Land Use Policy 49 (2015) 195–202

Contents lists available at ScienceDirect

Land Use Policy

journal homepage: www.elsevier.com/locate/landusepol

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

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ARTICLE INFO

Article history:
Received 8 December 2014
Received in revised form 26 July 2015
Accepted 8 August 2015

Keywords:
Land use policy
Land concession
Rubber plantation
State territorialization
Laos

ABSTRACT

This article examines changing contexts and emerging processes related to "land grabbing." In particular, it uses the case of Laos to analyze the driving forces behind land takings, how such drivers are implied in land policies, and how affected people respond depending on their socio-economic assets and political connections. We argue that understanding the multiple strategies farmers use to deal with actual land loss and the risk of losing land is crucial to understanding the hidden effects of land grabbing and its potential consequences for agricultural development and the overall process of agrarian transformation. From a policy perspective, understanding the hidden effects of land grabbing is critical to assess costs and benefits of land concessions, in Laos and elsewhere, especially in relation to current approaches to turn land into capital as a policy strategy to promote economic growth and reduce poverty.

1. Introduction

While some scholars have laid out patterns and drivers of land grabbing (GRAIN, 2008), others have also shown that there is no single, global land grab meta-narrative and that land dispossession is occurring in diverse ways and for different reasons (Baird, 2014; Adnan, 2013; Borras and Franco, 2013; Li, 2011; Peluso and Lund, 2011; Potter, 2009; Rigg, 2006). As stated by Peluso and Lund (2011: 669): "*There is no one grand land grab, but a series of changing contexts, emergent processes and forces, and contestations that are producing new conditions and facilitating shifts in both de jure and de facto land control.*" While land grabbing is a global phenomenon, its manifestations are contingent on national and local forces that promote and facilitate the rent and sale of land by foreign companies and governments (Baird, 2014; Nolte 2014). Even within a single country, there is no reason to think that the drivers and impacts of land grabbing will be uniform (Kenney-Lazar, 2012; Shi, 2008; Thongmanivong et al., 2009).

Research on the impacts of land grabbing in general has highlighted the role of various actors (e.g., state and other local actors) in shaping and dealing with the overall process of land dispossession (Hart, 2006; Harvey, 2005; Glassman, 2006; Taylor and Flint, 2000). In Laos in particular, current research on the impacts of land grabbing focus primarily on farming households who have been forced out of agriculture and into agricultural labor, contract farming (Thongmanivong et al., 2009) or off farm employment (e.g., Baird, 2011; Kenney-Lazar, 2012). While these studies have brought to light a spectrum of possible impacts of land grabbing processes on local communities, especially in relation to labor patterns (Oya, 2007) and the transformation of agrarian labor regimes (White et al., 2012),[1] they do not link differential impacts with farmers' differing socio-economic status and resources and thus how farmers may be affected by and respond to land dispossessions in different ways. Building on Shi (2008) and Dwyer's (2014) earlier work, which respectively link the differential impacts of land grabbing with economic status and the historical reasons behind the differential forms of land grabbing, this article brings to light farmers' varying strategies to cope with land loss as well as their strategies to minimize risks of losing land.

This article attempts to move analysis of land grabbing further by examining its impacts on a range of farming households in one village of Laos. Like other countries in Southeast Asia (the Philippines, Indonesia, and Cambodia), Laos has conceded a significant amount of land to foreign investors (Kenney-Lazar, 2012; Laungaramsri, 2012) with estimates placing 15% of the country's

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[1] See also Julia and White (2012) on how contract farming has eroded women's access to land and rendered them a class of plantation labor.

http://dx.doi.org/10.1016/j.landusepol.2015.08.014
0264-8377/

total land area under foreign control (UNDP, 2010 cited in Barney, 2011). While land concessions are centrally positioned by the government as an integral part of economic growth and poverty reduction strategies, many scholars argue that in practice they result in land dispossession, deprive farmers' of livelihoods and increase the probability of rural impoverishment (Baird, 2011; Baird and Shoemaker, 2007; Barney, 2009; Kenney-Lazar, 2012; Laungaramsri, 2012).

