

GOVERNING LAND CONCESSIONS IN LAOS

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Introduction

The Lao People’s Democratic Republic (Lao PDR or Laos) is often characterized as a hotspot of land grabbing in Southeast Asia, along with Cambodia, Myanmar, Indonesia, and the Philippines (Schoenberger et al. 2017). The Lao state has granted land leases and concessions to domestic and foreign investors for various purposes: agricultural and tree plantations, mineral extraction, logging, hydropower, tourism, special economic zones (SEZs), real estate developments, and transportation infrastructure. As of 2017, one million hectares of land had been granted via 1,521 land deals for plantation, mining, and hydropower projects alone, equivalent to 4 percent of the national territory and directly impacting nearly a quarter of all villages in the country (Hett et al. 2020).

Although the Lao government grants “state land” to investors, the reality is that such land has often been used and customarily tenured by local communities. As a result, such investments often lead to land dispossession, which produces significant social problems, including resource deprivation, impoverishment, exacerbated inequality, and increased food insecurity (Baird 2010, Kenney-Lazar 2012, Suhardiman et al. 2015, Baird & Barney 2017, Keovilignavong & Suhardiman 2018, Hett et al. 2020, Nanhthavong et al. 2020). Land concessions also cause deforestation, environmental pollution, and destructive landscape transformation (Ingalls et al. 2018, Hett et al. 2020). Furthermore, they have led to indirect deforestation as farmers displaced from their lands are driven to seek and clear land in forested areas (Nanhthavong et al. 2020, 8, RFA 2022). Therefore, many of these projects are described as a form of land grabbing, understood as the “unjust and coercive dispossession of the land and livelihoods of the marginalized and rural poor, depriving them of their means of production and social reproduction” (Kenney-Lazar 2018, 682).

Land grabbing in Laos, however, is not a frictionless process. There are myriad ways in which the drive to expropriate land is questioned, contested, or regulated, generating uneven landscapes of dispossession and project development. Only 56 percent of the plantation and mining concessions granted have been developed (Hett et al. 2020). This partly reflects common political-economic dilemmas as many projects failed due to a lack of financing or corporate mismanagement, and there has been a global slowdown in land investments since

2013 due to decreasing commodity prices (Lay et al. 2021). However, it also reflects the increasingly contentious politics of land in Laos and their effect on concessions governance. Many projects have run into conflicts with local communities that refuse or resist the expropriation of their agricultural lands or covertly sabotage projects (McAllister 2015, Baird 2017, 2020, Kenney-Lazar, Suhardiman, Dwyer 2018). Additionally, the Lao government and the ruling Lao People's Revolutionary Party (LPRP) have increasingly recognized how controversial land issues are amongst the population and have sought to manage land investments better to protect their political legitimacy. Thus, the government has repeatedly established moratoria on certain types of land concessions and has reformed investment, forestry, and land laws and regulations to limit what projects are approved and how they are developed, ultimately moderating the country's investment climate (LIWG & MRLG 2021).

The changes that have taken place reflect the dynamic politics of land in Laos. These politics are not as visible in other Southeast Asian countries, such as Cambodia, Myanmar, and Indonesia, where people have protested and demonstrated against land grabs (Thul 2010, Macisaac 2014, Gokkon & Jong 2019). Such open and direct forms of contentious politics are never seen in Laos. Protests would be interpreted as anti-government and swiftly quashed, potentially landing demonstrators in jail and making the problem worse. Prohibition of opposition parties, restrictions on the operations of civil society groups, and government control over the press all mean that the avenues for land politics in Laos are considerably limited. Nonetheless, land users have expressed their frustrations in other ways, through complaints to local government agencies and the National Assembly and attempts to block clearance of their land at sites of land concessions (Friis 2013, 61, McAllister 2015, Baird 2017, Kenney-Lazar, Suhardiman, Dwyer 2018). While the Lao peasantry largely acquiesced when concessions were first granted, they have become increasingly suspicious, resistant, and savvy in their response as they have gained more experience with this mode of investment. This shifting political landscape has changed how land is governed, prompting the state and LPRP to address these concerns through legislation, policy, and political prioritization. Additionally, the *de facto* process of governing land has shifted as there is greater competition over available land, and investors' influence over the state and local communities has diminished (Messerli et al. 2016).

