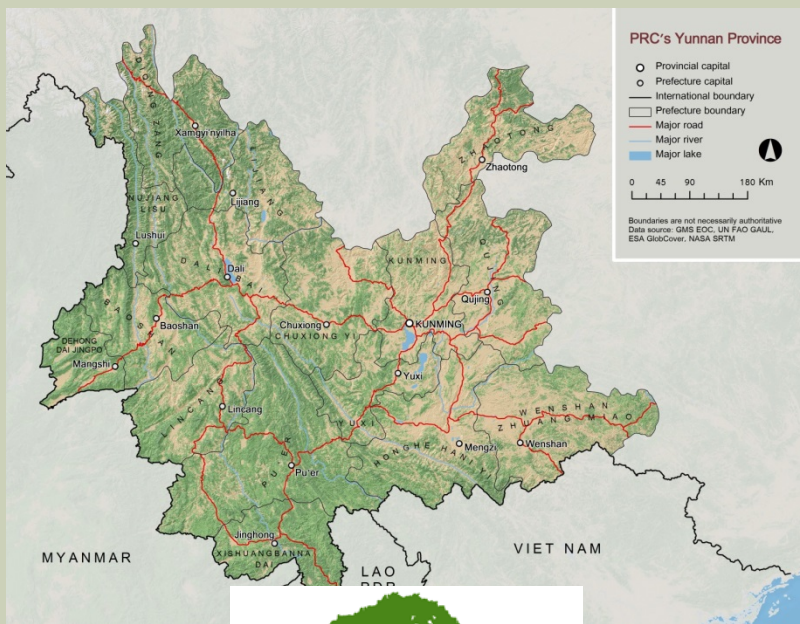


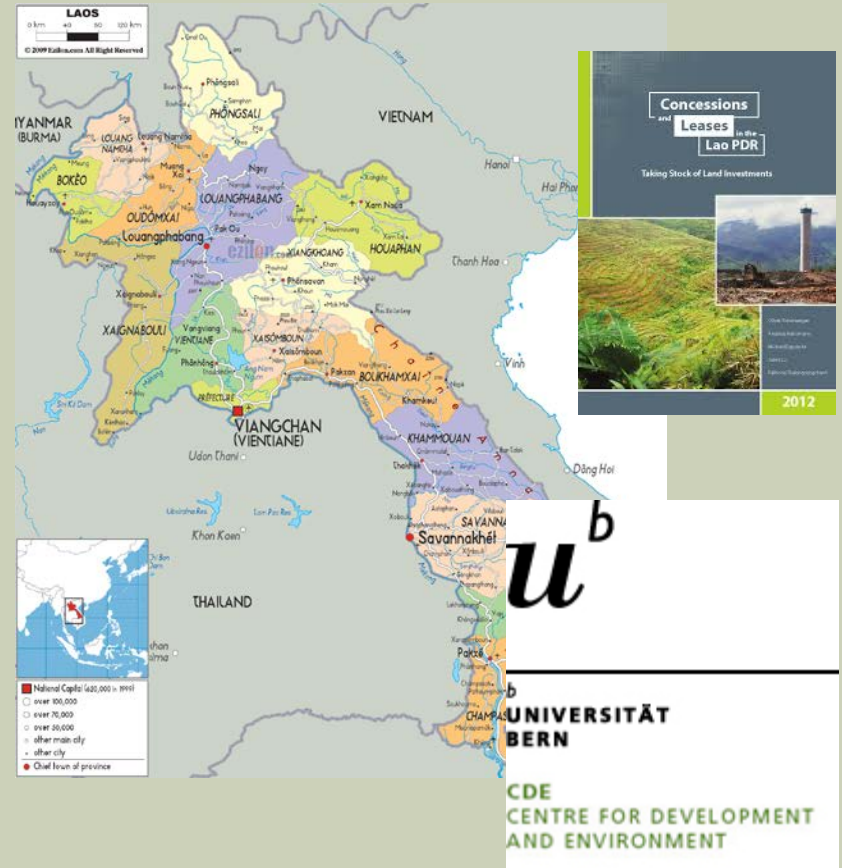
GREAT EXPECTATIONS

Chinese Tree
Plantation
