



# EUROPEAN POLICY BRIEF

## INTEGRATION IN SOUTHEAST ASIA: TRAJECTORIES OF INCLUSION, DYNAMICS OF EXCLUSION



### ***Natural resources management and agriculture 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 (continental Myanmar, Thailand, Laos, Cambodia and Vietnam) by following a political ecology perspective. Policy recommendations are based on recent interdisciplinary academic literature on Southeast Asia and from case-studies from Northern Thailand's border areas.

**Amalia Rossi, UNIMIB, March 2016**

## INTRODUCTION

Border areas in the Mekong sub-region are rapidly becoming centers of disordered economic development and in some cases sites of social and environmental disaster. These areas are now post-modern crossroads where international economic speculation shapes patterns of human mobility and of power relations on different scale. In this respect, three main themes are discussed: decentralization of natural resource management, the transformations in regional agrarian markets and the effects of foreign investment on border economies.

## EVIDENCE AND ANALYSIS

### ***The decentralization of forest and water resource management***

Developers and academics see decentralisation as contributing to democratisation of local communities' access to land, water and forests. The UN, through the FAO branch RECOFTC (Regional Community Forest Training Centre for Asia and the Pacific), supports this trend in Southeast Asia (SEA). However, scholars have criticised the fact that decentralisation of NRM may enhance the state's and the corporate presence in peripheral areas. Discrepancies between developers' and beneficiaries' ideas of Community Based Natural Resources Management (CBNRM) have led to failures in the devolution or deconcentration of environmental

governmentality in SEA. Local elites' interception of funding and concentration of power also obstruct democratic decentralization. And donor-driven decentralisation processes (often pursued by Corporate Social Responsibility actions within schemes like REDD) can hide private interests and strategic tangles among stakeholders interested in the (direct or indirect) grabbing of natural resources. Local community representatives are thus insufficiently included in decisional processes and power is insufficiently devolved. Local and international aid agencies and NGOs committed in fostering CBRNM in situations characterized by the state enclosure of natural resources, while supporting grassroots claims, can sometimes complicate the difficult path to democratization of resource access and management as lobbying requires strong connections with the centres of power. Multiple actors with different power, different networks and projects can sometimes clash, duplicate and neutralize each other without changing the structures of power at all. Successes can be extremely localized and precarious in front of authoritarian takeover.

In Thailand, pushes for decentralisation originated in the Community Forest movement in the 1990s; they were organized by intensive academic, legal and media activism legitimized by RECOFTC/FAO and enforced through the constitutional empowerment of local councils (sub-district administrative units). Unfortunately, thirty years of civil society battles in support of CBNRM were rapidly cancelled by the coup d'état of May 2014. In August 2014 the junta approved a new Forestry Master Plan that dramatically increased forest patrolling of illegal agro-forestry practices and silenced the dissent of farmers and forest dwellers. FAO, ASEAN and the EU can hardly mediate in this situation. The Community Forest movement has thus been largely depoliticized and the push for a Community Forest Bill has been forcibly suspended. A prime concern is that monitoring and legal support for local communities by international stakeholders like ASEAN, the EU and other supranational organizations, albeit such monitoring actually depends on the political stability of single countries in the region.

### ***Contract farming and agrarian transformations***

Rural landscapes in the lower Mekong sub-region are marked by industrial agriculture. Maize monoculture, particularly, has caused massive upland deforestation over the last thirty years. Since the signature of the ASEAN Free Trade Area (1992), industrialization of agriculture has integrated local agricultures into global markets through the mediation of state policies and corporate strategies. Large corporations now successfully push for national legislation allowing the diffusion of GMO seeds and techniques in SEA countries. Notwithstanding the reluctance of some traditionalist regimes, which in any case cannot stop the illegal diffusion of such techniques and agricultural stocks, in ASEAN the regulation of agricultural production is strongly influenced by neo-liberal lobbies and think-tanks. Agrarian transformations driven by corporate interests (patenting, production and diffusion of GMO, hybrid seeds and chemical fertilizers/herbicides/pesticides for a high-yield, export-oriented production of food and of other agricultural commodities) operate through contract-farming regimes. The regional diffusion of contract farming in the Mekong sub-region has been further legitimized by Ayeyawady-Chao Phraya – Mekong Economic Cooperation Strategy (ACMECS).

