



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%

Table 2 provides figures on correlations between four factors related to household land size which indicate negative relation because the p-value equals 0.000 and the positive strength direction is 0.463. This means that when household have a large land area, a tendency to high number of cows could also be reared, as a significant level of 0.463 was recorded. The paddy field area relates to the number of households' migration which p-value is 0.000 with negative direction of r-value is equal to 0.422. This implied that when households owned a large land area, the number of household's migration will decline.

Impact of ELC on local livelihoods

This section will discuss the impact of ELC on local livelihood of Choam Sangkae commune. The impacts would affect only some category, such as follows; agricultural land, livestock production, household migration, household size and displacement. In the context of economic development strategy of the government, land concessions become popular as it was expected to reduce poverty in the rural areas in Cambodia.

This report indicates the result of field research that was conducted in Choam Sangkae commune in Kampong Speu province of Cambodia. The positive and negative impacts of granting lands from Golden Land Development Co., Ltd. for local livelihoods in the early 2010.

Positive impacts

This section will examine the positive impacts of the granting land from GLD Co., Ltd. to the rural villagers which generate livelihood through non-farm employment and employment transformation. The company provides employment to the local people accounted for about 9% in 2006. However, this number continue to decrease every year until in the year 2010 to 1.99%.

Fig. 1 shows the percentage and types of employment as follows; 42% of the workers were planters, 32% were working on land and forest clearing and 26% were employed as plantation guards. Wages of the workers were about 6,500 riel (1.58 US\$) per day. The highest number of employees of local villagers who worked with the company was in 2006 but lasted only 2 to 3 months. From 2007 up to 2010, only about 2% of the interviewed households had been employed.

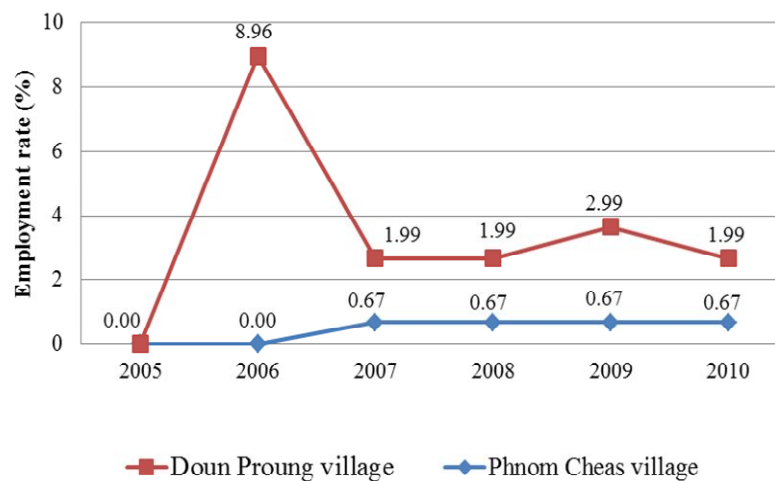


Fig. 1 Percentage of local people employed by the company from 2005 to 2010

Negative impacts

Local people are aware on the importance of agricultural land although only 34.84% of households were granted of land with less than 0.5 ha, 16.67% with 0.5 to 1 ha and 18.18% with land larger than 1 ha. However, there is no assurance that these granted lands are continuously usable for them

once these lands will be conceded by the company. Meanwhile those 30% of the households were not granted though they can have the opportunity to become tenures from other landowners having wide areas of land. On the other hand, about 50% of the interviewed households have their owned land but without land titles. These cases are common in Doun Proung village although most of the land holders have been living and cultivating for more than 15 years but still have no proof documents of land ownership.