Concessions in
the Lao PDR

PERSONAL BACKGROUND

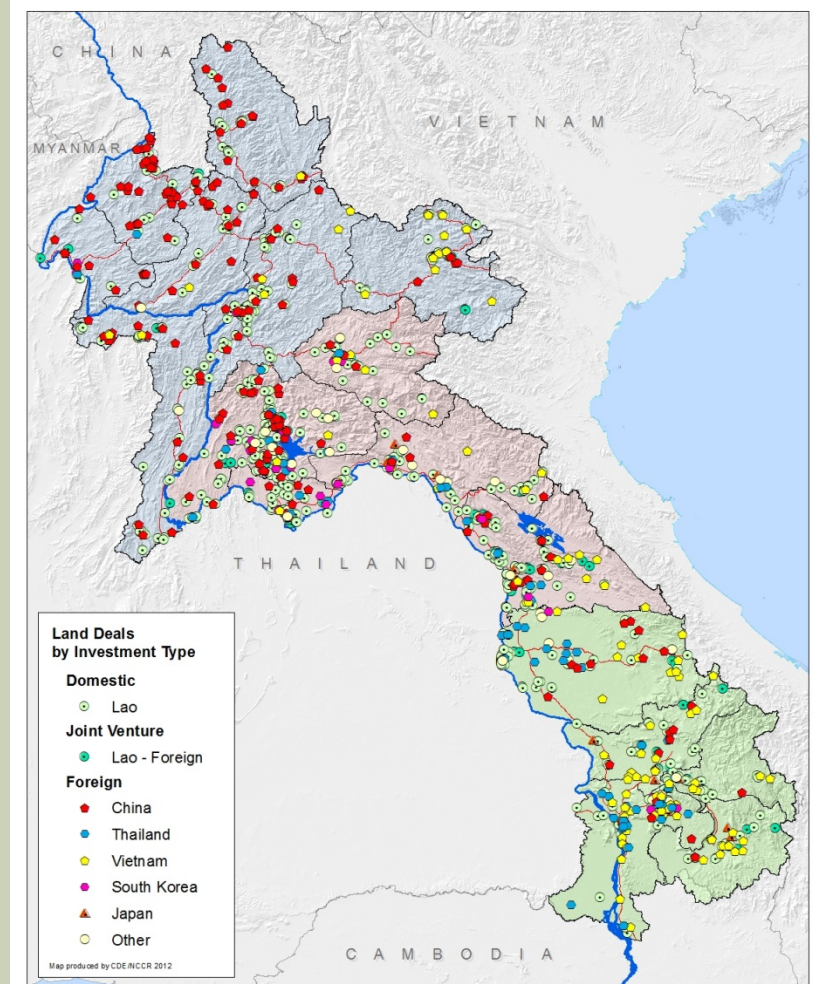
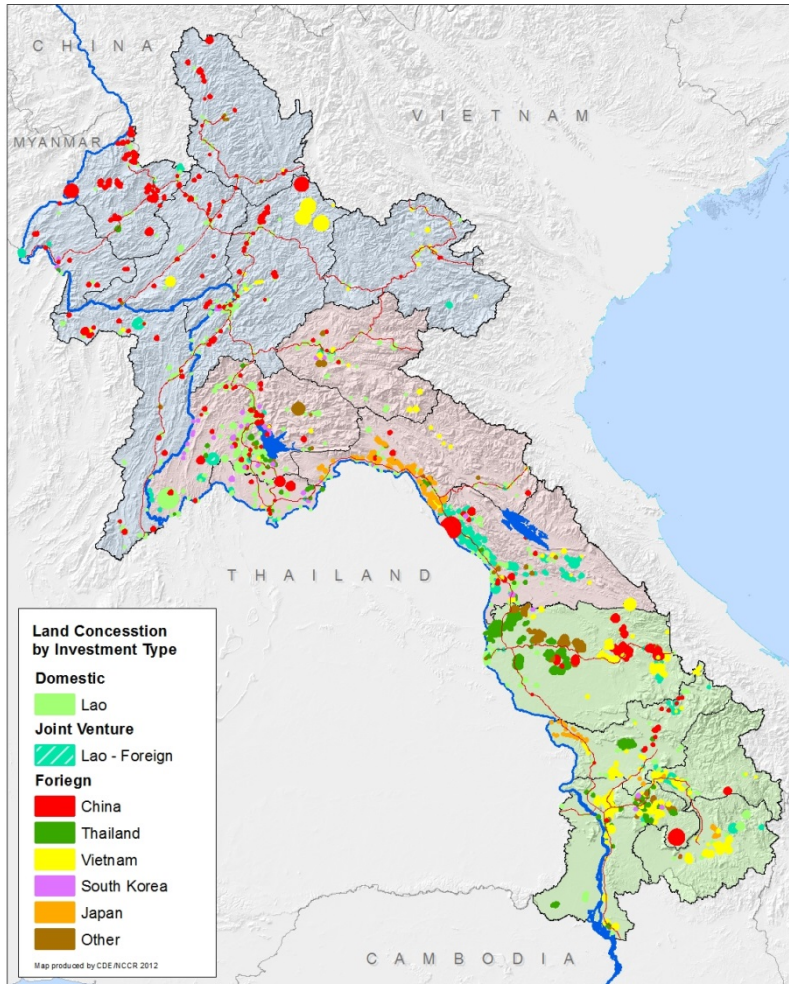


