



Economic Land Concession and its Impact on Local Livelihoods in Kampong Speu Province, Cambodia

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Abstract: Development of private enterprise in the form of land concessions granted for forestry/agro-business has been suggested as the means of development and poverty reduction in the rural areas in Cambodia. The study was conducted in order to examine the necessary economic and social impacts of Economic Land Concession (ELC) development on local community's livelihoods. In Phnom Sruoch district of Kampong Speu province, 66 households were interviewed with qualitative methods applied to make out the five livelihood assets, coping strategies, timelines, and resources map of the area. The results indicated that the development of ELC in the case of Golden Land Development Co., Ltd. in Choam Sankae commune has a substantial negative impact resulting in the loss of access to land and natural resources which are the primary assets of livelihoods for the local people. The results in the survey were indicated that 29.62% of households are landless while 36.67% owned less than 0.5 ha per household. Most of the respondents have more difficulty to find firewood because of privately owned protected lands. To develop an intensive agriculture and agro-industry are among the purposes of ELC. In this study, it was recorded that only an estimated 2-3% of total granted lands had been cultivated. As a result, there were only 1.33% of local labor force had been employed. Meanwhile, the lack of skills and formal training prevent them from the opportunities to adjust in the rapid changes of land transformation. An estimated 62.5% households have migrated to other regions seeking for jobs with higher risks and low income. In conclusion, the local people in Phnom Sruoch district were not prepared to the land transformation. Therefore, this is one of the issues that should be taken into consideration on policy discussion on the role and strategy of land concession whether it could have a significant contribution to the development of the poor.

Keywords economic land concession, economic and social impacts, livelihood, Choam Sangkae, Cambodia

INTRODUCTION

Over 80 percent of more than 10 million Cambodians are currently living in rural areas (NIS, 2008) that depend on natural resources to support their livelihoods. Most are subsistent, relying on one crop that is rice, fish and other aquatic resources, and varieties of forest products (Kasper et al., 2006). The development of private enterprise in the form of land concessions granted for forestry/agro-business has been suggested as a means of development and poverty reduction in the rural areas (Marana et al., 2004).

The specific objectives of land concession are to develop intensive agricultural and agro-industrial activities. Its aim is to generate state or provincial revenues through economic land taxes

and to increase employment in rural area within a framework of intensification and diversification of livelihood opportunities and within a framework of natural resources management based on appropriate ecological system (MAFF, 2010). As a result, there are 65 companies occupying a total land area of 895,176 ha that were contracted by the end of 2008. In Kampong Speu province, there are 8 companies covering 90,256 hectares.

However, many challenges remain to be addressed on land concession, for instance, the declining access to land, forests and fisheries due to appropriation by other interests. Furthermore, the concessions have generated more land conflicts especially with local communities. It was reported that landlessness is estimated at 20% in rural areas (World Bank, 2010). The land conflicts often have extensive negative effects on economic, social, spatial and ecological development (Babette, 2008). In addition, farmers that losses access to land resources which were under the ELC have difficulties to find employment in industries and since there is only a very limited job opportunities for them (Padek, 2007). Also, the implementation of ELC became more aggravated due to the lack of communication and consultation between the local communities, local government unit and national government. There is poor communication and consultation between local communities. If any consultations are conducted at all, it is very minimal with mostly decisions regarding the concession taken at the central government level; leaving the local authorities powerless.

METHODOLOGY

Conceptual framework

Sustainable livelihood as a conceptual framework of analysis were reviewed which supported the implementation of the research results. The framework shows the processes and core factors of livelihoods to sustain for local people, especially related to the new transformation which has led to the loss of access to land and natural resources. The review of livelihood and sustainable livelihood are the definition of the United Kingdom's Department for International Development (DFID)'s model base founded in 1999.

The livelihood approach is based on the premises such as the asset status of the poor which is fundamental to understand the options open to them, the strategies they adapt to attain livelihoods, the outcomes they aspire to and the vulnerability context under which they operate (Ellis, 2000). DFID distinguished five categories of assets or capital namely; natural, social, human, physical and financial (Carney, 1998 as cited in Cahn, no date). Livelihood shocks and risks caused by the lack of assets and income opportunities to engage in productive activities. Livelihoods based natural resources, agricultural intensification, non-farm activities and diversification which was reviewed based on the theory of livelihood strategies.

Study sites

The case study was conducted in Choam Sangkae Commune, Phnom Sruoch district, Kampong Speu province located in western part of Cambodia which has a large area entitled for ELC. There are 8 companies covering 90,256 ha of land in the province. Choam Sangkae Commune was divided into 7 villages with 1,104 household families. At present, there are 4,900 ha of the commune land granted to a company in 2004, a Taiwan based company named Golden Land Development Co., Ltd. There were two villages subjected for the case studies which are mostly under in the concession area, the Phnom Cheas and the Doun Prong village.

Data collection

A total of 66 households were interviewed and other qualitative methods that consist of village resources map, transect walks, time lines, seasonal calendar, observations and groups discussion were also applied to make out their five livelihood assets, coping strategies, history changes, and

resources map of the area. An in-depth interviewing method was used to investigate the new adaptation strategies of local livelihoods.

RESULTS AND DISCUSSION

Situation of study sites

The average land size per household in Phnom Cheas and Doun Proung is slightly different having 0.78 ha and 0.86 ha respectively. The number of landless household was 24.7% in Phnom Cheas and 35.0% in Doun Proung. There are banks allowing local villagers to get a credit, particularly those who are wanting to start cottage industries. However, only few of them are adapting to credit accounting 24% in Phnom Cheas and 35% in Doun Proung.

Farming system analysis

Farming system is defined as a population of individual farming systems that have broadly similar resource bases, enterprise patterns, household livelihood constraints and for which similar development strategies and interventions would be appropriate.

Table 1 Livelihood and assets in Phnom Cheas and Doun Proung villages

Description	Unit	Phnom Cheas village	Doun Proung village	Total sample selection
Average member per household		5.14	5.35	5.25
Age active labor (18-60)	%	67.10	64.23	65.67
Average land size per household	ha	0.78	0.86	0.82
Average land per active labor	ha	0.335	0.308	0.32
Landlessness	%	24.70	35.00	29.85
Access to credit ability	%	24.00	35.00	29.50
Saving group formation	%	0.00	27.03	13.52
Migration of household	%	55.20	64.90	60.05
Cattle production (3-6 heads)	%	58.00	54.00	56.00

Based on the results in this study, it was found out that the local villagers rely on rainy season rice based activities, over 71% as main occupation and others are secondary jobs. Livestock productions based activities contribute about 35% as second occupation. Orchard and backyard gardening are undertaken by most household but not for trading purposes. Currently, non-timber forest products (NTFPs) play less important role because there are very few using for daily household consumption. Off-farm based activities contribute about 27%, especially labor migration and a few small-scale businesses.

Table 2 Correlations between land and other factors

		Paddy rice land	Cow number	Migration number
Paddy field area	Pearson correlation	1	.463(**)	-.422(**)
	Sig. (2-tailed)		.000	.000
	N	66	66	66
Cow number	Pearson correlation	.463(**)	1	-.323(**)
	Sig. (2-tailed)	.000		.008
	N	66	66	66
Migration Number	Pearson correlation	-.422(**)	-.323(**)	1
	Sig. (2-tailed)	.000	.008	
	N	66	66	66

** significant difference at 99%