In terms of agro-production in Choam Sangkae commune, livestock is the second known agro-production next to crop production. It was noticed that 88% of the local people shifted from cattle rearing to pig breeding. The study revealed that 63.63% of the interviewed people tended to reduce the number of cattle for about 9% in Phnom Cheas and 13% in Doun Proung. It was known that shifting from cattle to piggery production was due to the less availability of grazing land. Contrary to shifting of livestock production from cattle to piggery, 22% of the interviewed households retain the number of cattle. Meanwhile, 14% of the local people tend to increase the number of cattle that made possible by utilizing grazing lands in the nearby villages and village in the boarder.

Firewood and charcoal are also considered as among of the sources of income for local villagers as well as for their own household consumption. It was revealed that more than 92% of the interviewed households had difficulties on gathering firewood even for their own consumption due to the land concession where in forested lands were granted to private companies. About 85% of local villagers can have the opportunity to gather firewood once land clearing will be done on the granted land, definitely not a sustainable source due to the change of land-use in the area. This case had influenced other 14% of local people to move to other distant areas where firewood can be collected.

In the early Cambodians, non-timber forest products were a very important additional source of income to the local people. It contributes an income about 30% to those in the medium income households and about 42% to those in the low income households (CSW, 2006). The NTFPs includes vegetables, fruits, wild animals, vines and barks, tree resins, bamboo, root/tuber crops, bushes as raw materials for handicraft and so on. However, it was found out that NTFPs became less important to the local people with respect to its function as supplement for household income.

Unjustifiable resettlement often happen in Cambodia either in urban and rural areas. In the case of Choam Sangkae commune, 6 out of 66 interviewed households manifested that they were forcefully evicted from their land without compensation in 2006. Many peasants' houses were burned and destroyed by militaries and armies protecting the company's lands. Furthermore, their houses were torched and destroyed at night while they were still asleep. Each family spent for about 420,000 riel (over 100 US\$) to rebuild even a low cost housing.

Strategic transformation on livelihood

In the olden days, local people were mostly depending on natural resources for living. The increasing demand of basic needs with the rapid increase of population, and a shrinking pool of natural resource, is a threatening effect, particularly due to land concession, for instance; granting of the state forest land to private companies for industrial use. In this study, strategies that are being practiced by the local communities adapting another form of livelihood are categorized into agricultural base and non-agricultural base strategy.

The study revealed that the local communities are utilizing the granted lands by promoting and developing a sustainable form of agro-forestry and backyard gardening which will be carried out in community level and household level, respectively. These practices belong to an agricultural base strategy. As mentioned, among the purposes of economic land concession (ELC), it is to develop an intensive agriculture and agro-industry. However, the local people are not capable to provide high inputs of labor, material and technical capital. Thus, the local villagers transformed from intensive agriculture to extensive agriculture by producing organic fertilizers, liquid bio-fertilizers, effective microorganisms (EM), organic animal feeds and small scale fish ponds through individual household approach.

Non-agricultural base strategy on improving the livelihood of the local community is by taking sideline jobs during dry season. Common available job that people involve are forest and

land clearing which each person earns from 22 to 35 US\$ a month. Also, cottage industry is being carried out by some villagers which is supported both in technical and no interest loan financial from 30 to 50 US\$ provided by local non-government organization. However, it was found out in this study that only 11.3% of the interviewed households adapt the cottage industry.

CONCLUSION

The implementation of Economic Land Concession (ELC) could not meet the overall objectives of the government development policy. Granting of state owned land and forest areas to private companies causes the loss of access of local people for fuel and non-timber forest products. ELC also results in the decrease of agricultural land areas for the local people. In addition, granting of land from private companies to the local people result conflicts on land ownership. Nevertheless, granting of state owned land through ELC to private companies is still continuously increases. However, ELC have its positive impact by providing employment of private industrial companies to local villagers. Nevertheless, there were only few of the local people that were employed. Also, the local people learnt on how to utilize the granted land for them from private company through transforming from intensive agriculture to a sustainable form of agriculture which is known as the extensive agriculture.

In conclusion, the establishment of ELC was observed to have more negative impacts to the livelihood in the majority of local people in the study site.

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