World Agroforestry Centre
Kunming, China 2009-2011



Centre for Development & Environment
Vientiane, Lao PDR 2009-2011

MAPPING CONCESSIONS IN LAO



SWISS NETWORK FOR INTERNATIONAL STUDIES (SNIS) PROJECT

“Large-Scale Land Acquisitions in Southeast Asia”



LAND GRAB DEBATE



CHINA-ZAMBIA
FRIENDSHIP FARM
中赞友谊农场

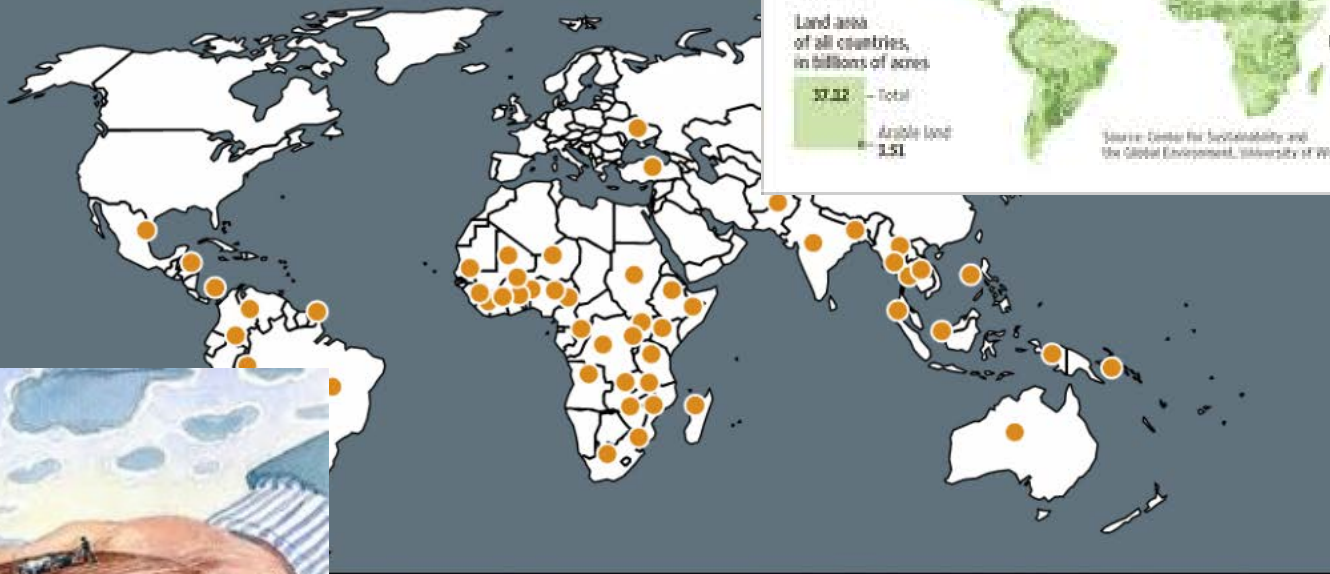
ກ່ອນອື່ນພົດເຈົ້າຕ້ອງຮູ້ກ່ອນວ່າຕົນເອງຕ້ອງຮັບຜິດຊອບຫຍັງແດ່?
ນັກລົງທຶນຮັບຜິດຊອບຫຍັງແດ່? ຫຼັງຈາກນັ້ນເຈົ້າຕ້ອງເບິ່ງວ່າເນື້ອໃນ
ຂອງສັນຍາມີລາຍລະອຽດຂອງປະລິມານການເຜີຍຂີ້ຊີດ
ເຈັ້ນດີບໍ່, ມີການຮັບປະກັນລາຄາຕໍ່ຜູ້ຜູ້ບໍ່? ມີການກຳນົດລາຄາ
ແຕ່ລະປະເພດ ແລະ ລາຍລະອຽດຂອງໄລຍະເວລາໃນການເຜີຍຂີ້ບໍ່?