Taking a village in Laos as our case study, we focus on the multiple strategies farming households use to deal with land loss and minimize the risk of losing land as a function of socio-economic assets, land holding composition, and to a certain extent political connections. We argue that understanding the multiple strategies to cope with risk of loss and actual loss is crucial to understand the long-term and gradual impacts of land grabbing as well as its consequences for the country's agricultural development and the overall process of agrarian transformation. Showing how these impacts are not always directly observable, we reveal some of the hidden effects of land grabbing. From a policy perspective, understanding the hidden effects of land grabbing is important to assess the costs and benefits of government strategies to use land concession as a policy means to promote economic growth and reduce poverty.

2. The creation of new frontiers of land control in Laos: mixing security concerns with economic interest

Scholars have described and analyzed land grabbing as both global and local processes (Baird, 2014; Kenney-Lazar, 2012; Lund, 2011; Peluso and Lund, 2011), looking mainly at decisive factors and forces that create and shape the overall process of land dispossession. For example, Baird (2014) and Rudi et al. (2014) both show the role of the Cambodian national elites in shaping conditions and circumstances that lead to land grabbing. Corson (2011) and Osborne (2011) highlight the dynamics in the struggle over land in respectively Madagascar and Mexico, and how this manifests in land dispossession of less powerful actors.

Scholars have also discussed primitive accumulation, enclosure and privatization, often linked to state territorialization and legalization, as ways of establishing control over land (Baird, 2009; Barney, 2009; Glassman, 2006; Peluso and Lund, 2011; Scheidel et al., 2013). State territorialization concerns the state's claims and power – which involves a variety of legal instruments and institutional alliances between state, non-state and parastatal institutions – to control land access and is a mechanism to control people and resources by controlling territory (Peluso and Lund, 2011; Vandergeest and Peluso, 1995). Legalization concerns the laundering of power as legitimate authority (Bagdai et al., 2012; Kumar and Kerr, 2013; Roberts, 2005; Sikor and Lund, 2009). For example, wealthy and politically connected or otherwise powerful landholders use their power to establish immutable hegemonic positions of land control by referring mainly to legal contractual agreements, such as land concession, without linking these with the relevant legal frameworks.

In Laos, the state has used territorialization and legalization tactics as its means to secure control over land. Derived from the state's political security concerns, the Government of Laos (GoL) formulated and implemented far reaching internal resettlement policies to move ethnic minorities out of the mountainous area during the 1960s and the early 1970s (High et al., 2009; Baird and Shoemaker, 2007). While internal resettlement policy formulation was mainly derived by the GoL's political security concerns, in its implementation, it was often linked with attempts to eradicate shifting cultivation by upland farmers (Ducortieux et al., 2005; Ireson and Ireson, 1991; Pholsena, 2003), sometimes in connection with international conservation organizations hoping to protect forested areas (Hirsch, 1997).

The late 1970s and the 1980s marked a period of transitional thinking with regard to control over land, with an effort to "turn battlefields into market places" (Dwyer, 2014: 386) and shift from security to capitalization concerns. This transitional period was most evident in the emergence of foreign investors (mainly Thai) into the country's forest and agricultural land. In the early 1990s, the GoL introduced the Land and Forest Allocation (LFA) policy to separate farmland from delineated forests (Lund, 2011). The system was also used to reduce shifting cultivation by declaring large areas used for the practice as 'forest lands' and to increase land tax revenue (Evrard and Goudineau, 2004; Vandergeest, 2003). The LFA policy was formulated also as part of legal reforms that would set preconditions for establishing land markets and permanent land titles in rural areas, allowing market-led development (Kenney-Lazar, 2012). By the late 1990s, the central positioning of land concession in the government's agricultural development strategy was most apparent from the way it promoted foreign direct investment as the major source of funds to turn land into capital and move from subsistence-based to market-oriented agriculture (Laungaramsri, 2012). A survey carried out by the Ministry of Industry and Commerce in 2007 shows that there were at least 40 foreign companies growing rubber in Laos (Laungaramsri, 2012). In Laos, however, territorialization and legalization do not always operate in parallel or by building upon one another, especially when formal authority's attempts to 'legalize' any illegal activity to meet its own interest (Shi, 2008) conflict with the rule of law. This is evident in the way the Army Academy appropriated farmland for a rubber plantation without any compensation.

