Cambodia’s government has strenuously promoted long-term leasing of unused land as Economic Land Concessions (ELCs) to attract investors and encourage development in the impoverished nation, but observers say the policy has resulted in few benefits at the cost of huge social and environmental impacts.

Since the early 1990s, Prime Minister Hun Sen’s ruling Cambodian People’s Party (CPP) has worked to carve the country up into small parcels of land available to private companies at bargain basement prices. The country’s 2001 Land Law granted the government the right to issue ELC leases of up to 99 years under the pretext of improving local economies and establishing a thriving agroindustry.

But over the past two decades, Cambodia’s land leasing policy has led to more than a tenth of the country’s land area being leased and has become increasingly controversial because of its negative impact on local livelihoods.

A growing segment of the country’s population of 16.25 million has been pushed below the poverty line as a result of systematic land-grabbing and forced evictions, while the country’s natural resources—particularly its forests—have been destroyed or depleted at an unprecedented scale and pace.
Meas Soksensan, spokesperson for the Ministry of Economy and Finance, recently confirmed to RFA’s Khmer Service that the government leases unused land as ELCs at a rate of merely U.S. $5 per hectare (2.5 acres), drawing an annual revenue of just U.S. $10 million.

“We will surely review those contracts and when our economy is stable and recovers [from the impact of the coronavirus], we will consider whether to increase our revenue from these land leases by hiking up the rental rate based on market value,” he said.

In mid-June, the Ministry of Economy and Finance said it is reviewing ELC contracts issued to 231 companies for more than 1.1 million hectares (2.7 million acres) of land across the country. At the time, the ministry was drafting a new bill on management of state assets—an article of which specifies that all leasing of state assets, including land, should not exceed 50 years. The bill was recently unanimously passed by Hun Sen’s cabinet and is now awaiting introduction to the National Assembly.

Amid growing criticism, Hun Sen has made several revisions to the country’s ELC policy. Most recently, in 2016, he announced that more than 1 million hectares (2.5 million acres) of ELC land had been revoked by the state from the more than 2 million hectares (4.9 million acres) it had granted to private firms, reducing the amount of ELC land to around 1.1 million hectares.

But according to figures compiled by local rights group Licadho in March, Cambodia has so far granted 297 concessions—equivalent to 2.1 million hectares (5.2 million acres) or about 12 percent of the country’s total land area. Of these concessions, Chinese firms control the largest total area at nearly 400,000 hectares (990,000 acres), followed by those from Vietnam at more than 360,000 hectares (890,000 acres).

Licadho said that at least 15 companies, all of which are owned by tycoons and CPP senators, were granted more than 10,000 hectares (25,000 acres) of ELC—exceeding the amount permitted by the 2001 Land Law. The companies claim to have invested in rubber, sugar, paper pulp, cassava, and palm oil plantations.

ELC figures exclude other concessions granted by the state, such as those for mining, seaports, airports, industrial zones, and fishing lots, as well as some 38 special economic zones created by the government in 2016. According to Cambodia’s national budget law for 2020, the government plans to increase revenues from all concessions to more than U.S. $50 million this year—an 89 percent jump from a year ago.
Protesters call in Phnom Penh for government authorities to intervene in land-rights disputes, Jan. 13, 2020. RFA

Social impact

Am Sam Ath, deputy director of the Cambodian rights group Licadho, told RFA that the government hasn’t granted or revoked ELCs in recent years.

“I don’t know if this is due to [the coronavirus outbreak] and past issues of land conflicts, but nonetheless, as a civil society, we remain concerned,” he said.

“We’ve stated clearly in the past that such granting of ELC should be ended so that [the government] can resolve all remaining [land] conflicts.”

Vann Sophat, project coordinator for business and human rights with the Cambodian Center for Human Rights (CCHR), told RFA that although the ELC policy has contributed to strengthening the economy and providing jobs for local residents, its negative impacts generally outweigh its benefits.

“There have been physical assaults and threats … such as in Koh Kong where forced evictions have occurred … [as well as] shootings of residents, resulting in injuries and deaths,” he said.

“Basically, [the ELC] has not brought about benefits for affected locals. Instead, residents have mostly become homeless and landless, while others were imprisoned—especially women.”
While exact statistics are difficult to find, U.S. attorney Richard J. Rogers filed a lawsuit with the International Criminal Court (ICC) in October 2014 against Cambodia’s ruling elites for “crimes against humanity” on behalf of the country’s victims of land grabs which said an estimated 770,000 people, or six percent of the total population, had been forcibly displaced in land disputes since 2000.

More than 145,000 people, or 10 percent of the population, had been displaced from the capital Phnom Penh alone over the same period, said the lawsuit, which has yet to be ruled on.

