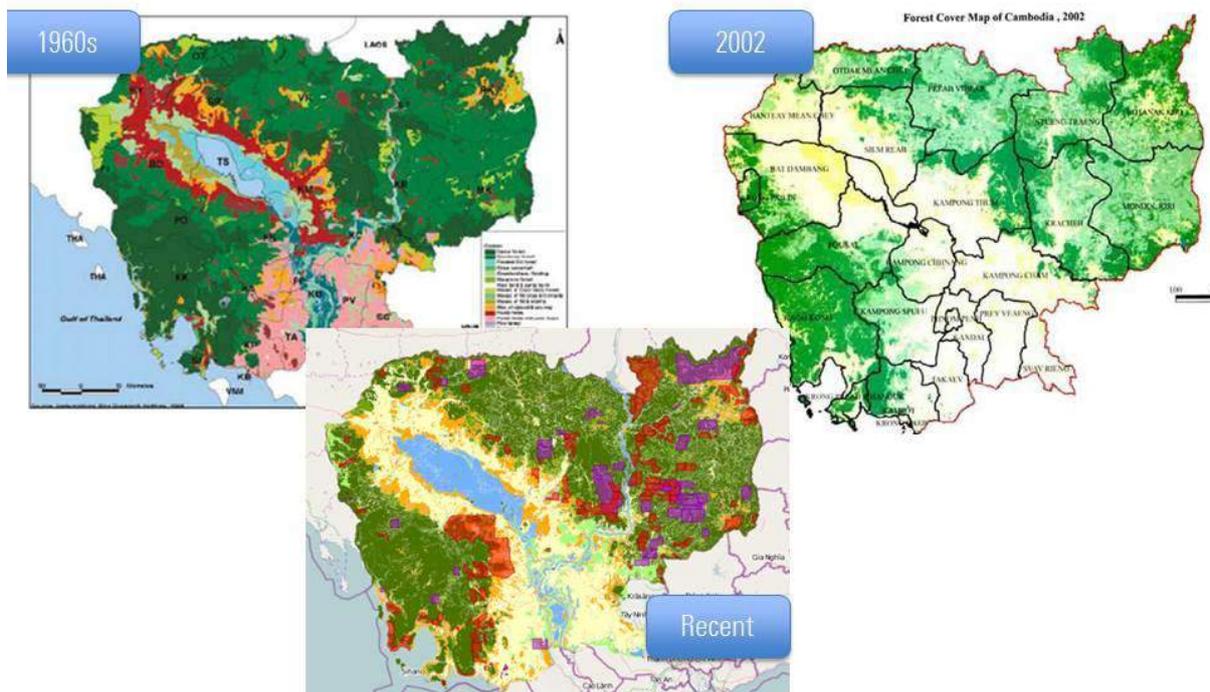


Economy at a glance

	1993	2000	2012
GDP (current, Mn US\$)	2,534	3,654	14,038
GDP per capita (current US\$)	251	299	944
GDP per capita (constant 2005 US\$)	242	329	672
Population (Million)	10	12.2	14.8

- Growth 2013: 7.6%
- Growth 1993-2013: 7.7% p.a

Forest Cover and Land Use



Overview of Land

- History of Land Ownership
 - Khmer Rouge Time: abolishment of private ownership.
 - Post-1979: All land still belongs to the state.
 - In 1989: Private ownership was re-instated.
- Total Land Area: 18.1 million ha
 - Forest Land: 11 million ha (60%)
 - 3 million ha under protected area, Ministry of Environment.
 - The rest under Forestry Administration, MAFF
 - Agriculture Land: 3 million ha (17%)
 - Other Use (water, resident, and industrial): 4 million ha (23%)
- State owns 14.5 million ha (80%) vs. 3.5 million ha (20%)

Land Access

- Access to land:
 - Landlessness: 13% ('97); 20% ('04); 28% ('09)
 - Land-poor: 47% of rural HHs own <1 ha per HH.
 - Inequality of land access: 0.68 highest in the region; Thailand (0.41)

Source of Land Issues

Three major factors underlying land issues

- Identification and demarcation of state lands
public and private state lands have not been properly identified, demarcated, and registered.
- Ambiguity of Private Ownership
the early land reform was not accompanied by the issuance of formal land certificates or legal means of recognition to landholders.
 - Land tenure: 2.4 million titles (36% of total parcels) since 1989, most through external assistance
 - Communal land: only 3 registered
- Weak institutions and law enforcement
administrative, judicial/court system, dispute resolution mechanisms.