Current discussion on territorialization and legalization positions both the state and private investors as powerful, dominant actors in acquiring control over land (Fairhead et al., 2012; Corson, 2011; Osborne, 2011; Peluso and Lund, 2011; Vandergeest, 1996; Vandergeest and Peluso, 1995). While such positioning reveals the important role played by the state in shaping the overall process of land grabbing, it tends to treat the state as a unified governing entity, rather than as a fragmented governance and development agent made up of elements with sometimes overlapping mandates, roles, and responsibilities. Wolford et al. (2013) and Dwyer (2013) highlight the different kinds of power within and beyond the state and how they manifest in corporate land deals. Similarly, in her analysis on rubber concessions and contract farming in Luang Namtha, Laos, Shi (2008) brings to light the key role played by the Army in promoting concession-based rubber plantation and shows how the Army often operates following its own 'rules' and not always in line with investment policies and procedures defined by the Department of Planning and Investment.

While this reveals an existing power asymmetry with regard to the institutional arrangements and decision-making processes that condition and shape the actual process of land grabbing, it also tends to homogenize farmers as a group and gives them the appearance of passive recipients. For example, Baird (2009) and Dwyer (2007) discuss the impact of land grabbing in shaping the overall process of agrarian transformation in Laos, highlighting how turning land into capital has also turned people into laborers and lead to widespread rural impoverishment. While analysis of the emergence of a new class of agricultural and industrial laborers in Laos and elsewhere (Borras et al., 2008, 2011; Peluso and Lund, 2011) has shed light on the negative impacts of land grabbing, farmers are of course not homogenous, with some better off economically than others and some more connected to broader power structures than others. This was highlighted by Shi (2008) on differing socio-economic conditions and contractual arrangements ('2 + 3' model with farmers providing land and labor and the company providing capital, technology and access to market; and '1 + 4' arrangement

with farmers providing only land and the company taking care of everything else) that determine how local communities could benefits, or not, from a rubber boom that took place in Luang Namtha province. Similarly, Thongmanivong et al. (2009) and Dwyer (2014) have analyzed the differential impacts of land grabbing on communities in Laos. Echoing these earlier works, this article links the differential impacts of land grabbing in Laos with household characteristics, socio-economic assets, and to a certain extent political connections. Does this difference matter to the outcomes of land dispossession? Are there structural effects to land dispossession with wider implications for the overall process of rural development/impoverishment? These are the questions explored here.

3. Research methodology

To understand the interconnection between dispossession processes, impacts on farm households, and farm households' differentiated responses, we examined the case of Nadee[2] village were incorporated into a land concession agreement between the Government of Laos (GoL) and a foreign joint venture rubber company, resulting in the dispossession of 800 ha of farmland. Our work incorporates the history of Nadee village and in-depth case study research (Burawoy, 1991; Yin, 1994) focusing on farming households' different strategies to cope with the actual land loss as well as the risk of losing land. The case study extends the current analysis on how differential impacts of land dispossession are linked to farming households' characteristics, incorporating their access to land and other socio-economic assets, and how these shape farming households' different strategies to cope with land dispossession.

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

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

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

4. Results

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

4.1. Reconstructing the history of Nadee village

In the Lao context, "village" refers not only to the area of human habitation but also to the larger land area farmed or otherwise controlled by residents. Nadee village is made up of 252 families organized into 243 households and with a total population of around 1900 (village head report, 2014). Residents come primarily from the Hmong (1618 people), Khamu (201 people), and Lao Lum (42 people) ethnic groups (village head report, 2014). Most farmers in Nadee grow both lowland and upland rice, while some also plant cassava and rubber trees as their main sources of income. Lacking access to canal irrigation systems, 68 out of 80 farmers who have lowland rice fields cultivate their fields during the rainy season only. While the area of human habitation is located in the vicinity of peri-urban area, farmland is up to 20 km from the residential area, in the foothills of the mountains bordering the newly established national park and surrounding forests.

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

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

In the 1990s the government asked farmers to map and register their land use activity as part of its Land and Forest Allocation (LFA) policy. Many of the Nadee farmers who had opened new land also went back to earlier village to claim and register their former farmland. However, in most/all cases they found that new settlers (farmers from other villages who had since settled in their previous

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

Table 1
Farm households by type and land loss, Nadee Village, Laos, 2014.

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

Source: Authors' survey (April 2014).
[a] Excluding landless.

villages) had already claimed most of the available land. In order to claim and register new farmlands, they went into forested areas near the boundary of what later would become a national park.

