

---

## Large-scale investments and climate conservation initiatives destroy forests and people's territories

Asia's rapid economic growth and industrialisation are coming at an extremely high price for local communities, their environments and economies. Across the region, 'development' is characterized by large-scale investment, at the heart of which are the control and exploitation of land, forests, water, nature, minerals and labour. Asian governments are seeking private investment in almost every sector of the economy from energy, oil, minerals, agriculture and food processing to education, health, tourism, manufacturing, pharmaceuticals, transportation and urban infrastructure. The sources of investment vary, are generally enabled through bilateral, multilateral and regional aid and economic agreements, and often backed by capital that is global in nature and difficult to trace. (1)

Land, forests and water are being captured for a range of purposes: industrial agriculture, tree plantations, hydropower, extractive industry, tourism, physical infrastructure, real estate/property development, Special Economic Zones (SEZs), economic corridors and quite simply, for financial profit through the construction of new markets. Within months, bio-diverse landscapes and eco-systems are transformed into rubber, oil palm or cassava plantations, gated townships or dam reservoirs, amidst which, stretches of forest or wetlands may be earmarked as protected areas and used to generate 'green' revenue streams. Local populations rarely benefit from these changing landscapes and new markets. For the most part, they lose their livelihoods, homes, cultures, identities and access to natural food cupboards; they are forcibly evicted, relocated, and pushed into precarious, low paid waged labor. (1)

Land concentration is higher now than it has ever been, where many of the landowners are politically connected elites, as in the Philippines, Cambodia, Lao PDR, Malaysia, Pakistan, India and Indonesia. In the past 10 to 15 years, governments across Asia have been proceeding with a raft of legislative changes to remove the few protections that small-scale farmers and fisherfolk, indigenous peoples and forest dwellers have traditionally enjoyed, leaving them vulnerable to the takeover of their lands by state and corporate enterprises for large-scale industrial farming, extractive industries, infrastructure development, and 'economic corridors'. (2) The changes differ from country to country, but they are all designed to make it easier for companies to acquire large areas of land that are used by local communities and extract timber, minerals, water and other natural wealth with few regulatory checks.

Many policy makers argue that land acquisition by the state is necessary to ensure development and economic growth. Indonesia and India are issuing laws allowing land acquisition for large mega-projects using the justification of national development and public interest. In Thailand, the Forestry Master Plan (FMP) is the latest in a long line of attempts to expand monoculture tree plantations in the country. Issued in June 2014 by Thailand's Internal Security Operations Command and the Ministry of Natural Resources and Environment, the FMP permits concessions to private companies for tree plantations in forest areas, putting communities living and farming in these forests at risk of forced relocation. (3) The Cambodian Government converts state public land to state private land and deems community forests "degraded forests" at whim to grant long term economic concessions to

---

corporations in these lands.

The expansion of monoculture tree plantations will be exacerbated by new funds to trigger private investments in so-called 'zero-deforestation' agriculture. The latest such announcement was made at the World Economic Forum (WEF) in January 2017. Funds of up to USD 400 million were pledged by the Norwegian Government and global corporations such as Carrefour, Marks & Spencer, Mars, Metro, Nestlé, Tesco and Unilever. The promised funds are claimed to trigger further large scale, private sector investments into commercial land use in ways that also protect and restore forests and peatland. (4)

However, drawing from the experience of similar programmes that have been implemented in countries such as Vietnam, Indonesia, Philippines, Myanmar and Cambodia, these funds will likely encourage out-grower schemes that trap small-scale farmers into using their land for expansion of commodity crop plantations. Such out-grower schemes tend to put all the risk on small-scale farmers while providing corporations with de-facto control over peasants' lands. They also enable the global food industry to hide expansion of corporate control over farmlands behind the guise of 'social responsibility'. Often, governments create special bank credit lines for farmers in these out-grower schemes, facilitating borrowing for the purchase of seeds, fertilisers, etc., thus subsidising these corporate initiatives in reaction to criticism over the lack of action to reduce the impacts of industrial farming on climate change. Evidence collected from the ground so far shows that these private investment schemes have done little to stop deforestation or reduce the use of the largest source of global greenhouse gas emissions from crop production, i.e., the use of nitrogen fertilisers. In many projects found in central Vietnam for example, farmers are even prescribed and supplied with nitrogen fertilisers by the Norwegian company Yara, one of the key corporations behind the WEF's New Vision for Agriculture and a leading company in the Alliance for Climate Smart Agriculture. (5)