This chapter analyses the changing governance of land concessions in relation to land's complex political, economic, and social dynamics. A significant portion of the literature on land governance is focused on the formal rules, regulations, and mechanisms by which land is managed, such as laws and policies or international guidelines, standards, and codes of conduct. However, we take a broader, political, and relational stance on land governance. Building from critical approaches to environmental governance, we examine the complex set of formal and informal political, social, and economic relationships amongst heterogeneous actors that shape the decisions made and actions taken towards the use, management, ownership, and transformation of land. Thus, we consider changing governmental policies and regulations *and* the political relationships between central and local governments, the interactions between development donors, civil society groups, the Lao state, and the geopolitical influences from investing countries. Ultimately, we present a much more holistic picture of how land governance changes in relation to dynamic forms of land-based investments.

This chapter is based on the literature on land concessions in Laos and land grabbing governance more generally. However, it also builds upon the research experience and specialization of the authors, all of whom have been directly involved in research on land

concessions in Laos for over a decade. All authors have played a role in interventions to improve land governance in Laos through increased transparency in the land sector, primarily via a multi-ministerial land concessions database (see Schönweger 2012, Hett et al. 2020). Reflecting the authors' research focus, the chapter primarily addresses foreign investments in the agricultural and tree plantation sectors, while other types of concessions, such as mining and hydropower projects and domestic Lao investments, are only tangentially covered.

Governing Land Grabbing

The global land rush, in which there was an intensified interest in land from 2008 to 2013 (Li 2014, Lay et al. 2021), has prompted concern about governing the social-ecological impacts of investments that are characteristic of land grabbing. A range of private, governmental, and civil society actors have sought to devise rules and regulations to facilitate and monitor land deals, minimize their adverse impacts, or roll them back, depending on their political perspectives and interests (Borras et al. 2013). Various voluntary codes of conduct, principles, and standards have been devised globally, most notably the United Nations Food and Agriculture Organization's (FAO) *Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests In The Context of National Food Security* (FAO 2012). Nationally, many governments across the Global South have devised and passed new policies, regulations, and legislation restricting and regulating foreign land investment (Perrone 2013). At sites of investments, communities of land users have contested the dis-possession of their land (Sändig 2021), demonstrating that land investment is not a frictionless process.

However, concerns with land governance have a much longer history across the Global South. After World War II, postcolonial movements for redistributive land reform were concerned with how to govern land in more equitable and just ways (Cousins 2019). Land reforms slowed in the 1980s with the ascendance of neoliberal, market-oriented development reforms. In the early 2000s, the resurgent focus on market-led land reforms, driven by land registration and titling, generated a renewed emphasis on land governance, oriented towards economic growth and poverty reduction (Borras & Franco 2010). As a result, much of the mainstream literature and thinking on land governance, particularly by multilateral development institutions, has been concerned with issues of efficiency in land administration, which they argue should be responsive, transparent, consistent, accountable, equitable, and participatory (FAO 2007). This is typical of managerial and instrumental approaches to environmental governance that do not address politics, power relations, and political economy (Bridge & Perreault 2009).

This chapter takes a much broader, relational approach to land governance, which is concerned with the multi-scalar political and social relationships amongst actors and institutions that shape how decisions about land use, management, and ownership are made, implemented, and practised. A critical approach considers how "land governance is about power and the political economy of land" (Palmer et al. 2009). It must account for how power operates in determining how rule and authority are produced vis-a-vis land. As Borras and Franco (2010, 9) write,

Governance is about political relations between (groups of) people and the institutions (rules and regulations, both formal and informal) that "govern" them. It is linked to

how, and how well, decision-making power is aggregated and (re)distributed in a polity over time, and how decisions become authoritative, or not, in society.

Governance thinking is also about moving beyond government and addressing the roles and interactions amongst the private sector, civil society, and supranational organizations (Lemos & Agrawal 2006). Similarly, Sikor et al. (2013) have called for the expansion of analyses of land governance beyond territory to consider how flows of goods and resources related to land are governed, such as in the certification of agricultural and wood commodities.

In the following sections, we employ a relational approach to examine how Laos's land rush has been governed. We start with an overview of some of the most evident and official governance changes that have been devised by the government, the typical remit of mainstream "good governance" frameworks. In later sections, we examine the de facto politics and power relations that shape how governmental reforms take place and how land concessions are governed in practice. These include state-society relations, internal state power relations, and transnational relations between foreign investors, neighbouring countries, international donors and nongovernmental organizations (NGOs), and the Lao state. Together, this account of the relational dynamics of land governance provides a more comprehensive picture of how attempts are made to address the challenges that land concessions pose.