Cambodia’s Ministry of Land Management, Urban Planning and Construction claimed in late 2019 that it has been trying to resolve around 20,000 land conflict cases since 2016 to reduce the number to around 2,200, and that it plans to resolve all cases by 2023. The ministry also claimed to have successfully registered 80 percent of Cambodia’s 7 million plots of land through its Systematic Land Registration (SLR) scheme, supported by the World Bank, and said registration will be completed by 2021.

However, last month, Interior Minister Sar Kheng made a rare public acknowledgment that many of Cambodia’s land disputes are yet to be settled and that resolving them has been difficult because senior government officials are involved in land grabs throughout the country.
Environmental impact

The ELC policy has also disproportionately impacted Cambodia’s ecology, with agroindustry development leading to the deforestation of vast tracts of land for the purpose of setting up plantations, as well as illegal logging in areas on concession borders.

Ministry of Environment spokesperson Neth Pheaktra recently told RFA that following reforms in 2016, the ministry now manages 69 natural protected areas totaling around 7.3 million hectares (18 million acres) and employs 1,260 forest rangers who work with local communities to prevent forest crimes.

He acknowledged that forest crimes continue to occur but called them “small-scale” and largely perpetrated by residents of the protected areas.

However, forest activist Heng Sors told RFA that forest crimes regularly occur on a large-scale inside conservation areas due to lax enforcement and systemic corruption among the very officials charged with protecting them.

He estimated that Cambodia had lost up to U.S. $800 million from illegal logging in 2019 alone.

“A number of [protected] areas in Cambodia … are inundated by tycoons and powerful individuals who are involved in running commercial logging for transport to Vietnam,” he said.

“They [are enabled by] rampant corruption, from the local level all the way to the higher echelons.”

A 2017 report by the U.K.-based Environmental Investigation Agency (EIA) estimated that Cambodia’s exports of wood products were valued at some U.S. $8 billion that year, compared to U.S. $7.3 billion a year earlier. It said that around 300,000 cubic meters (10.6 million cubic feet) had been smuggled out of Cambodia to Vietnam in the months from November 2016 to May 2017 alone, generating kickbacks of more than U.S. $13 million.

Rampant timber trafficking in Cambodia led the U.S. Treasury Department to sanction a business tycoon with close ties to Hun Sen named Try Pheap and 11 of his registered entities in late 2019 under the Global Magnitsky Human Rights Accountability Act. Treasury cited his establishment of “a large scale illegal logging consortium that relies on the collusion of Cambodian officials, to include purchasing protection from the government, including military protection, for the movement of his illegal products.”
Cheuy Oudom Reaksmy, the director of Cambodia’s Natural Resource Protection Group—which was founded by his father, slain forest activist Chut Wutty—told RFA that only government officials, and the rich and powerful, are capable of committing large-scale logging crimes.

“I believe this is due to law enforcement turning a blind eye to deforestation, but if the present rate of logging persists, the 69 protected areas will sooner or later be devastated,” he said.

“The government should therefore have these tycoons, who are involved in commercial logging, arrested and prosecuted … But Cambodia won’t be able to restore its forest unless we first get rid of corrupt officials inside the government,” he added.

“It all involves the powerful—most of whom are serving in the government.”

‘Rampant illegal logging’
In June, Ida Theilade of the University of Copenhagen’s Faculty of Science, issued a statement saying that satellite imagery from the EU Joint Research Centre (JRC) and Global Land Analysis & Discovery (GLAD) - University of Maryland had shown “Cambodia’s forest loss [was] the 10th highest in the world” at 63,000 hectares (155,680 acres) in 2019. Theilade said the country had lost 26 percent, or 2.3 million hectares (5.7 million acres), of its forest cover since 2000.
Spokesperson for the Ministry of Environment Neth Pheaktra declined to comment on the findings, saying there is no need to respond to “third parties” who do not take part in conservation under his ministry’s cooperation framework.

Speaking to RFA, Theilade called ELCs “one of the main reasons” for forest loss in Cambodia, along with “rampant illegal logging,” which she said authorities regularly “turn a blind eye to”—even when conducted at large scale.

She noted that any forest loss figure above one percent is “serious,” saying it will lead to temperature increases and contribute to climate change that could affect seasonal weather patterns, including the length of Cambodia’s dry and rainy seasons.

“I think this issue is something which is going to affect everyone in Cambodia,” she said, referring to both indigenous populations that rely on the forests for their livelihoods as well as Khmer farmers who require rain for their agriculture.

Theilade urged the government to scale back ELCs and better enforce laws protecting forests from illegal logging on their peripheries, while suggesting that Cambodia could benefit substantially from conservation efforts.

“Cambodia is in a fantastic position to contribute to science because here we have a situation where there is the highest quality of remote sensing and satellite images that can be complemented by data from people on the ground, and that is a very unique situation,” she said.

“I think Cambodia could really attract not only tourists but also research funding, taking advantage of what I call ‘citizens scientists’—the local people who know the forest as their own. If you combine that with remote sensing, you have a very powerful tool to monitor and protect the forest.”