LAND GRABS: TRENDS IN RESEARCH

Choose between Investor or Target countries maps using the right-side menu. Click on the bubbles to visualize the selected country's involvement in the global land acquisition phenomenon.

INVESTOR
TARGET



Hunting for Land

Rising commodity prices have triggered a quest for arable land. Entrepreneurs are investing in land in the former Soviet Union that has fallen out of use since the collapse of Communism.



Initial focus on numbers, quantity of deals and ha 'grabbed', call for deeper analysis of political, legal, economic drivers and implications

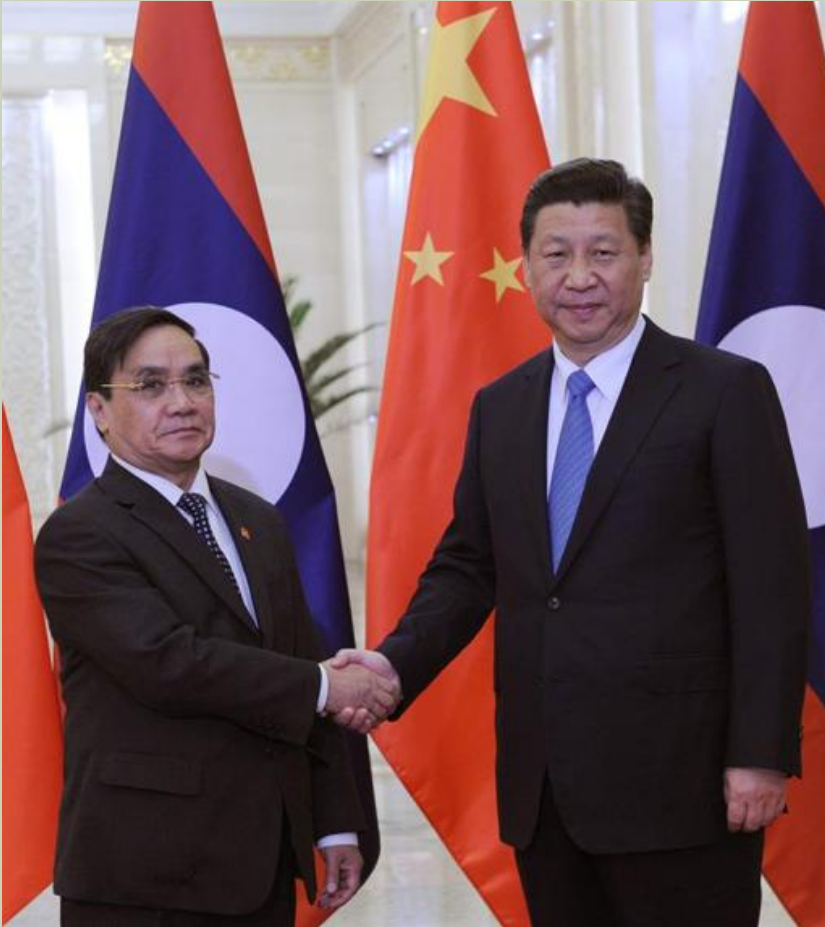
RQ1:

What are the development contexts and processes among various actors and institutions across different administrative scales that are determining the negotiation and implementation of land acquisitions?