Governmental Reforms

It is important to describe the official governmental reforms that have taken place to facilitate *and* regulate land concessions before addressing their associated politics and power relations. The Lao People's Democratic Republic (Lao PDR) was established at the end of the Second Indochina War (1959–1975). As a socialist country aligned with Vietnam and the Soviet Union, it restricted private business and investment, seeking to advance social and economic development via the efforts of agricultural collectives and state-owned enterprises (SOEs) (Evans 2002). The government and the LPRP quickly realized that a complete restriction of market activity was devastating for the economy and began discussing what steps could be taken towards so-called market socialism as early as 1979 (Yamada 2018). In 1986, the government officially framed these sentiments of moderate and incremental economic liberalization as *Chintanakan Mai* or New Thinking. They were later formalized in the policy known as the New Economic Mechanism (NEM), which abolished price controls, lifted internal barriers to trade, and began the privatization of many SOEs while requiring those still owned by the state to be efficient, accountable, and profitable. In the late 1980s and early 1990s, a logging boom took off in which SOEs were given the rights to extract timber across large territories (Anonymous 2000, Dwyer 2011), presaging the later development of the land concessions model.

Economic liberalization proceeded throughout the 1980s and 1990s, advanced by developing a legal framework that would facilitate the formation of a market economy. A national constitution was first adopted in 1991, which stipulated that the economy would be a fusion of state management and market mechanisms, oriented towards the long-term goal of constructing a socialist society (Yamada 2018). Since then, the government has consistently passed and amended laws that facilitate and regulate market forces. In 1992, a ministerial decree was passed that allowed granting state land concessions to domestic and

foreign investors for commercial use, followed by a law on promoting and managing foreign investment (St John 2006). The first concession was granted to a Thai pulpwood plantations company in 1991 (Lang 2002), but there were few other land investments in the 1990s. In the early 2000s, though, the number of land investments began increasing, partly in response to new land laws that provided more explicit mechanisms for granting and managing concessions that could provide investors with a degree of assurance. The steepest increase in concession approvals was between 2005 and 2009, when global commodities prices were at an all-time high, while the pace of granting has decreased since 2009 (Hett et al. 2020).

However, soon following this boom in granting land concessions, the government recognized the need to limit, reform, and ultimately govern how land concessions operate. In 2006, a policy of “Turning Land into Capital” (TLIC) was devised, which was focused on increasing the economic value of the country’s lands to enable infrastructural development, economic growth, and increased governmental revenue (Dwyer 2007, Kenney-Lazar, Dwyer, Hett 2018, Kenney-Lazar 2021). However, the policy was also concerned with reforming *how* land is turned into capital to ensure that projects generate the most value from land and in ways that benefit Lao people, businesses, and the government. And in 2007, the government placed a moratorium on certain types of land concessions, seeking to pause what was becoming a chaotic process of granting concessions. In subsequent years, the moratorium was revoked, re-imposed, and revised (new moratoria were put in place in 2009, 2012, and 2018), becoming narrower in scope and thus less restrictive, eventually only concerning rubber and eucalyptus plantations and mining projects.

It is questionable how effective each moratorium was as concessions continued to be granted and developed while they were in place (Hett et al. 2020). However, they did demonstrate frustration within the government concerning the effects and governance of land concessions. Additionally, the amount of land awarded slowed down around 2009, after which only 14 percent of the total land area had been granted, and the average size of land concessions decreased significantly (Hett et al. 2020). This reflects the more restrictive investment climate in Laos and a global slowdown in land-based investments since 2013 associated with the end of a commodity supercycle and falling commodity prices (Lay et al. 2021).

One aim of the moratoria was to provide the government with time and space to evaluate how much land had been granted. Eventually, a centralized database of concessions and leases was created with support from external donors (see Schönweger 2012, Hett et al. 2020). A second round of updating the database also included evaluating the “quality” of land investments to assess their varied economic, social, and environmental impacts. Although the topic of land concessions in Laos is sensitive, Laos is one of the few countries where a national database on land investments has been developed. In and of itself, the inventory had an immediate effect on government policy. In 2018, based on its results that showed 438 concessions to be inactive, the government ordered some projects to be canceled and others to speed up their implementation at the risk of cancellation (CDE et al. 2020).