The establishment of these regimes and the diffusion of GMOs has elicited criticism and opposition, through for instance, the introduction of organic, sustainable, integrated agriculture alternatives inspired by grassroots movements. The oscillation between export-oriented production managed by agro-business giants and the push for an organic revolution from below, produced mixed results in SEA and the Mekong region. Results, anyway, have often depended on the political momentum of single countries, as in Thailand, where Buddhist monks and the Royal Family have engaged in this sort of environmentalist debate since the 1980s. As the aristocratic élites, the corporate lobbies have successfully manipulated alternatives to industrial agriculture, by metabolizing grassroots' claims for organic agriculture, and by engaging in the production of both industrial agricultural commodities and organic food. Through Corporate Social and Environmental Responsibility (CSE), corporations also implement sustainable agriculture projects in areas damaged by intensive water and soil usage, further pressurizing farmers co-opted in the contract farming regime. This and other strategic transformations – as for instance the corporate commercialization of organic waste for biofuels production – secured new market niches and the overcoming of ethical obstacles.

A final remark concerns the emergence of local entrepreneurs who free-ride the contract-farming regime. Farmers with no title to land, as in the northern Thai uplands, can compete on the agrarian markets only by growing the same cash-crops introduced in the state/corporate driven contract-farming regime (mainly maize and rubber). But having no land titles, these farmers cannot access Agriculture Cooperative assistance. So, to borrow agrochemical stocks they have recourse to illegal brokers, who lend them chemicals and after harvest buy up the crops they grow in forest reserves for half of the price available through the cooperative system. Large corporations and invisible private brokers are the only stakeholders who benefit from this structural bias in the contract-farming system, as landless farmers grab forest land on their behalf, assuming all the risks of forest encroachment: these peripheral rural workers are subject to the accusation of having generated an unprecedented environmental crisis in northern Thailand, for polluting water and air with agro-chemicals and with the smoke caused by slash and burn techniques. Along the Thai-Lao and Thai-Myanmar borders, this process shapes new relations of exploitation and criminalization of upland ethnic minorities, who illegally farm the land in Forest Reserves and National Parks.

### ***The impact of foreign investment on the Mekong sub-region***

Exploitation of land and labour does not only occur in agrarian systems but also results from industrialisation. Contradictions in the industrial development of many ASEAN New Industrialized Countries is a structural feature caused by the prevailing of Chinese and Western foreign investment (FDI) in the mining, hydropower and agricultural sectors. This results from the uneven regional division of labour and from policies promoted by the World Bank and other international organisations. The uneven regional division of labour generates structural socio-economic inequalities, increases the production of peri-urban, migrant workers living precarious lives and fosters relative poverty. The land grabbing achieved through FDI is currently one of the main concerns for activists and academics.

Increased exploitation of natural resources in border areas of the Mekong sub-region not only concerns forest and agricultural land but also mining and hydropower. The common purpose of interventions in water management and mining is the production and export of electric power. Due to internal pressure from environmentalist movements and the political weakness of local communities in the border areas located in the Mekong sub-region, early industrialized countries like Thailand, distinguished for their high consumption of electric power, were successful in internationalising their energy market. China and Thailand, exported the environmental and social effects of resource exploitation to neighbouring countries, simultaneously benefiting from new energy supplies and avoiding conflicts among their own population. This is the case, for instance, of the power plant in Hong Sa Province (north-western Laos), based on lignite extraction, and of other power plants based on hydropower funded by foreign investors from China, Vietnam and Thailand, like the SIAM Commercial Bank.

Finally, after Kyoto, energy markets have been strongly tied to the bio-fuel revolution and thus linked to ASEAN agrarian markets. This too has increased the risk of land grabbing. In addition, in the absence of domestic infrastructure for the transformation of ethanol-producing bio-masses (from maize, for instance) and other bio-fuels (from palm oil), bio-masses produced in countries like Thailand are sold for processing abroad, to the EU and other signatories of the Kyoto protocol. This situation contributes to deforestation in border areas, where marginalised farmers produce bio-masses for sale by agro-business corporations to foreign "green energy" markets.

