
Laos: Expansion of rubber plantations - more conflicts with communities

With an increasing global demand for natural rubber in the past few years, large-scale rubber plantations in Laos are expanding, causing conflicts with local communities in a country where, in early 1990s, it was widely accepted as well as referred by scholars and people who study about Laos that about 80% of the Laos people relied directly on the forest – including the river - for their physical, cultural and spiritual well-being.

In 2010, 9.8 million hectares of commercial rubber plantations existed globally and this number is expected to increase to 13.8 million hectares in 2018. About 90% of the rubber production is concentrated in Asia, mainly in Indonesia, Thailand and Malaysia, mostly through smallholders. The production is mainly absorbed by the tire industry, closely linked to the motor vehicle industry, regionally concentrated in China. The present expansion boom is mainly through large-scale plantations and one of the countries in the Mekong region where expansion is taking place rapidly is Laos.

There are over 60 different ethnic groups in the country. With only 20% of the land being low land, the majority of Laos's people live in the rural hilly and mountainous areas. Rural communities mainly depend on forests for their physical, cultural and spiritual well-being. However, when at the end of the 1980's the economic ideology changed and the Laos government opened the land for the global market economy, forest communities have suffered from commercial logging and timber exports.

In 1990, the country adopted the Tropical Forestry Action Plan (TFAP), pushed by the World Bank and FAO in several countries. One of the TFAP proposals was to invest in tree plantations. After the era of logging, tree monoculture plantations arrived to play a crucial role in Laos as the tool to turn forest and forest land into a capital asset. Together with the plantation companies, the government promoted the tree plantations – which encroached into peoples' land, forest and livelihood – promising jobs and income for the rural population.

As a result, especially since the end of the 1990's, the rubber industry has expanded in Laos. While some investments involve local and smallholder capital, about 75% of all plantations are large scale and set up by transnational companies from China, Vietnam and Thailand. According to the Ministry of Commerce, by 2007, 40 companies were growing rubber over an area of 182,900 hectares, granted to them through land concessions.

The expanding tree plantations have serious negative impacts on the local communities. First of all, land conflicts are created because the concessions granted to the companies generally overlap with lands used by communities. In Laos, land ownership is held by the government as a socialist state but customary right to use the land on a permanent basis is recognized in laws and regulations. However, village people still are constrained to get the land certification that ensures their customary land right on a permanent basis. Most often, local people are not aware of such right as the government hardly informs them of it. Thus, people have no chance to exercise their rights in their real life, which facilitates transnational companies to grab the lands used by the communities.

A common practice has been that the company, after the government grants the concession, contacts the local village leader to inform him where they intend to plant rubber and get support for the plan. The original target areas often are the fellow lands of the upland rice areas, which have been targeted for a long time by the Laos government to be erased under the “Shifting Cultivation Stabilization Programme”. Allured by promises of jobs for the community, and pressed by the blame on the traditional upland rice shifting cultivation practice, community leaders may agree signing a document that certifies that “permission” has been given for the plantation.

But when the company starts clearing the land and planting the trees, the community usually finds that very few jobs have been created and most of them last the first years of operation. Moreover, communities complain that the jobs are badly paid and that when pesticides are applied, no protection equipment is offered to them with the consequent severe impacts on their health.

Soon after the trees have been planted, more impacts appear. Then, the community really gets aware of what the project of the company is about. The areas occupied by the company are most often mixed forest areas used by communities, for example, those where they collect mushrooms, bamboo and other forest products. Besides, the pesticides application contaminates the environment, especially rice fields close to the plantations.

The increasing industry demand for natural rubber in the past years that drives the expansion of rubber plantation also increases the number of conflicts in Laos between transnational companies and local communities. Only the full respect of the rights of the forest peoples in Laos to use their lands and forest could help to reduce and prevent further conflicts.

However, a temporary suspension of the land concessions by the government in 2007 in order to study the problems involving these concessions has not had much result. On the contrary, companies continue wanting to increase their plantation areas. The Laos government intends to plant another 300,000 hectares of rubber plantations in the next decade.

Based on a recent field visit to Mekong region, “An overview of industrial tree plantations: conflicts, trends and resistance struggles” (<http://www.wrm.org.uy/publications/EJOLTplantations.pdf>), and “Summary report: research evaluation of economic, social and ecological implications of the programme for commercial tree plantations. Case study on rubber in the South of Laos PDR, August 2009. Collaboration between CRILN/NLMA, Office of Prime Minister Lao, Faculty of Social Sciences, Chiang Mai university, Foundation for Ecological Recovery, Thailand.”