The government has also progressively made policy changes that have restricted the amount of land that can be granted and the process for developing concessions. Key reforms were established by a 2009 Prime Ministerial Decree (No. 135/PM) on state land leases and concessions. The decree raised concession fees collected by the government, stated that concessions could be canceled if the land was left idle for three years, required land surveys and land use maps before project development, and prohibited the clearing of private land within concession areas (unless completely unavoidable). In 2016, an amended Law on Investment Promotion reduced the maximum duration of concessions to 50 years

(albeit with extensions possible). The 2019 amended Land Law has created a more rigorous legal framework for land administration, surveying, and registration. It further restricted land expropriation to “state investment projects,” although these could be interpreted to include concessions to private companies.

Ultimately, the reforms put in place do not represent a radical transformation of the system of land concessions. However, combined with the moratoria, they have put a damper on concessions investments and made it more challenging for companies to acquire large amounts of land, which reduces pressures of expropriation on the rural peasantry and can decrease poverty rates (Nanhthavong et al. 2020). In recent years, this has also created tension for the government as the country’s economic growth has slowed, and its debt burden has increased to potentially unsustainable levels (Barney & Souksakoun 2021). The economy has been hit particularly hard by the COVID-19 pandemic, which has exacerbated economic troubles, such as the drainage of the country’s foreign currency reserves, a rapid depreciation of the Lao Kip, and an inability to import the required amount of petroleum, thus leading to a fuel crisis (Hutt 2022).

In response to the economic pressures the country is facing, the government has loosened the restrictions that have been in place on concessions since 2007 and may continue along this path to re-ignite economic growth and recover from the current crisis. In 2019, the government passed a decree (Government Office Decree No. 247) that opened production forests for plantation concession investments, as there is little other land available, and concessions in production forests would not lead to conflict with landowners. Additionally, the government has allowed mining investments in certain areas, like Xayxomboun Province, and allowed iron mining nationwide (Prime Ministerial Decision No. 61). And in 2021, the National Assembly (NA) has included land concessions as a potential measure for addressing the country’s financial difficulties (NA Resolution No. 03).

State-Society Relations

Reviewing governmental reforms shows a dynamic change in official policy but says little about the political dynamics and social relationships underlying such changes and operating beyond them. One essential dynamic of land governance reform concerns state-society power relations and internal contestations within the state, or the country’s “fragmented sovereignty” (Lund 2011). Administrative power in Laos has long been decentralized, and there has historically been a power struggle between the provinces and the central government. As Stuart-Fox (1997) has written, Laos’s rugged mountainous geography combined with poor infrastructure, decades of war, and a minuscule national budget meant that provincial governments were often left on their own to finance administrative costs. Many provincial governments turned towards granting logging concessions, especially to Vietnamese enterprises in the South, sometimes in exchange for road construction, which foreshadowed an element of the TLIC policy – exchanging land for infrastructure (Kenney-Lazar, Dwyer, Hett 2018). As land concession investments increased in the early 2000s, many provincial governments began granting significant amounts of land without sharing the revenue with the central government (Schumann et al. 2006). Thus, the moratoria, concessions inventory, and regulatory changes since 2007 were partly an attempt by the central government to centralize power over the concession-granting process (Lu & Schönweger 2019).

Power struggles and imbalances between different levels of government also affect the de facto process by which land concessions are granted and allocated. Not surprisingly, land is often granted in ways that ignore many of the regulations set out by the central government. Hett et al. (2020) have shown that concessions holders have poor legal compliance – only 47 percent have a concession agreement, a major legal requirement, while only 2 percent have conducted an Environmental and Social Impact Assessment (ESIA). Local government officials often complain about how central government agencies concede large land areas and delineate approximate boundaries on topographic maps without a clear sense of the actual availability and suitability of land at the local level (Lu & Schönweger 2019, Kenney-Lazar 2020). As Lu and Schönweger (2019) have pointed out, local officials understand the idea of “empty” land to be a myth. District officials are responsible for allocating land to the company following the concession map (Kenney-Lazar 2020), so they try to find land that is not forested, not under current use by villages, and in areas preferred by the company. The immense challenge of this task partly explains why many companies have not been able to acquire significant amounts of the land granted to them (Schönweger & Messerli 2015, Messerli et al. 2016, Lu & Schönweger 2019, Baird 2020, Kenney-Lazar 2020).