In the meantime, traditional agriculture practiced by peasants and small-scale farmers continues to face a lot of challenges. For example in the Lao PDR, swidden agriculture is seen by policy makers as a major cause of deforestation. For example, in the 1990s, the Lao Government started the Land and Forest Allocation Programme (LFAP) that prohibits shifting cultivation and prescribes how different types of lands should be managed. Studies show that contrary to expectations, the LFAP increased land and food insecurity, poverty and distress migration, and did not check deforestation since local communities were not the cause of deforestation. (6) More recently, the government has issued provincial 'Biodiversity Conservation Corridor' regulations that establish a legal foundation for managing so-called 'biodiversity corridors' with USD12.8 million from the Asian Development Bank (ADB). This ADB programme aims to pilot 'sustainable forest management' and prepare countries to access Reduced Emissions from Deforestation and Forest Degradation (REDD) financing. Land use planning has been carried out in 67 villages, covering 350,000 hectares of forest where swidden agriculture by local communities has been prohibited. (7)

Free trade and investment agreements play important roles in shaping laws and policies that facilitate the capture of land and water for large-scale investment, deforestation and eco-system degradation. They do so both indirectly, by encouraging specialised, vertically integrated production of export commodities that lead to the expansion of mining and large-scale monocrop plantations, and directly by obliging governments to remove barriers to foreign investment. (8) For example, in January 2016, the Association of Southeast Nations (ASEAN) launched the ASEAN Economic Community (AEC), intended to create a region-wide single market and production base, competitive with and fully integrated into the global economy. (9) In order to facilitate the AEC, ASEAN member governments have signed a number of agreements that ease the access of large-scale investors to land, natural resources, raw materials and labour, and provide legal protection for their rights to operate and make

---

profits. No such protection is available to local populations who lose their lands, forests, water sources and livelihoods to infrastructure and other investment projects parading as development.

In the Mekong region, the ADB-led Greater Mekong Subregion Economic Cooperation Program (GMS) aims to transform the rich human and natural endowments of the Mekong region into a free trade and investment area through ambitious multi-sector investments in transportation (road, railways, air and waterways), energy, urban expansion, telecommunications, tourism, trade facilitation and agriculture. Central to the GMS strategic framework is the development of economic corridors, which are pockets of high infrastructure investment. Some economic corridors are accompanied by 'biodiversity conservation corridors,' as in Laos, Cambodia and Vietnam. These 'biodiversity conservation corridors cover two million hectares of forest and non-forest lands and serve as the 'green' component of infrastructure investment. The GMS' agricultural strategy emphasizes integrating the region's subsistence farmers into regional/global supply-chains controlled by agribusiness corporations and re-directing agricultural production from self-sufficiency towards feeding regional and global markets.

Regardless of the rhetoric of poverty reduction and sustainable development, the development model promoted and supported by governments, donors and International Financial Institutions is increasingly extractivist, and breeds inequality and injustice. This model appropriates elements of nature, human potential and raw materials for profit making by corporations, and destroys eco-systems, communities and possibilities for dignified lives. Violence against people and nature is part and parcel of this model. It is little wonder that across Asia, local populations are resisting such development. They face tremendous political and security risks to defend their lands, waters, forests and eco-systems against predatory capital that fuels extractivism.

**Shalmali Guttal**, *Director at Focus on the Global South*

**Kartini Samon**, *GRAIN*

(1) Shalmali Guttal. *Introduction: Redefining Governance; Challenging Markets in Keeping Land Local: Reclaiming Governance from the Market*. October 2014. <http://focusweb.org/landstruggles>

(2) GRAIN. *Asia's agrarian reform in reverse: laws taking land out of small farmers' hand*. April 2015. <https://www.grain.org/article/entries/5195-asia-s-agrarian-reform-in-reverse-laws-taking-land-out-of-small-farmers-hands>

(3) WRM. *Thailand's new forestry master plan: same old strategy dressed up in new clothes*. World Rainforest Movement Bulletin Issue N° 208 November 2014. <http://wrn.org.uy/bulletins/issue-208/>

(4) World Economic Forum. *\$400 Million Fund Launched in Davos to Stop Tropical Deforestation and Boost Farming*. January 2017. <https://www.weforum.org/press/2017/01/400-million-fund-launched-in-davos-to-stop-tropical-deforestation-and-boost-farming/>

(5) GRAIN. *Grow-ing disaster: The Fortune 500 goes farming*. December 2016. <https://www.grain.org/article/entries/5622-grow-ing-disaster-the-fortune-500-goes-farming>

(6) For more information see for example Shalmali Guttal, *Whose Lands Whose Resources? In Development*, 2011, 54(1), (91–97) 2011 Society for International Development 1011-6370/11

(7) Asian Development Bank. *ADB Grant Assistance to Support Sustainable Biodiversity Management*. October 2016. <https://www.adb.org/news/adb-grant-assistance-support-sustainable-biodiversity-management>

(8) Lorenzo Cotula. *Tackling the trade law dimension of land grabbing*. International Institute for Environment and Development, 14 November 2013. <http://www.iied.org/tackling-trade-law-dimension-land-grabbing>

(9)  
<http://investasean.asean.org/index.php/page/view/asean-economic-community/view/670/newsid/755/about-aec.html>