Complicated by:

- population growth
- market force
- economic growth
- land market
- land policy

Cambodia and Land Policy

Land Policy (1)

- Sub-decree on Economic Land Concession 2005
 - Favors the local rich and foreigners
 - Large-scale acquisition (up to 10,000 ha, 99 years)
 - Free leasehold (but informal fees)
 - Minimal tax on production (USD 8-12 p.a / ha) while smallholders pay USD300-500 rent fee p.a / ha.
 - Nearly 2 million ha has been granted.

- Opposition Party is contesting for more equitable distribution of lands.

Land Policy (2)

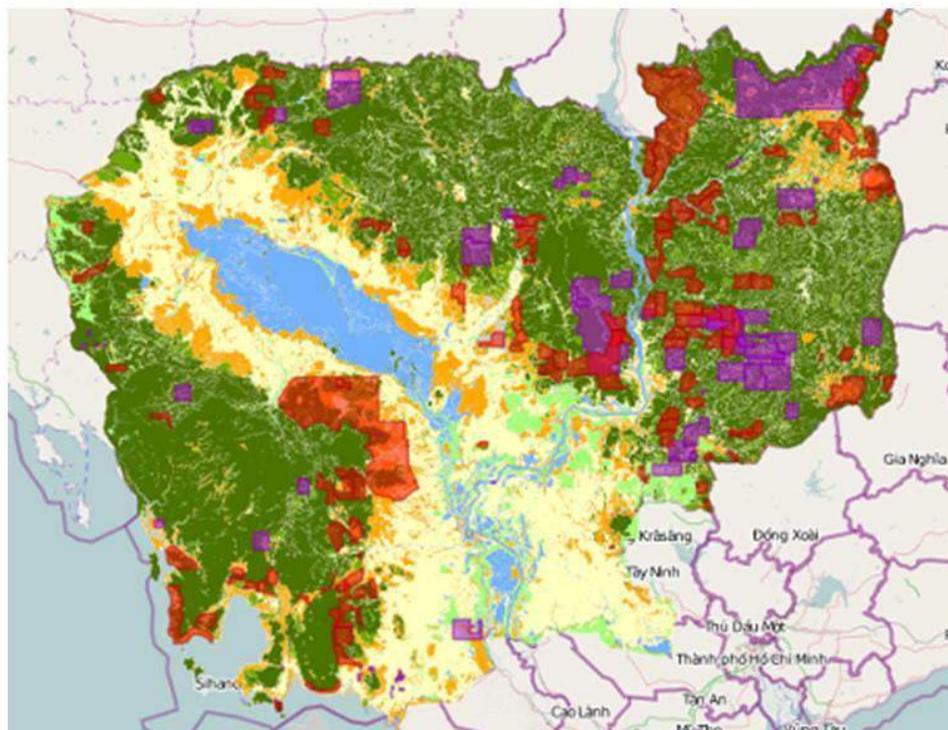
- Smallholder Producers
 - Small land distribution to local poor
 - Land-poor: 47% of rural HHs own <1 ha per HH.
 - Landlessness: 13% ('97); 20% ('04); 28% ('09)
 - Land tenure: 2.4 million titles (36% of total parcels) since 1989, mostly through external assistance
 - Communal land: only 3 registered

- Sub-decree on Social Land Concession 2003
 - To provide free land to the poor and vulnerable
 - Slow progress: >20,000 ha to >6,500 HHs.

- Directive #01 (2012):
 - placed moratorium on ELC granting and aimed to issue titles to farmers on 1.8 million hectares “No Landless Farmers”
 - Pre-election’s political motivation.