Official governance reform is also a reflection of changing political relations between society and state in Laos and the dynamic politics of land. After the Second Indochina War, the LPRP and government held considerable legitimacy due to their ability to liberate the country from 15 years of war and an American bombing campaign. Governmental legitimacy was matched by the fear of speaking out against the government, which could be framed as anti-government activity and land villagers in jail or re-education camps in the far northeast near the Vietnamese border, where many of those associated with the Royal Lao government were sent after 1975. Thus, when land concessions were first granted in the 1990s and early 2000s, it is not surprising that many villagers were convinced at first by government narratives that they would bring economic development and prosperity to their village, or they did not dare to contest the project (Kenney-Lazar 2012).

As the amount of land conceded to investors has expanded and expropriated more people of their land, there is increasing dissatisfaction amongst rural Lao people, distrust that the government always has their interests at heart, and a will to raise land conflicts with the government (Kenney-Lazar, Suhardiman, Dwyer 2018). It is hard to track these sentiments because the government has significant control over media, and there are limits on political expression. However, it is evident in certain ways. For example, when the National Assembly (NA) opened a hotline during legislative sessions, to which citizens could call in for free, one of the most common complaints was about land conflicts (Vientiane Times 2012). It can also be seen in research showing increasing cases of resistance across the country (McAllister 2015, Messerli et al. 2016, Baird 2017, Kenney-Lazar, Suhardiman, Dwyer 2018).

While Laos is not a democratic country in many ways – there is only one political party allowed, and the press is severely restricted – there is room for discontent to be communicated upwards. The LPRP, for example, is run on Leninist principles of democratic centralism, in which the concerns and ideas of lower-level officials and citizens are allowed to filter up and be used as a basis for making and imposing top-down decisions (Creak & Barney 2018, High 2021). Therefore, land policy reforms initiated since 2007 are partly a response to discontent with land dispossession. The LPRP and the state’s legitimacy is primarily built upon their ability to serve the interests of the country’s working people,

especially the peasantry. Thus, land concessions that expropriate peasant land directly threaten such legitimacy.

Civil society can also play a role in shaping perceptions of legitimacy. Local civil society in Laos has long been heavily restricted, and as a result, its development, activity, and presence are limited (Kunze 2018). Additionally, the government views domestic civil society groups suspiciously because they are linked to and often receive funding from international donors and organizations. Comprising active and engaged Lao citizens, however, civil society groups have effectively raised concerns about land issues. Most notably, land issues were raised prominently by Lao civil society groups in 2012 at the Asia-Europe People's Forum (AEPF) in Vientiane, a civil society event held in conjunction with a diplomatic meeting between European and Asian governments. At the event, several Lao civil society practitioners raised land issues related to foreign investment, which led to contentious debates, often instigated by government officials planted in the audience. Several presenters were verbally harassed during the event, and government officials investigated them and their families afterwards (FORUM-ASIA and AEPF-IOC 2014). Furthermore, the main organizer of the event, Sombath Somphone, a well-known Lao development practitioner, was forcibly disappeared several months later and has not been seen since (Sims 2021). While the event ultimately led to severe repression, it also raised the importance of land issues on a national scale.

Over time, the LPRP has recognized that its legitimacy is receding in various ways and needs to be restored. In 2016, the LPRP elected new leaders to head the party, run the government, and address what they perceived to be significant problems questioning their legitimacy, especially corruption, drug trafficking, illegal logging, and land conflicts (Gunn 2017). In 2017, the LPRP issued a Resolution on "The Enhancement of Land Management and Development in the New Period," which recognized the severe consequences of land conflicts. For example, it is written that "land expropriation to serve development projects is not only a heavy burden but also a sensitive issue, affecting public order." The Resolution was intended to demonstrate how seriously the LPRP took this issue. It also kicked off the revision of the Land Law, which was completed in 2019 (see Kenney-Lazar et al. 2022).