Following land registration under the LFA, farmers received land certificates from the district government. As reported by a number of farmers we interviewed, land certificates only specify usufruct rights and do not serve as a legal basis for sales. In theory, to sell land, farmers need to apply for a land title. In practice, most farmers with land certificates did not apply for titles, as the process was expensive and time consuming. Informal sales between farmers did take place though based on land certificates. According to the current village head, there was a project that supported farmers in acquiring land titles between 2000 and 2002. However, the project was finished before the land title application process for all farmers' households was completed. He did not understand why the district government could not directly support farmers to get their land title when farmers registered for their land certificate.

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

Following this incorporation, Nadee Village authorities received instructions from the district government that they could not proceed further with registrations, since land covered by the training ground expansion were no longer eligible. Authorities were also informed that even those farmers with registered lands had lost their use rights and were no longer obligated to pay land taxes. In Laos, land registration obliges farmers to pay land taxes to district land management authority, even when farmers lack official land title. According to the village head, the Army Academy actually expanded the area of army personnel training ground beyond the 11,000 ha, encroaching on farmland from Nadee and other surrounding villages as well as the existing national park. This claim was denied by a staff member from the Army Academy we interviewed.

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

In 2006, the government also signed a land concession agreement with a rubber company under the Law of Foreign Promotion Investment licensed 095-06/FIMC (3 October 2006). The rubber company is a 100% foreign-owned joint venture with investor from Thailand, Japan and China and a value given as US $35 million (MPI data base). Under the actual agreement, the company was granted control of up to 30,000 ha of agricultural land for a period of 50 years. As part of this agreement, the company's land concession includes some 3000 ha of land in a development zone in the province in which Nadee is located. About 800 ha are located in Nadee village land, with the remaining land part of other villages adjacent to the national park. The company's concessions also include land in a number of other provinces.

While all land contracts in Laos include standard clauses about conforming with relevant Lao laws, in practice, it is quite common for the company to choose specific areas of land based on their production requirements, regardless of the relevant laws, especially when supported by powerful actors such as, in this case, the Army Academy and to lesser extents the Provincial Army Authority. Formally, the company would have to ensure that the designated areas for rubber plantation do not conflict with national land use planning and farmers' actual land use. In practice, however, while hoping to locate 5000 ha of land around Vientiane due to the area's suitable elevation and good soil conditions, the company received an offer from the Army Academy to use 3000 ha of its training ground for the purpose of rubber plantation. The company accepted the offer despite the fact that the designated land includes farmers' farmland and some area of the national park.

Prior to actual land taking in 2009, the company consulted with 13 heads of the village in the area, mainly to clarify the actual boundary of the training ground and farmers' farmland. Later, the company demarcated the actual boundary of the training ground and farmers' farmland, incorporating most of the latter into the Army Academy's training ground. Referring mainly to the Army Academy's claim that the designated land belongs to the Ministry of National Defense – the latter regarded by the company and the Army Academy as having a higher position than other ministries, especially in terms of access to military lands – the company did not consult with other government ministries and did not check the designated area in relation with national land use planning and the boundary of the national park, providing an example of how such agreements can happen without all relevant agencies involved.

According to the land concession agreement, the company should engage in rubber planting through contract farming following the '2 + 3' model, where farmers contribute land and labor and the company provides them with inputs, technical advice, and access to market. The '2 + 3' model is linked to the government's policy to establish partnerships between investors and farmers in order to share responsibilities and benefits. In reality, however, the practice is far more complicated as contract farming in Laos is often shaped not only by investors and farmers, but also involves other parties (e.g., village heads, district officials, the Army Academy), and practice and responsibilities vary from case to case as noted by Fullbrook (2007). Studies conducted by Thongmanivong et al.(2009) and Shi (2008) also reveal the blurred boundaries between land concession and contract farming, especially when the later obliges farmers to give up their land for company's plantation purposes. In Nadee village, we found that apart from the consultation with the village head to demarcate the actual boundary between the training ground and farmers'

farmland, and incorporate the latter as part of its training ground, the Army Academy and the company developed the partnership arrangements without any consultation with the village head and elders and with little farmer involvement.

Thus starting from 2009, farmers lost land due to the Army Academy and to a certain extent the PAA[3] designating Nadee village land as part of the rubber company concession. Almost all farmers in Nadee village lost some or all of their land without any compensation. Following the incorporation of most of farmers' farmland into the land concession area, the district government informed the village authority in 2012 that farmers could still use their lowland rice fields even when these are located in the land concession area, but they could not sell the land to others. They were also exempted from having to pay the land tax. As reported by a number of farmers we interviewed, after 2012 they no longer paid land tax as they were told that legally the farmland was no longer theirs.

