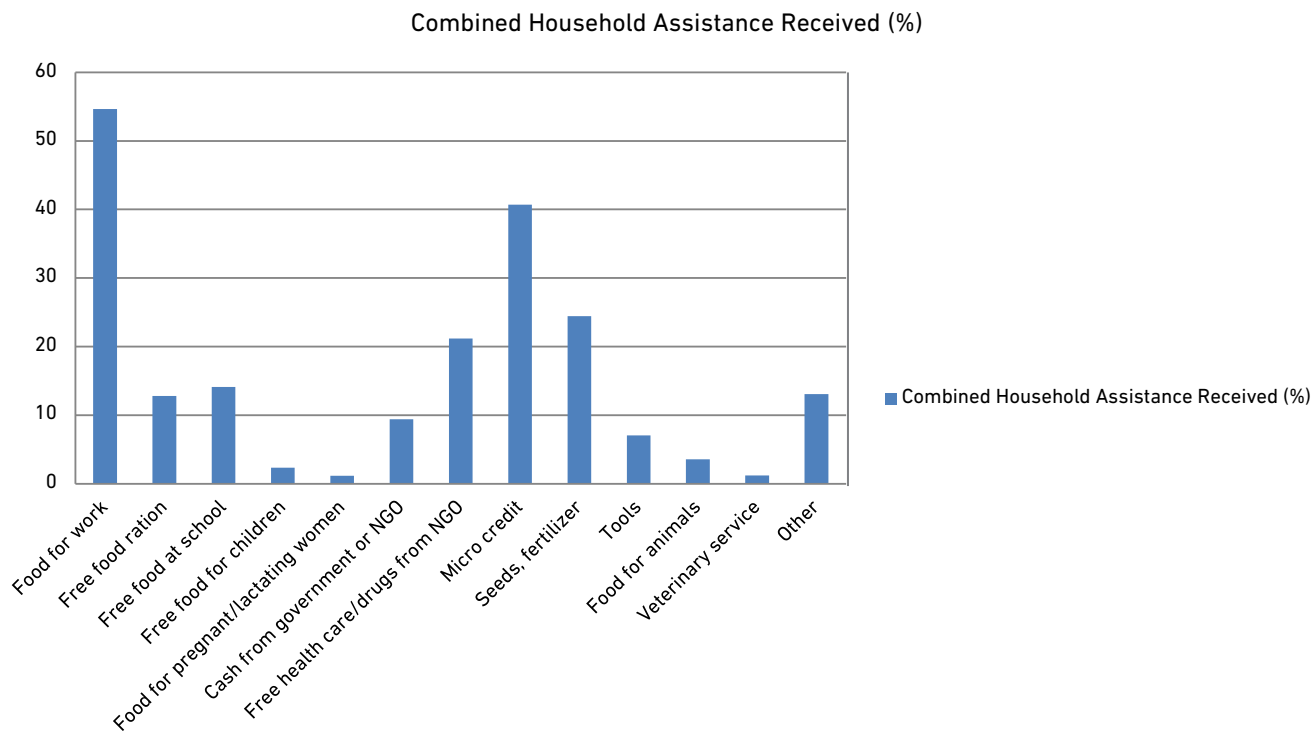


Figure 100. Household assistance preferred.