Collectively, these changes have affected the *de facto* processes of allocating and developing land. As competition for available land increases and villages gain more experience with plantation concessions, the balance of power is tipping. District officials are becoming more willing to listen to village concerns and negotiate a compromising position. It is becoming much more difficult for companies to gain control over land, and they can no longer acquire the large concessions doled out earlier on. The government has decided to grant land concessions in production forests in part because such spaces are less likely to overlap with village land claims and spark conflicts. Outside of production forests, more companies seek to consult with villages to determine what lands can be acquired (Messerli et al. 2016) or move towards a model of leasing land and doing contract farming (Friis & Nielsen 2016).

Despite the increasing power over land that the rural peasantry is claiming from the state, it is vital to recognize the unevenness of such power. Concessions have historically targeted the lands of ethnic minorities, partly because they have less political capacity to resist and refuse land dispossession (Friis 2013, 61, Kenney-Lazar 2018, 689). Lao villages often have social and political connections that they can mobilize to their advantage. Additionally, they are more likely to live in lowland areas and practice paddy rice cultivation, a land use that the government seeks to protect compared to the upland swidden

landscapes in many ethnic minority villages (Vandergeest 2003). Finally, while villagers have contested or negotiated the boundaries of concessions for plantations, the same cannot be said for mining, hydropower, SEZ, and other infrastructure projects. Such large-scale, high-priority investments are much more challenging for villagers to counter, and thus they often focus on negotiating the compensation packages for their land.

Transnational Governance

Land governance in Laos is critically shaped by transnational power relations, especially between the Lao state and bilateral and multilateral donors, neighboring countries, and foreign investors.¹ Such relationships have played a critical role in opening the country to foreign land investment and facilitating an appropriate legal regime. They have also influenced efforts to rein in and regulate the land investment process. As importantly, foreign actors shape the de facto modes of governing the establishment and development of concessions.

Economic liberalization in Laos was a reaction to domestic economic problems and the broader geopolitical economy that Laos was enmeshed within. The decreased provision of economic aid from the Eastern Bloc in the 1980s was one crucial deciding factor, requiring the Lao government to find other sources of revenue. Additionally, the Lao government was influenced by liberalization policies in China in 1979, and especially by Vietnam, its closest ally, in 1986 (Stuart-Fox 1980, 2009). Vietnam and Laos have been closely allied since their collective communist struggles during the Second Indochina War. In 1977, a “Treaty of Friendship and Cooperation” was signed between Laos and Vietnam, which provided the legal basis to station Vietnamese troops in Laos and solidified the special relationship between the two countries (Stuart-Fox 1997). Vietnam has had a significant influence over Lao policy and politics, placing advisors in the Lao government and sending LPRP members to Vietnam for political study.

More generally, a range of foreign actors has influenced the land concessions model and the TLIC policy. They are a fusion of neoliberal models of land titling from Thailand and development donors, on the one hand, and socialist market models of state-driven land development from China and Vietnam, on the other. In the 1980s, Thailand pursued a massive land titling program that by the 1990s was seen as highly successful and a model for other countries of the region and across the Global South (Hall et al. 2011, 37). From 1997 to 2009, the World Bank and the Australian Agency for International Development (AusAID) funded two major land titling projects, mainly in urban and peri-urban areas. Like the Thai land titling model, they were intended to facilitate land market development and increase land values. At the same time, the Lao government was highly influenced by land development models in China and Vietnam, especially their cities, in which the state asserted control over land and then transferred it to private companies for economic development and to generate state revenue (Friedmann 2011). The variety of these influences helps to explain why the TLIC policy is not clearly defined, nor is it linked to only one model, but can be applied to land concessions and land titling, among other schemes (Kenney-Lazar, Dwyer, Hett 2018, Kenney-Lazar 2021).

External influences have also shaped how land is granted and allocated to companies, especially those from China and Vietnam, which comprise 30% and 14% of the land area granted, respectively (Hett et al. 2020). The power of the Lao-Vietnamese alliance helps to explain, in part, why Vietnamese investments, especially in plantations, have been

established rapidly and without the constraints that plantations from other companies have faced. Zurflueh (2013) writes of a “Vietnamese pattern” of investment, in which Vietnamese plantation investments are more smoothly and quickly developed than those of others because of the close connections between Vietnam and Laos. A range of case studies has supported these findings (Messerli et al. 2016, Kenney-Lazar 2020).