The company did initially employ farmers who had lost land as laborers in the rubber plantations. While the company staff referred to this employment as in line with the 2 + 3 partnership model described above, in fact the employment arrangement did not represent the basic elements incorporated in the partnership model. However, most of farmers left the company within two years due to low pay and long delays in payment (sometimes multiple months). Later, the company changed the 2 + 3 partnership model into 1 + 4 arrangement (Thongmanivong et al., 2009; Shi, 2008) due to labor shortages. Through this new arrangement, the company hired laborers from elsewhere to do the work rather than working together with the farmers whose land had been taken for the rubber plantation. See also Thongmanivong et al. (2009) and Shi (2008) on how the partnership models have been used in practice.

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

Based on the findings and after discussion with the PAA, the Council in 2010 suspended the partnership contract between the Army Academy and the company on the 3000 ha land concession, which technically include 800 ha of land taken from Nadee by the company. While the suspension stopped the company from taking more farmland, it did not result in the company returning land to farmers. From our interview with the company staff, we gather that as the company never acknowledged taking land from farmers for its rubber plantation, it felt it had no formal obligation to either return these lands to farmers or compensate them. Working solely with the Army Academy, the company was informed that all the 'available' lands belong to the Army's training ground. Based on this information, the company worked under the assumption that everything was appropriately arranged, and that they did not have to deal with farmers and village authorities for the rubber concession.

4.2. Farmer strategies to cope with land loss

Focus group discussions and interviews with farmers who lost land in the process described above reveal that farmers did not respond uniformly in terms of their farming system or livelihood strategies. While we found different coping strategies to land dispossession, these strategies should not be considered as voluntary adaptations to agrarian transition processes, but merely as strategies in response to dire situations. While some of these strategies do minimize the overall negative impacts of land dispossession to various farming households, they neither improved farming household's food security nor increase their household income. In general, we found that farmers (1) protected their remaining land through the use of rubber plantations; (2) accessed new land for cassava production as alternative source of income and/or to support subsistence; or (3) found off-farm employment to supplement their remaining farm income and/or as a complete alternative to farming in cases where they had lost all of their land. We now explore these three strategies and the choices to use them.

4.2.1. Land tenure protection through rubber plantations

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

This group of wealthy farmers are not only better off than other farmers, they were also engaged in a wider range of farming activities (including rubber, cassava, livestock) as opposed to only subsistence farming (applied for both lowland and upland rice). All have private deep tube wells (up to 25 m) for their domestic water use and tractors for land preparation, with some owning rice mills and trucks to process and transport their farm products. This group of wealthier farmers also has good connections with district government staff and some have close connections with staff from the Provincial Army Authority (PAA) and the Ministry of National Defense (MND). Some of these farmers were also closely connected to the rubber companies to whom they sell their rubber output. From their relatives and networks in Luang Namtha, they contacted various rubber companies to explain their interest in investing in rubber plantations and establishing direct connection with the companies.

In the past, this linkage between wealth and political connections originated from the way farmers' access to land was often linked with their relationships with representatives of the Lao People's Revolutionary Party (e.g., its general secretary and staff) at village level, with the latter in charge of determining area of (forest) land that could be cleared as well as defining land boundaries between farming households when they first arrived in Nadee village. In present day Laos, the linkage is sustained by large farmers' access to land and their ability to pay land tax to district governments, providing them an entry point to wider political networks as well. Given their large landholdings, large and wealthy farmers communicate with district government staff on a regular basis with regard to land tax payment.

Thus when the rubber company arrived in the village in 2009, some Nadee farmers, primarily the larger farmers, already had 3 years of experience in rubber cultivation. Many of these farmers used this experience to negotiate with the company and the Army Academy to temporarily extend tenure on land under rubber cultivation. While the economic life of rubber plantations is 25–30 years, the company and the Army Academy agreed only to 10-year extensions on company concession land already under rubber. Further extension of land use rights was said to be possible, but not guaranteed. Similarly, farmers who had rubber plantations in what

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

was declared the national park were told by the Army Academy that they could continue cultivation for 10 years if they registered the land. If the farmers did not violate other rules (e.g., cutting forest), the Army Academy would consider extending the time period under which rubber cultivation could be continued.