RQ2: Local level impacts, adaptation, and agrarian transformations

RQ3: Human rights issues related to large-scale land acquisitions

CHINESE INVESTMENT IN LAOS: PREDATOR OR PARTNER?



- Resource imperialist vs. Development partner
- Rise of South-South cooperation
- Implications for host countries, investor countries, development organizations

PUSH FROM CHINA, PULL FROM LAOS



China Push Factors:

- Opium Replacement Policy
- Going Out Policy (ODI)

Lao Pull Factors:

- Turning Land Into Capital
- Foreign Direct Investment

Complimentary

Comparative Advantages:

Land, labor, South-South Cooperation

SHIFTING GROUND

Land Governance in Laos

- Shifting cultivation eradication
- Resettlement, focal sites
- Opium eradication, uplands development
- Reforestation, Forest protection
- Land and Forest Allocation Policy (titling, border delineation, land use planning)





CHINESE TREE CONCESSIONS FOCUS

Luang Namtha
Luang Prabang
Vientiane
Savannakhet

Dec 2012-
Jun 2013



COMPANIES SUMMARY

	Yunnan	RuiFeng	Jinrun	Lilieng	Sun Paper	RongXieng	GuangDa
Region of Laos:	Northern Laos			Northern & Central Laos	Southern Laos (Savannakhet)		
Ownership Status	State Owned	Private	Private	Private	Private/ International	Private	Private
Domestic Head-quarter	Yunnan	Yunnan	Beijing	Yunnan	Shandong	Yunnan, Sichuan	Guangxi
<i>Primary Lao State Partner</i>	Central Gov	Provincial Military	Central, later Province Gov	Province Gov	Central Gov	District, later P and C	District, later P and C
<i>Primary Operations in China</i>	Agri-business	Tele-comm-unications; Entertainment	Rubber	Agri-business	Paper Pulp Processing	Rubber	Other investments
<i>Year Began Searching for Land</i>	(2002 initial discussions) 2005	2006	2004	2005	2007	2006	2007
<i>Tree Crop</i>	Rubber	Rubber	Rubber	Rubber	Eucalyptus, Acacia	Rubber	Rubber

GRANTING PROCESS

On Paper

- Level of Government – area, \$ invested
- MUO, licenses, etc.
- Land Survey (incl. local land user participation)
- Feasibility & Impact studies
- Concession Contract
- Implementation
- Monitoring and Enforcement

In Practice

- Top down vs. Bottom up approach
- Level of government facilitating and granting varies
 - Vertical variation
 - Horizontal variation
- Land surveys ongoing
- Negotiations at every level and across every state institution

GAP: GRANTED VS. ALLOCATED AREA

	RuiFeng	Yunnan	Jinrun	Lilieng	Sun Paper	RongXieng	GuangDa
Province:	Luang Namtha		Luang Prabang	Vientiane	Savannakhet		
Granted (ha)	10,000	245 & Contract Farming in 4 Provinces	7,000	2,500	39,000 & Contract Farming	2,407	1,800
Allocated (ha)	2,500 (5,500 more pending District survey)	345	1,300	1,500	7,500	1,400	1,400
% Allocated	25%	141%*	19%	60%	19%	58%	78%

*This company engages primarily in Contract Farming (granted 166,000 ha according to an initial agreement), but has faced significant obstacles in contract farming, thus conforming to the trend of companies facing obstacles to obtaining land but under slightly different regulatory constraints.

