

Livelihood Strategy Transformation via Land Transaction: Land, Cash and Effects on the Village Development Case Study: Trapeang Prei Village

Academic Conference
RUPP & Nagoya University

Presented by

Mr. Leang Reathmana

I. Introduction

- ◉ Cambodia is largely still an agrarian society which accessing to land becomes one of the key livelihood strategies and eligible rights for subsistence (Frank, 1999).
- ◉ 40 percent of the rural population lives off less than 0.5 hectare (World Bank, 2004).
- ◉ With the small plot of land, the farmers enable to produce only half of the per capita rice requirement of 165 kg/year (Deininger, 2005).

Problem Statement

- ▶ Landlessness– 13% in 1993, 16% in 1999 and 20% in 2004 (World Bank, 2006).
- ▶ Land transaction was active in 2007 and 2008
- ▶ Villagers involved in land transaction
- ▶ Research fills the information gaps and bring new knowledge of land transaction and its effects at the local level.

Aim: to study the impacts of land transaction on rural livelihood transformation.

◎ **Research Questions:**

- > On which do local villagers spend the revenue from land transaction?
- > To what extent does land transaction affect household standard of living?
- > What are the alternative livelihood strategies resulting from land transaction?
- > How does land transaction influence the village socioeconomic development?

II. Literature Review

Land Reform and Land pricing

- Land was under private control until 1975, collectivized until the 1980s and re-privatized in 1989 (So et al, 2001 and Sik, 2000).
- The rising of land price was due to **the influx of foreign money** in a form of expenditure of UN peacekeeping forces, **foreign direct investment, repatriation of money** by overseas Cambodians, **the lack of faith in the banking system**, and **demographic pressure** (Chan et, 2002).
- In Cambodia, land price is high for the areas where have a well connected **transportation, communication, commercial centre and new development and road construction** (Chan et al, 2002).

Vulnerability

- Land frontier has not grown at all and **economy is still less diversified from the primary sector** (Godfrey et al, 2001).
- The **price** is generally low at the harvest time and high during the off-season when (Sik, 2000).
- The **division of land** makes the plots more economically and technologically non-viable for intensive cultivation (Kim et al, 2002).
- **Weak irrigation**– cannot reap the full potential of the maximum standard of rice yield 4–4.5 tons per hectare (Kim et al, 2002).
- **Health expense and the rising cost of living** (Biddulph, 2000).
- **Women** are the most vulnerable groups because of the lack of access to productive assets (land), technology and social services (EAPR, 2005).

Theories and Concepts

- Land transaction come to reduce vulnerability factors (health, capitals and other shocks) and diversify livelihood strategies (World Bank, 2003)
- Land transaction may put livelihoods at risk owing to the unused land by new landlords, land of private incentives for agricultural investment.
- Land transaction– land rental and land sale market

III. Research Methodology

- ▶ **Qualitative:** ‘narrative analysis’ was adopted from Hauper’s procedure (1991).
- ▶ **Quantitative:** Frequency, Cross tabulation and mean
- ▶ **Scope:** Micro (household) & Meso (village)
- ▶ **Limitation:**
 - It is a small and purposively selected sample– the village.
 - Exclude outside middlemen
 - Rapid qualitative methods with a short stay: cross-sectional rather than longitudinal.

