



## **Integration in Southeast Asia: Trajectories of Inclusion, Dynamics of Exclusion**

### **Natural and Human Resources in border areas: Northern Thailand and the Mekong sub-region**

This policy brief addresses a set of interlaced transformations in the lower Mekong Sub-Region by following a political ecology perspective. Policy recommendations will be formulated according evidence from recent interdisciplinary academic literature on Southeast Asia and from case-studies from Northern Thailand's border areas directly investigated by researchers within the SEATIDE framework.

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**POLICY BRIEF**

## Introduction

Border areas in the Mekong sub-region are rapidly becoming centers of a disordered economic development, in some cases they have become centers of social and environmental disasters. These areas are now post-modern crossroads where international economic speculation is the main force shaping power relations and human trajectories of millions of people. Here four main themes will be shortly discussed: decentralization of natural resource management, the transformations of regional agrarian markets, the evolution of energy markets and the features of human mobility.

## Evidence and Analysis

### 1. Forest and water resource management: decentralization as democratization index?

Decentralisation is considered by international developers and by academicians as an important step to the democratisation of the access to land, water and forests by local communities. The UN, through the FAO branch RECOFTC (Regional Community Forest Training Center for Asia and the Pacific), are closely supporting this trend in Southeast Asia. After several years of observation, recently scholars have expressed some criticism on the issue: in many cases decentralisation of the management of natural resources works as a tool to enhance the presence of the state in peripheral areas and to prevent political conflict with the centers of power. Due to the discrepancies between developers' and beneficiaries' ideas of Community Based Natural Resources Management (CBNRM), significant failures have been experienced during the devolution or deconcentration of environmental governmentality in SEA. The local elite protagonism in intercepting funding and concentrating power is another consistent obstacle to democratic decentralization. Furthermore the role of donor-driven decentralisation processes (often pursued by Corporate Social Responsibility actions within schemes like REDD) and through in many cases can hide private interests and strategic tangles among stakeholders interested in the (direct or indirect) grabbing of natural resources. These complications lead to the insufficient inclusion of representatives of local communities in decisional processes and to uncomplete and unstable devolution of power to local communities.

In Thailand pushes for decentralisation originated within the Community Forest movement since the Nineties; they were supported by RECOFTC, were enforced through the constitutional empowerment of the local councils (sub-district administrative units) and were actualized by intensive legal and media activism of the people networks. Unfortunately such efforts in support of CBNRM have been rapidly cancelled by the coup d'état of May 2014, by which the junta, approving a new Forestry Master Plan, dramatically increased forest patrolling of illegal agro-forestry practices and silenced the dissent of farmers and forest dwellers, especially in the north of the country. FAO can hardly mediate in this situation. Furthermore, in the last twenty years the elitarian elements of the civil society groups and organization that in past supported grassroots claims, have been progressively co-opted in

decentralization programs driven by the aristocratic élites of the country. By this way the Community Forest movement have been largely depoliticized. This élite manages a number of huge Royal Projects implemented in the last decade in upland areas with the help of the army and of urban middle class NGO operators. The main sake of decentralisation schemes enjoying the Royal patronage is to restore forest and water resources by eradicating both commercial agriculture and slash and burn techniques, and strongly claim the use of participatory tools. De facto, anyway, these projects are consistently supported by corporations connected to industrial agriculture and their initiatives (manipulation of watercourses, realization of chek-dams for flood prevention, terracing) are eventually conflicting with the restrictions of laws on forest reserves and are squeezing local farmers between directives that constantly blame them for their environmental mismanagement.

Not only in Thailand, the multiplication of local actors and of local responsibilities implied in decentralisation schemes seem everywhere to rise competition on natural resources, thus generating endless local conflicts, especially in protected areas. Is indeed a prior concern the fact that the possibility for international stakeholders, like ASEAN and FAO, to monitor and legally support local communities is loosely connected to the adoption of decentralization schemes at a national level; rather, such possibility is still too much dependent from the political stability of single countries in the region.

## **2. Contract farming: the tricks and threats of AFTA**

Rural landscapes in the lower Mekong sub-region are deeply marked by industrial agriculture. Maize monocultures, particularly, are at the core of massive deforestation in the uplands since at least thirty years. Is appropriate to consider industrialization of agriculture as a mechanism that steadily entangles local agricultures and global markets, through the mediation of state policies and corporate strategies. Large corporations are successfully pushing for the introduction of national legislation allowing the diffusion of GMO seeds and techniques in SEA countries: despite reluctance of some traditionalist regime, that anyway can't avoid the illegal diffusion of such techniques and agricultural stocks, the control on agricultural production is strongly in the hand of neo-liberal lobbies and think tanks (SEATIDE WP2). Agrarian transformations are driven by a neoliberal mainstream and operate by the means of contract-farming regimes, where farmers are supposed to buy chemical stocks and sell the products to the same agency. This system strongly relies on the patent, production and diffusion of GMO, hybrid seeds and chemical fertilizers/herbicides/pesticides for a high yield, export-oriented production of food and agricultural commodities.