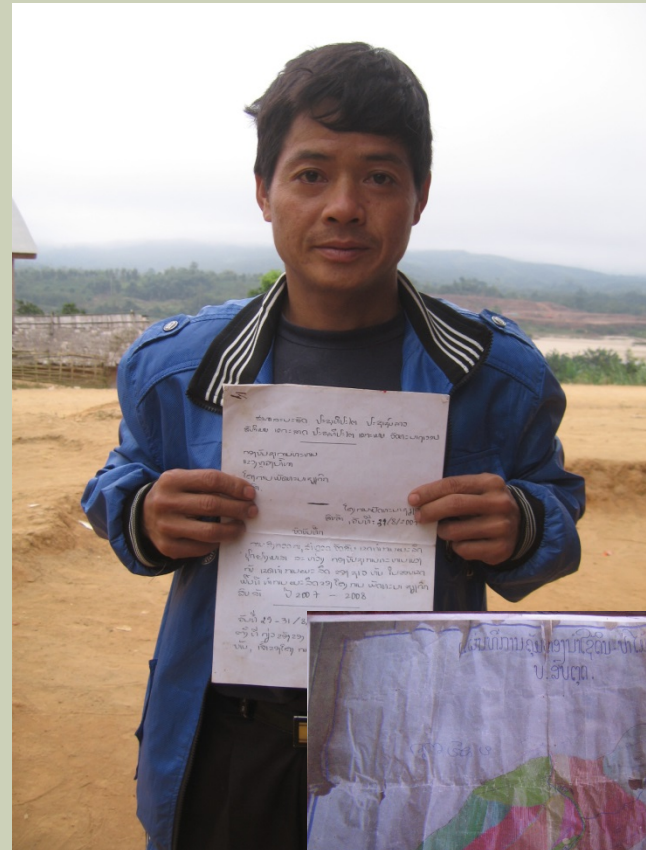
INFLATION OF AREAS GRANTED

- Unrealistic areas granted
- Lack of government enforcement capacity
- Central level authorities grant; Local level allocates
- Investing companies: different approaches, motives, priorities



OBSTACLES TO ACCESS

- Government capacity for land surveying
- Local resistance
- Lack of suitable land
 - Land allocated is actually occupied, unsuitable, or improperly zoned
- Competition for land
 - With other companies and local land users



DISTINGUISHING INVESTORS



Investor Type

- **1: Big Opium Replacement Policy Companies**
 - PRC subsidized
 - Top-down
 - Sheer scale
- **2: Large-scale but Independent**
 - Top-down
 - Efficiency focused
- **3: Small-Scale,**
 - Technical/logistical focus
 - Bottom-up

Concession Characteristics

- **1: Large Granted Area**
 - Widely dispersed/split up area
 - Obstacles to Access → Contract Farming
 - Labor concerns
- **2: Huge land access gap**
 - Lack of access (location)
 - Mismatch between business plan & reality
 - Obstacles to Access → CF
 - Labor concerns
- **3: Small gap, Higher productivity per area**
 - Better local relations (gov, villagers from the start)
 - Contiguous, smaller concession

CHINESE INVESTORS' PERSPECTIVE

Misperceptions

- Lao state: expect top-down, nationwide, authoritarian control
- Empty, available, abundant land myth
- Welcoming business climate
 - China's legitimacy as a development partner
 - Efficacy of Chinese investment for delivering development outcomes, benefits

Investor Reactions

- Disappointment, feel deceived
- Increase pressure on local government, local land users
- Project feasibility concerns
- Altered future decision making
 - Reduce plans for further investment
 - Abandon processing, value added activities,

SUMMARY OF KEY FINDINGS

- Diversity in Chinese investors
- Gap between granted and allocated affects investor planning, project implementation
- Engage different state actors, approach regulatory process differently
- Different actors and contexts (state-capital-citizens) → different expectations, different outcomes
- Disjunction between concepts of property rights (investors, villagers, various state actors)
- FDI as a tool for host state political objectives



INTERPRETING FURTHER

China

- State reduced obstacles to ODI but limited support to investment operations
- Opium Replacement
 - Underlying motives: development business
 - Implementation issues
- Development with Chinese Characteristics

Laos

- State actors as 'Gatekeepers'
- Different perceptions, interpretations, and incentives for different actors in land governance
- Chinese investors – political subjects, political tools, political competitors of GoL?

Current Topics of Focus:

- Land policy and governance
- Sino-Lao relations (vs. others other investor countries)
- Plantation level implementation approaches
- Company-Local land user relations

Questions:

- Other crops, other investment arrangements?
- Questions with relevance to GoL, Chinese stakeholders, civil society, international community?

**FUTURE
RESEARCH
IDEAS**

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