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

The company agreed to allow rubber farmers to continue with their rubber plantations. The company's agreement is rooted in their lack of interest in providing compensation for the land and the existing rubber investments. Put differently, if the company incorporated the land into its rubber plantation, it felt it would have to provide compensation for the land and the existing rubber investments. This obligation was felt in large part, because rubber farmers tended to be the wealthiest in the village and the best connected politically. The rubber farmers used their political connection with staff from district government as well as Provincial Army Authorities (PAA) to negotiate and prevent the possibility for land loss. Put another way, many of those with capital and political connections turned to rubber to protect land. As said and repeated by a number of farmers we interviewed, powerful farmers could find ways to retain their land.

These farmers cemented their land claims by complying with informal rules defined by the Army Academy. The Army Academy required a payment of around LAK 40,000 ha/month for the 6-month rubber harvest period. By paying this 'fee', especially when it was accompanied with a receipt, farmers felt further able to legitimize their land use and secure land tenure. From a legal perspective, this payment is not part of the formal taxation system. Institutionally, the Army Academy was not entitled to collect any type of land tax, as tax payment with regard to land use (both concerning residential and agricultural land) falls under the responsibility of Department of Land Management under MoNRE with representatives at provincial and district level.

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

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

Unlike the first group of farmers who own rubber plantations, this group was mostly engaged in rice cultivation (both upland and lowland rice) and livestock farming, primarily for home consumption but with some sales. Most had private deep tube wells for their domestic water use, with some also using groundwater for vegetable farming in their home gardens. Some also had shops in the nearby market. Most had savings (both in cash and in kind), with some also having relatives working abroad to support and remitting income.

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

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

Unlike the large and medium farmers, small farmers were engaged mostly in subsistence farming. Lacking any savings to invest in other farming operations (e.g., poultry), technical know how and political connection, some of them continued to cultivate upland rice on other farmers' rubber plantations – after they lost their own upland rice fields – because it seemed to be the only option they could provide home consumption. While most of these farmers also had lowland rice fields, they could hardly rely on it for home consumption especially given the very small plot they owned and relatively large number of family members they had to feed. Some farmers rented upland rice fields from farmers in other villages or "borrowed" upland rice fields from their relatives so that they could continue subsistence rice farming. According to our interviews, small farmers would have preferred to rent land for lowland rice cultivation, but they lacked sufficient capital to cover production costs. In general, small farming households either rented land for cassava or upland rice production, not both, because they lacked capital to invest in both farming systems.[4] Their lack of capital to invest is most apparent from the fact that no small farming households had private deep tube wells, and all relied on communal wells for their domestic water use.

4.2.3. Transitioning from on-farm to non-farm

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

Unlike the above mentioned group of small farmers who lack sufficient savings to invest in other types of farming (e.g., poultry or cassava) but still possess some money to rent upland rice fields from other farmers, or could rely on their connection with large farmers to plant upland rice in the rubber plantation, this group of small farmers lacks any additional resources (e.g., capital, social and political connection) to continue their farm activities after they lost their farmland.

In some cases, they combined on-farm and non-farm activities to both generate income and continue producing rice for home consumption. For example, after harvesting their upland rice, some went to Vientiane to work as laborers and would return to the village for the next planting season. For the small farmers in this category that we interviewed, off-farm income had become their main revenue source. Two medium farmers we interviewed started shops near their cassava farms to gain additional households' income. Some formerly small farmers left farming altogether, either because they found labor options now better in comparison

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

to continuing to work on their now smaller farms or because they lost their land entirely and either did not have sufficient capital to rent new land or found the labor option more remunerative.

5. Discussion

In Laos control over land has always been an important element in the government's agricultural development policies and its political and socio-economic strategies both in the post 1975 and the earlier periods. The way the state uses territorialization and legalization as means to achieve its objectives by securing control over land is seen both in how land concessions are given to foreign companies and in the way the Army Academy and to a certain extent the PAA appropriated national park land for agricultural commercialization. Lund (2011: 885) shows how "a government's control over land does not represent or reflect pre-existing sovereignty", but rather "produces it". Our case study illustrates this production of state's sovereignty, both in its general use of concessions to appropriate land for rubber production and in the Army Academy and to a certain extent the PAA reference to the government's policy on concessions to legally justify land appropriation.