The establishment of these regimes and the diffusion of GMOs at the same time has solicited criticism and oppositions, emerged, for instance, with the introduction of organic, sustainable, integrated agriculture alternatives inspired by grassroots movements since the eighties. The oscillation between export oriented agricultural production managed by a handful of agro-business giants and the push for an organic revolution from below, produced mixed results in SEA and in the Mekong region, also depending on the political momentum of single countries: in Thailand, for instance, even Buddhist monks and the Royal Family engaged in this sort of environmentalist debate in the Eighties and in the Nineties until now. Recently the corporate lobbies (in many cases engaged both in agro-business and politics) have been successful in manipulate the alternatives to industrial agriculture, by metabolizing the grassroots claim for organic agriculture, and thus engaging in the production of both industrial agricultural commodities and organic food: this and other strategic transformations, as for instance the corporate international commercialization of organic waste for the production of biofuels, secured the enlargement of their markets and the overcoming of ethical obstacles. Through Corporate Social and Environmental Responsibility (CSER) principles, furthermore, large corporations support the realization of sustainable agriculture projects in areas damaged by industrial agriculture, adding more pressure on farmers co-opted in the contract farming regime.

In the case of Thailand the regionalization of contract farming regimes has been at the core of former prime minister Thaksin Shinawatra proposal for the Ayeyawady-Chao phraya – Mekong Economic Cooperation Strategy (ACMECS) and the regional diffusion of contract farming. This trend has resulted

in the extension of the economic influence of important national corporations in the regional landscape: Thailand, and particularly the Charoen Pokhpan agro-business corporation, took enormous advantages from this move, becoming the protagonist of the regionalization of contract-farming system. Infrastructural arrangements to facilitate the expansion of Thai investment in other ASEAN countries will widely impact local contexts included in ACMECS and is a signal of the increasing importance of economic dependence established between countries within ASEAN, where the stronger is able to define the economic fate of the weaker through foreign investments.

Unbalanced relations are shaping the socio-environmental landscape of international borders also in the Mekong sub-region. A remarkable trick implied in AFTA, indeed, concerns the emergence of local entrepreneurs that freeride the contract farming regime. Farmers with no land titles, as in the northern Thai uplands, indeed, can compete on the agrarian markets only by engaging in the cultivation of the same cash-crops introduced in the state/corporate driven contract-farming regime (in the uplands these crops are basically maize and rubber). These landless farmers cannot afford facilities from the Cooperative of Agriculture as they don't have land titles. So, to borrow agrochemical stocks they fall in the hands of illegal brokers, who loan the chemicals and after the harvest buy the crops grown in forest reserves for a price which is the half of the price secured by the cooperative system. Large corporations and invisible private brokers are the only people benefiting from this and landless farmers are grabbing the forested land on their behalf. Along the Thai-Lao and Thai-Myanmar borders, this process is shaping new relations of exploitation and criminalisation of upland ethnic minorities who illegally farm the land in areas declared Forest Reserves and National Parks (SEATIDE WP2, WP3, WP5). The moralization of corporate attitudes and the emergence of parallel, illegal contract-farming regimes is actually securing impunity to the strongest speculations on the environment and on human labour in border areas.

### **3. Widening energy markets, exporting environmental injustice**

Exploitation of land and labor not only occurs in the regional agrarian systems. Industrialisation in SEA is as well carrying important contradictions. The arrest of many ASEAN New Industrialized Countries in the scale of industrial development is a structural feature caused by the prevailing of Western and Japanese investments (FDI) in the industrial sector. This largely results in the uneven regional division of labor and of wrong policies promoted by the World Bank and by other international organizations. In mainland areas, like northern Vietnam, the uneven regional division of labour generates structural socio-economic inequalities, increases the production of suburban, precarious factory workers from the impoverished countryside and fosters relative poverty (SEATIDE WP3).. Similarly, regional ASEAN integration can generate strong dependence of one member country from another and the settings where this process is more likely to take place are border areas. In the case of the Mekong sub-region the border areas are definitely "dependent" areas.

The increased exploitation of natural resources lying in border areas of the Mekong subregion not only concern water, forest and agricultural soil but as well mining. The common purpose of many intervention in water management and mining is the production of electric power to be distributed in NICs that invest in such intervention. Due to internal pressure of environmentalist movements and the political weakness of local communities in the border areas located in the Mekong subregion, early industrialized countries like Thailand, distinguished for their high consumption of electric power, were successful in internationalise their energy market. They obtained this result by investing in power plants located in neighbour countries close to border areas, like China and Thailand, exported environmental and social effects of resource exploitation to neighbour countries, simultaneously benefiting of new energy supplies and avoiding to generate conflicts at home. This is the case, for instance, of the power plant in Hong Sa Province (north-western Laos), based on lignite extraction, and of many other power plants (also based on hydropower) funded by foreign investors, like the SIAM Commercial Bank. The structural presence FDI in energy markets in the sub-region produces severe economic and socio-environmental imbalances.