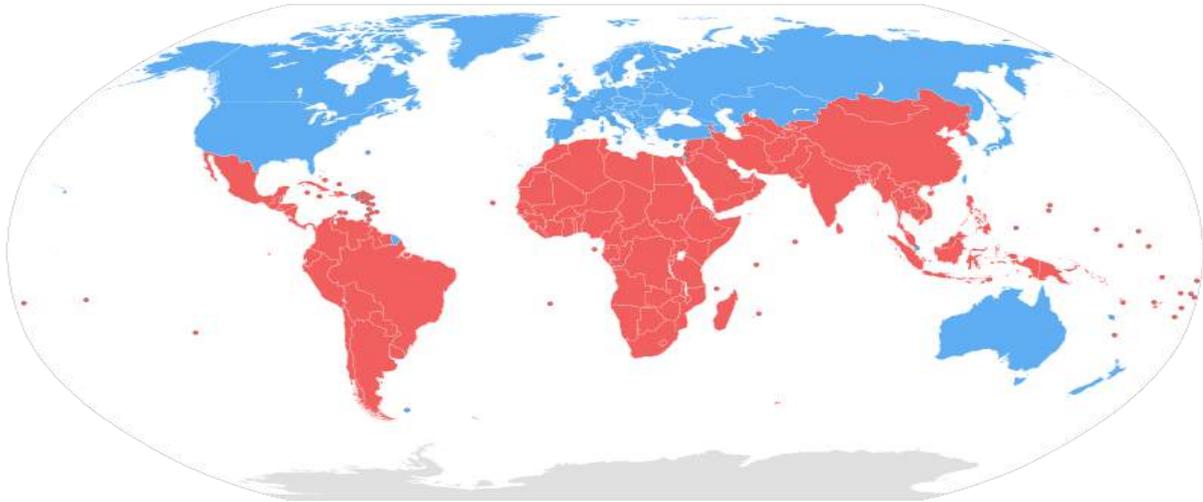
Unearned Revenue from Land Related

- Cambodia has lost leasehold fees of USD 600 million or more from its 2 million ha ELC @USD 300-500 per ha.
 - That is 33% of current level of tax revenue or 4% of GDP.
- Potential collection of rental fees @USD200/ha:
 - USD 400 million (22% of tax revenue or 2.6% of GDP or more).
- Other sources
 - Mining concessions
 - Industrial development
 - Urban property tax, recently introduced.
 - ...
- Striking the right balance b/w large-scale and smallholder producers is best for sustainable, equitable, and efficient development.



XI The North – South Divide (Handout)

By Fabian Kiessling



- The North-South divide is considered a socio-economic and political divide
- As nations become economically developed, they may become part of the "North", regardless of geographical location, while any other nations which do not qualify for "developed" status are in effect deemed to be part of the "South"²⁵

The Global North (= so called developed countries)

includes the United States, Canada, so called developed parts of Europa and East Asia; The North is home to four of the five permanent members of the United Nations Security Council and all members of the G8

- mostly covers the West and the First World, along with much of the Second World
- the North may be defined as the richer, more developed region
- 95% of the North has enough food and shelter and a functioning education system²⁶
- The North (with one quarter of the world population) controls four fifths of the world income
- 90% of the manufacturing industries are owned by and located in the North²⁷

The Global South (= so called newly industrialized countries and so called developing countries)

- is made up for Africa, Latin America and most of Asia including the Middle East
- the global South includes 4/5 of all recognized states in the world

²⁵ Therien, Jean-Philippe. (1999) Beyond the north–south divide: the two tales of world poverty. *Third World Quarterly*. Vol 20. No. 4. pp. 723-742

²⁶ Mimiko, Oluwafemi (2012). *Globalization: The Politics of Global Economic Relations and International Business*. Durham, N.C.: Carolina Academic. p. 47.

²⁷ Mimiko, Oluwafemi (2012). *Globalization: The Politics of Global Economic Relations and International Business*. Durham, D.C.: Carolina Academic. p. 47.

- the South may be defined as the poorer, less developed region: only 5% of the population has enough food and shelter
- it lacks appropriate technology, it has mostly no political stability, the economies are disarticulated and their foreign exchange earning depend on primary product exports²⁸
- The South (with four quarter of the world population) has access to only one fifth of the world income, mostly as a source for raw material, for the North
- At the same time, the populations of the global South and their emerging markets offer immense hopes for economic growth, investment, and cultural contribution

Unfortunately, the people of these nations also bear the brunt of some of the greatest challenges facing the international community in the next millennium: poverty, environmental degradation, human and civil rights abuses, ethnic and regional conflicts, mass displacements of refugees, hunger, and disease²⁹.