Interestingly, while the state used legal procedures to appropriate or facilitate the appropriation of land, farmers did not use legal procedures (e.g., land titling) to resist actual and threatened land loss. Farmers, village elders and the village head all said that they did not believe land registration or land tax payment would serve as a useful legal argument to keep land from the state. Even the direct 'fee' payment made to the Army Academy by (large) farmers to maintain rubber production was done not to claim land rights per se but rather an economic incentive against intervention by the Academy.

Farmers used a variety of other strategies beyond 'fee' payments in response to actual land loss and the risk of loss using a variety of means including acquiring access to new land for commercial (cassava) and subsistence (rice) purposes, combining on-farm and non-farm activities and leaving agriculture completely. The choice of strategy was not random but rather related at least in part to socio-economic and political status. For example, the large farmers' strategy to use rubber plantations is related not only to their access to land to grow rubber trees, but also to their close relationship with district government staff who will not allow the company to take away the plantations. While all land loss has costs for farmers, those with higher status levels were able to better protect their assets and take advantage of new income opportunities. Those of lower status struggled to acquire basic food supplies or left their farm.

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

Second, the hidden effects of land grabbing illustrate a variety of ways in which direct loss of land can increase vulnerability even when alternative land access is found (Scheidel et al., 2013). The classic story of farmers being forced off the land by concessions also played out in Nadee village, at least for small farmers. But even those farmers who managed to continue farming also experienced loss and faced new risks. Those who used cassava production to generate income to buy the rice they had previously grown on their upland fields took on new financial risks. The initial prices contracted with the cassava company were remunerative, but the company later failed to pay farmers on time (Vientiane Times, 22 July 2014). Similarly, while returns to rubber had been good for the larger farmers, growth in production has led to a fall in prices. From 2009 to May of 2014 the price of raw rubber decreased from LAK 15,000 to LAK 8000 per kilo (Vientiane Times, 22 May 2014). From May to November 2014, the price fell to LAK 4400 (Vientiane Times, 6 November 2014).

The National Growth and Poverty Eradication Strategy (Government of Laos, 2004: 7) states that: "*From a poverty eradication perspective, the most important policy-related objective regarding agriculture development is improvement of household food security.*" Positioning land as capital (Dwyer, 2013; 2007) has the objective to promote economic growth and reduce poverty. But in practice, at least in Nadee village, the government's land concession policy and the contract farming that adversely incorporated farmers into plantation schemes has instead strongly disadvantaged farmers in general and poor farmers in particular, reducing rather than improving household food security.

Recently, the government has recognized the problem of land grabbing (Baird, 2011; Kenney-Lazar, 2012), and the former Prime Minister, Bouasone Bouphavane called for a moratorium on all land concessions over 100 ha for industrial trees, perennial plants, and mining in 2007 (Dwyer, 2007). In 2009, the moratorium was repealed and later reinstated for concessions over 1000 ha (Kenney-Lazar, 2010). In 2014, the government opened the possibility of revoking the suspension entirely for rubber and eucalyptus plantations as part of efforts to boost growth over the next two years. As stated by an official from the Ministry of Planning and Investment in the Vientiane Times (10 June 2014): "*The government has realized it may not be able to maintain a blanket ban on all approvals and will instead proceed more cautiously by carrying out proper strategic forecasts*".

6. Conclusions

Current discussion on land grabbing brings to light the interplay between international finance, government land use policies, and the impacts on farmers. Our study of land grabbing and land dispossession in one Lao village also highlights this interplay, showing how international investors fit within the state's territorialization strategy, its efforts to generate revenue and the resultant loss of land by farmers. While the interplay tends to reveal the existing power asymmetry that shapes and conditions land grabbing processes, our case study also shows how the actual outcomes of land grabbing are determined by the interplay between the state's various agents (e.g., the military, a national park Council, district government), suggesting state fragmentation in land governance.

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

Nonetheless, as farmers implemented differing strategies to sustain their livelihoods in the face of land dispossession, they all

suffered real loss and the threat of impoverishment, especially in the cases of small and medium farmers. From a policy perspective, this highlights not only the uncertain (sometimes paradoxical) outcome of the government's policy to turn land into capital, but also poses a bigger governance question as to whether land concession for agricultural development can be regulated in accordance with farmers' development needs and thus managed sustainably (Obidzinski et al., 2013).

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