## **POLICY IMPLICATIONS AND RECOMMENDATIONS**

The involvement of transnational NGO, the EU and ASEAN in monitoring uneven effects of economic and infrastructural changes in the sub-region is recommended. Policies should:

1. Provide tools for access to legal advice to local communities impacted by preservationist forest laws; provide advocacy on the basis of international agreements on human rights;

financially boost small-scale farmers committed to reduce the impact of deforestation and of pollution from agricultural chemicals and smoke;

2. Judicially acknowledge the primacy of agro-business companies in fueling the upland environmental crisis in the sub-region; bind CSER and donor-driven projects to explicit requests made by local communities and to targets and methods directly proposed and approved by community members and representatives.
3. Acknowledge and support social movements arising from cases of environmental injustice in the sub-region, including their representatives at official EU-ASEAN meetings and institutions (ASEM, Asia Europe People's Forum within ASEM).
4. Monitor the emergence of hidden economies that arise as parasites/side effects of contract farming regimes at the regional level.
5. Monitor human rights, support environmental conservation and justice as well as strengthen local communities and legal measures to deal with Western and Chinese investments in the Mekong region.

## RESEARCH PARAMETERS

Run by a consortium of five European and four Southeast Asian institutions, coordinated by the École française d'Extrême-Orient, SEATIDE aims to take a new look at the benefits and risks of integration processes in Southeast Asia.

### **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.

### **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.

### **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

**PROJECT NAME** Integration in Southeast Asia: Trajectories of Inclusion, Dynamics of Exclusion (SEATIDE)

---

**COORDINATOR**

Yves Goudineau, EFEO, Paris, France, [direction@efeo.net](mailto:direction@efeo.net).

---

**CONSORTIUM**

Centre for History and Economics – CHE – University of Cambridge, UK  
Chiang Mai University – CMU – Chiang Mai, Thailand  
Ecole française d'Extrême-Orient – EFEO – Paris, France  
Tallinn University – TU – Tallinn, Estonia  
Universitas Gadjah Mada – UGM – Yogyakarta, Indonesia  
University of Hamburg – UHAM – Hamburg, Germany  
Università di Milano-Bicocca – UNIMIB – Milano, Italy  
Universiti Sains Malaysia – USM – Penang, Malaysia  
Vietnamese Academy of Social Sciences – VASS – Hanoi, Vietnam

---

**FUNDING SCHEME**

FP7 Framework Programme for Research of the European Union – Collaborative Project (small or medium-scale focused research project) for specific cooperation action dedicated to international cooperation (CP-FP-SICA) – Activity 8.4 Europe in the world

---

**DURATION**

December 2012 – November 2015 (36 months).

---

**BUDGET**

EU contribution: 2 415 017 €.

---

**WEBSITE**

[www.seatide.eu](http://www.seatide.eu)

---

**FOR MORE INFORMATION**

Contact:  
Andrew HARDY, SEATIDE scientific coordinator – [hardyv25@yahoo.com](mailto:hardyv25@yahoo.com)  
Elisabeth LACROIX, SEATIDE project manager – [ideas.lacroix@gmail.com](mailto:ideas.lacroix@gmail.com)

---

**FURTHER READING**

Forsyth T., Walker A. (2008), *Forest guardians, forest destroyers. The politics of environmental knowledge in Northern Thailand*, Silkworm Books, Chiang Mai.

Vanderveest P., Chusak Wittayapak (Ed.) (2010), *The Politics of Decentralization. Natural Resource Management in Asia*, Chiang Mai, Mekong Press.

Chayan Vaddhanaphuti, Chusak Wittayapak (Ed.) (2011), *Revisiting agrarian transformation in the greater Mekong sub-region: New challenges*, Chiang Mai University, Chiang Mai, RCSD.

Saturnino M. Borrás Jr. and C.Franco (2011), *Political dynamics of land-grabbing in Southeast Asia. Understanding the EU's role*, Transnational Institute (Just Trade Project), Amsterdam.

Middleton C. (2012), *Transborder Environmental Justice in Regional Energy Trade in Mainland South-East Asia*, ASEAS-Environment, 5(2) 292-315.