Finding and implementing solutions for diminishing the divide between North and South will require unprecedented levels of international cooperation, as well as sharing the human material resources of all nations, rich and poor alike.

Extractivism/ New-Extractivism

- The term has experienced a slight change in its meaning throughout the last decades.
- It evolved from the Latin word 'extrahere', meaning 'to pull out'. It was previously used to describe a process concerning tropical plants, which either left them intact or only some parts were harvested from them.³⁰
- Emerging from a term originally describing processes in the natural habitat, it has come to describe a way of running the economy in resource exporting countries, especially in Latin America.
- During the last couple of years the term has become important in Latin America amongst scientists dealing with the recent economic developments of the region.

The term can be divided into the so-called:

- ➔ **Traditional extractivism:** deals with well-known way of getting hold of natural resources such as oil, gas, precious metals, being experienced for centuries in the whole region
- Extractivism emerged as a critique of the unfair and assymetric integration of Latin American countries into the world economy at the end of the 19th century/20th century; wealth was extracted from the colonies and funnelled into European economies
- upon independence, many former colonies struggled to compete in world markets due to the lack of mature domestic industries and political institutions, which led to the continuation and deepening of economic disparities between former colonies and their counterparts³¹.
- In the early 1980's, all Latin American countries experienced a major debt crisis in the early 1980's. In the wake of this crisis Latin American countries undertook major structural reforms at the behest of the

²⁸ Mimiko, Oluwafemi (2012). *Globalization: The Politics of Global Economic Relations and International Business*. Durham, N.C.: Carolina Academic. p. 47.

²⁹ <http://www1.american.edu/academic.depts/acainst/cgs/about.html>

³⁰ http://rosalux-europa.info/userfiles/file/Beyond_Development_RLS_TNI_2013.pdf

³¹ Gunder Frank, Andre, "Dependent Accumulation and Underdevelopment" Monthly Review Press

World Bank, which heavily concentrated on the expansion of primary product exports, natural resources including minerals and petroleum³².

- Neoliberal structural adjustment policies also led to the withdrawal of state support from small scale agriculture alongside a process of financial liberalization that resulted in the availability of large tracts of land for commercial mono-culture production for foreign markets.
- Therefore, extractivism connotes mega-scale projects or over-exploitation of resources in one country, while the benefits typically flow to a different country: In almost all countries of Latin America, the share of primary goods in the total value of exports has increased in the last decade, in most cases significantly. With regard to the whole continent, the proportion of primary products in the total value of exports grew from 41.1% in 2002, to 52.9% in 2009.

This tendency has been evident even in Brazil, the most industrialised country in the continent, where the percentage of primary goods relative to the total value of exports increased from 47.4% in 2002 to 60.9% in 2009³³.

- ➔ And into a new form called '**neo-extractivism**': implies a social and political aspect in the entire process plus its link to financial capital, which before was neither noticed nor discussed.
- Contemporary discussion focuses on the efforts of left leaning governments³⁴ in Latin America insisting on a bigger share in the export of natural resources (mining, oil, monocultural agriculture³⁵) to the Northern countries³⁶ (which produce industrialised goods) by using export revenues to finance social programs for the poor and middle classes (health-care-, education-, housing policy, increase minimum wages and poverty alleviation programs) and re-insertion of the state into economic policy making
- How? They impose stricter rules on the companies - the profit gained from companies, which in some countries are partly or totally under state control, are used in establishing and maintaining social programs for the poor. Conditional cash transfers were installed amongst other countries in Argentina, Bolivia, and most prominently in Brazil. A considerable proportion of the population of these countries benefited from the programs.

Critical approach:

1. The social welfare program has provided social and political legitimacy for the new governments. But it also may deepen the dependency of the new governments' to neo-extractivism, with greater pressure to increase productivity in order to maximize output.
2. One big question concerns the sustainability of the flow of resources. Clearly it remains subject to the duration of the economic cycle associated with prevailing high commodity prices. When that cycle expires, the boom will give way to a phase of depressed prices and the fiscal revenues will disappear³⁷.