Finally energy markets, after Kyoto, have been strongly tied to the bio-fuel revolution and merged with

the ASEAN agrarian markets. In absence of domestic plants and infrastructures for the transformation of bio-masses for the production of ethanol (from maize, for instance) and of other bio-fuels (from palm oil), bio-masses produced in countries like Thailand are sold abroad, especially to Western partners who agree with the Kyoto protocol. This new international market is contributing to the high rates of deforestation in border areas, where marginalized farmers produce the surplus of bio-masses to be sold by agro-business corporations to the foreign "green energy" markets.

#### **4. Human labour and sub-regional mobility: the hidden trajectories of exploitation**

Being established the winners (political élites and corporations) of the resource grabbing in the sub-region, the losers are normally identified by scholars with the rural populations dwelling close or within natural resources reserves, who happen to be radically affected by rapid economic and environmental transformations consequent to fast global economic integration. No matter whether circular or permanent, long or short term, long or short distance: migration, for the rural masses in SEA, is increasingly considered the most viable economic solution to escape the constrictions deriving from being alienated from the land and from local natural resources, both in peace and in war times/contexts (WP3, WP5). Migration is an expectable outcome of the accelerated overlapping of international interests on several sectors of natural resource management in border areas of the sub-region. Rural workers become increasingly flexible and mobile to fit the new forms of agrarianisation promoted by global agro-business lobbies. These mobile human masses, sharing a rural background and often escaping from politically unstable and/or very poor context, become cheap labor resources for rural and urban enterprises (cash-crop plantations, mines and power plants, tourist industry, construction sector). In this scenery, cross-border migrations can become sources of social and physical immobility with a high risk of being marginalized or to fall in circuits of slavery, as the case of refugee camps on the Thai-Myanmar border or the case of resettled communities in the Thai-Lao border exemplify (SEATIDE WP3, WP5).

### **Policy Implications and Recommendations**

The involvement of transnational NGO, EU and ASEAN in managing unjust and uneven effects of economic and infrastructural changes in the sub-region is urged, as these changes are quickly and violently impacting socio-environmental landscapes in local contexts. Policies should focus on:

- Providing tools for the access to legal advice and facilities to local communities impacted by preservationist forest laws; providing advocacy and protection on the base of the international agreements on human rights.
- Binding Corporate Social and Environmental Responsibility (CSER) initiatives and donor-driven projects to the explicit request of local communities and to targets and methods directly proposed and approved by community members and representatives.
- Acknowledging and gathering social movements arose from cases of environmental injustice in the sub-region, including their representatives in official EU-ASEAN boards.
- Monitoring the emergence of hidden economies rising as parasites/side effects of contract farming regimes at a regional level.
- Spreading agricultural diversification in ecologically sensitive areas and pursuing the harmonisation/constructive competition within regional agrarian markets by the introduction of quota systems at a regional level.
- Monitoring socio-environmental impacts of new power plants based on foreign investment.
- Encouraging implementation of local small-scale power plants for energy production from agricultural waste, to be managed and used by local population engaged in cash-crop economy.

- Promoting legal tools for the protection of migrant workers and supporting the delivering of circulation permits for refugees, especially for those belonging to persecuted/marginalized ethnic groups.
- Enforcing law and action against human trafficking and against new forms of slavery whose recruitment devices easily operate in border areas.

## Research Parameters

### 1. Main scientific objective

Integrative processes offer the promise of economic and cultural development, the free movement of people, the promotion of citizenship and knowledge networks with extensive links with the wider world. At the same time, failure to take advantage of these benefits can result in processes of exclusion that undermine national/regional frameworks, and entail risks in the fields of human development/security, including the danger of framework disintegration.

In examining these processes, SEATIDE's research will be informed by an awareness that dynamics of exclusion should be studied in tandem with dynamics of inclusion to produce holistic analyses of integrative processes and their contemporary forms, which take into account long-term local perspectives.

### 2. Research capacity building

By reinforcing European research on SEA, the project will contribute to the coordination of EU-ASEAN scholarly exchange, the improvement of networking capacity, and the promotion of a new generation of field researchers on SEA.

### 3. Methodology

The project will conduct field research and produce analyses that take into account local knowledge as well as macroeconomic studies and expert perspectives. Qualitative and quantitative data will be presented in case studies structured by a common analytical framework, centred on but not restricted to four SEA countries (Thailand, Vietnam, Indonesia, and Malaysia), with a unifying focus on transnational issues.

## Project Identity

<b>Project name</b>	Integration in Southeast Asia: Trajectories of Inclusion, Dynamics of Exclusion (SEATIDE)
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