China has been influential in land governance in Laos but in different ways. Historically, the relationship between the two countries has been problematic. Initially, there was a socialist fraternity between the two nations. After Vietnam invaded Cambodia at the end of 1978 to overthrow the Chinese-backed Khmer Rouge, relations between China and Laos deteriorated. The two countries began restoring their relations in the late 1980s. They were substantially improved in 1999 when China started providing significant development aid to Laos, including a sizeable loan to help the country weather the Asian financial crisis. Since then, China has provided considerable assistance to Laos in infrastructure projects, cash grants, and low- or no-interest loans. However, due to the lack of deep political connections, investments have not always been smooth for Chinese plantation companies (see Lu & Schönweger 2019, Kenney-Lazar 2020). The same can be said for other plantation companies. The similarity is that they do not have the high levels of state support at multiple administrative levels as the Vietnamese companies, which has created problems for them (Messerli et al. 2016, Baird 2020).

Transnational actors have not only influenced the development of systems of land investment. They have also played a role in shaping governmental attempts to rein in and regulate the problems of land concessions. Critical NGOs have exposed the issues of land grabbing in Laos to a national and international audience, which has increased pressure upon the Lao government. Global Witness’s (2013) report on land grabbing by Vietnamese companies, titled *Rubber Barons*, had a significant international media presence. The companies involved responded defensively and then later created various mechanisms to resolve some of the problems detailed in the report. NGOs in Laos have also worked with villagers to educate them about their legal land rights and have supported them in making complaints to government agencies and the National Assembly, although they have been more careful in doing so since the events of 2012. Additionally, NGOs and development donors have been involved in advocacy work on national land policies and legislation. Their formal influence on the changes in the law has been minimal (LIWG and MRLG 2021). However, they have directly influenced policy statements from the government, including the LPRP Resolution on Land (Kenney-Lazar, Dwyer, Hett 2018).

Conclusion

The global land rush has touched down in Laos, driving a land-grabbing crisis that has created a loss of land and livelihoods, deforestation, pollution, and impoverishment for those directly experiencing dispossession. A commodity supercycle has intersected with the Lao government’s economic liberalization, especially its increasing openness to foreign land investments and the legal infrastructure that facilitates them.

However, land grabbing is not occurring in the absence of governance but in its presence due to the operation of decision-making authority and power over land. Land grabbing is governed in various ways, both to facilitate and regulate and limit it. Decisions and rules guide how much land investors can purchase or lease, who can lease land for what purposes,

and where that land is located. They also prevent other types of land from being acquired or give land users the right to refuse the acquisition of their lands or negotiate compensation.

In this chapter, though, we take a relational approach to land governance that considers more-than-formal governmental decision-making processes, rules and regulations, and mechanisms. It addresses the wide range of relations between different actors and processes that shape how authority and power over land are produced. These go beyond the government and include the roles and influences of private market actors, civil society groups, and land-using communities, among others. In the Lao context, the chapter has shown how governance reforms are shaped by power relations at multiple governmental levels and by villages, neighbouring states, foreign companies, and multilateral and bilateral development donors. They shape government policy changes and how land investments materialize and operate on the ground.

Laos now finds itself at somewhat of a crossroads regarding land grabbing. Land concessions have slowed due to a global slowdown and governmental restrictions. Investors have also found it increasingly difficult to find land on the ground, at least in the plantation sector. As a result, the government is considering ways of easing the restrictions on plantation and mining concessions without reproducing the severe social-environmental problems of the past. Additionally, other projects, like hydropower dams and special economic and industrial zones, continue to be approved. The recent completion of the Laos-China Railway from Vientiane to the border with China at Boten is seen as a new economic lifeline for the country, especially considering the financial costs of the COVID-19 pandemic. These projects also lead to land grabbing and have similar problems as agro-industrial plantations. Thus, questions remain regarding what path of development will be pursued: one that is obsessed with breakneck economic growth built on widespread dispossession or alternative and inclusive strategies that minimize threats to statutory and customary land rights. Whatever approach is taken will be driven by the dynamic power relations of governance amongst government officials and institutions, domestic and foreign resource investors, civil society groups, and millions of people across cities and countryside dependent on land for their livelihoods.

Note

- 1 Many land concessions are granted to Lao investors, who are often political-economic elites with close connections to the government and Party. However, we focus here on foreign investments as they tend to be larger in size and generate more significant social and environmental problems. Additionally, there is little research on domestic investments to draw from.

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