³² Devlin, Robert; Ricardo French-Davis (July–September 1995), "The great Latin American debt crisis: a decade of asymmetric adjustment". *Revista de Economía Política* 15 (3)

³³ http://rosalux-europa.info/userfiles/file/Beyond_Development_RLS_TNI_2013.pdf

³⁴ Public dissatisfaction with neoliberal policies across Latin America resulted in the strengthening of indigenous and leftist political sectors and an apparent sea change in economic and social policies, Hugo Chavez in Venezuela (1998), Ricardo Lagos in Chile (2000), Luiz Inacio da Silva in Brazil (2002), Nestor Kirchner in Argentina (2003), Tabare Vazquez in Uruguay (2004); Evo Morales in Bolivia (2005); Rafael Correa in Ecuador (2006); and Ollanta Humala in Peru (2011)

³⁵ E.g. 95% of Venezuelan export is oil.

³⁶ http://rosalux-europa.info/userfiles/file/Beyond_Development_RLS_TNI_2013.pdf

³⁷ <http://triplecrisis.com/latin-america-on-the-road-to-neo-extractivism/#sthash.ZTs4bSNV.dpuf>

3. The form of production is still being over-defined by the primary products that the Latin American countries export, some are mineral resources, others are oil or other primary resources, but there is no change in the raw materials-exporting modality and neither is the submissive form of insertion in the international market being questioned³⁸.
4. Financial players increasingly profit from investment in mines, oil fields or agricultural activities, purchase cargoes of raw material, and speculate on price trends or derivative markets (financialisation of Nature)³⁹
5. Governments do little or nothing to stop the exploitation of natural resources such as biodiversity, forests, emissions or ecosystem processes, which is like a reaffirmation of the capitalist system experienced before.⁴⁰
6. Expansion of mining activities and plantations in sensitive areas inhabited by indigenous populations endangers the existence of people and nature endemic⁴¹. Open pit mining, intense oil production, timber extraction and monoculture commercial agriculture on a vast scale are all leaving an ugly scar on the environment. This and the dispossession of the affected indigenous population may bring about the abrupt termination of the revenues.⁴²
7. The countries are very rich in natural resources but they don't receive significant quantities of cash revenue because they have not managed to lay foundations for their own development and they stay poor because they are rich in natural resources.⁴³

Post-Extractivism:

It is necessary to move swiftly from a "predatory extractivism" to a "sensible extractivism", in which social and environmental laws are under effective and rigorous controls, and where the impacts are internalised (effective mitigation and social compensation strategies are applied, proper measures are in place for remediation and the abandonment of sites). The damage to the environment and society has to be stopped. The dependency on exports has to be drastically reduced and allows the state in this way to recover its ability to regulate. The transition to Post-Extractivism must strengthen democratic structures, ensure adequate social participation and social regulations to control the market. The aim is a better quality of life for all.⁴⁴

³⁸ Verónica Gago y Diego Sztulwark. Alberto Acosta interview. Página 12, January 10 2011. <http://www.pagina12.com.ar/diario/dialogos/21-160169-2011-01-10.html>

³⁹ http://rosalux-europa.info/userfiles/file/Beyond_Development_RLS_TNI_2013.pdf

⁴⁰ http://rosalux-europa.info/userfiles/file/Beyond_Development_RLS_TNI_2013.pdf

⁴¹ Matthes, Sebastian and Zeljko Crcic. 2012. "Extractivism." Online Dictionary Social and Political Key Terms of the Americas: Politics, Inequalities, and North-South Relations, Version 1.0 (2012). http://elearning.uni-bielefeld.de/wikifarm/fields/ges_cias/field.php/Main/Unterkapitel53

⁴² Eduardo Gudynas. "Exportando Recursos Naturales, Otra Vez". Acción y Reacción, January 21 2011. <http://accionyreaccion.com/?p=319>

⁴³ http://www.tni.org/sites/www.tni.org/files/download/beyonddevelopment_extractivism.pdf

⁴⁴ http://rosalux-europa.info/userfiles/file/Beyond_Development_RLS_TNI_2013.pdf

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