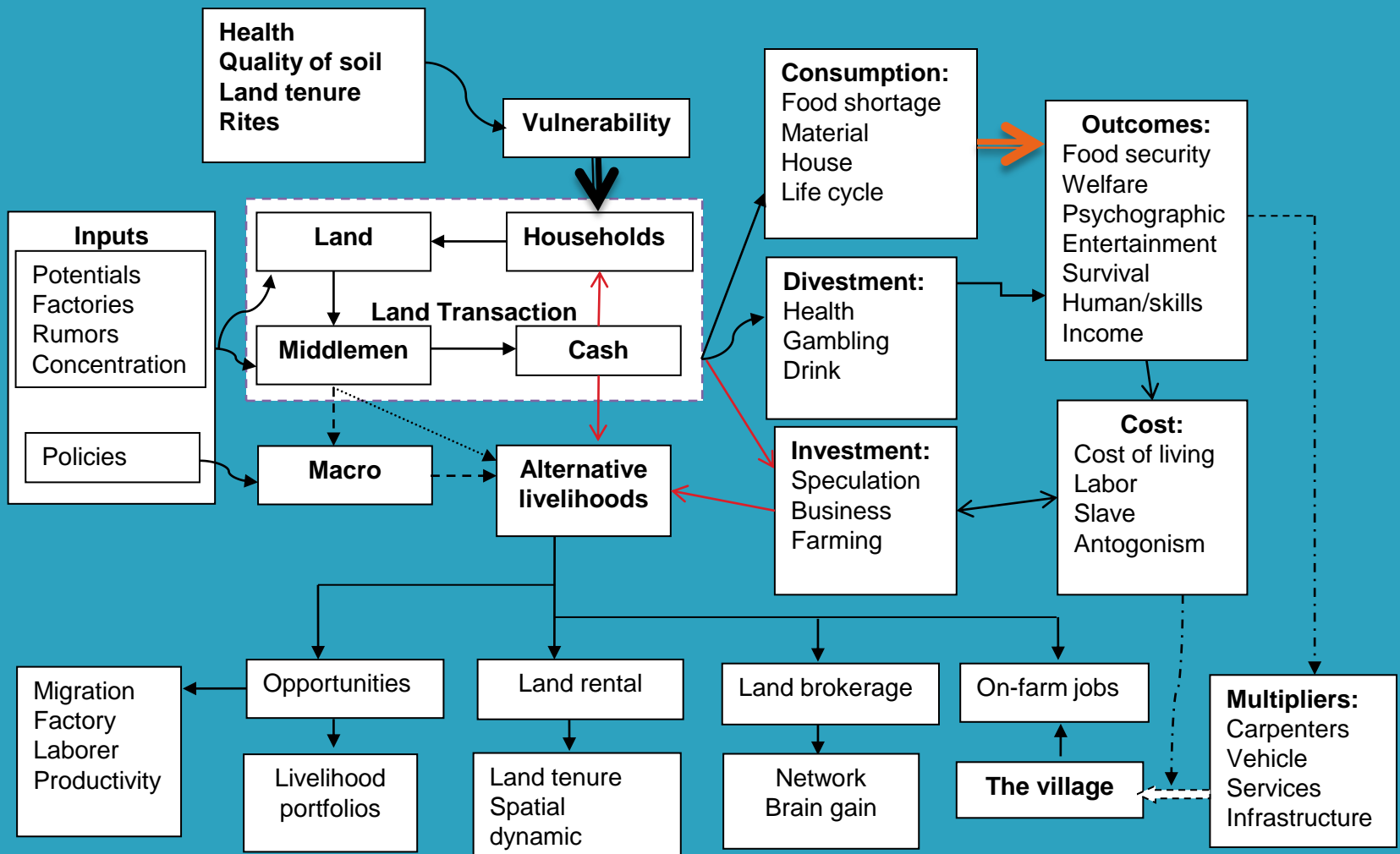


Figure 6.1: Analytical Framework

Cont.

4.1. Site Selection:

- The rice yield is 1-1.4 tons per hectare (Kim et al, 2002).
- About 60 percent of households experienced food shortage (So et al, 2007).
- People can work in the factory in Preah Reach Treap Mountain.
- Villagers can migrate seasonally to earn income in Phnom Penh.
- **Land transaction can be a rational exit to capture profitable livelihood strategies**

Table 4.1: Sample and Sampling

Process	Objectives	Tools	Sample Size	Sample	Sampling
Stage I	Field study/ exploratory	Interview	9 informants	1 village chief, 1 commune chief, 1 researcher, 1 professor, 3 local land buyers, 1 staff of the WV, and 1 staff of VF.	Purposive and snowball
		Observation	12 objects	Rice field, house, material, market, SMEs, state institutions, religion, NGOs, MCIs, Factory, infrastructure and people.	Picture and selection
Stage II	Research questions	Survey	76 households	Households sold land, households do not sell land, landlessness, and households never have land	Mapping
		Focus group	8 participants	1 land broker, 1 Landlessness, 1 land speculator, 1 self-employed, 1 remittance, 1 laborer, 1 seasonal emigrant, and 1 factory worker	Snowball and theoretical
		Interview	5 informants	2 chief of monk, 1 holy man, 1 teacher, and 1 doctor	Purposive
Stage III	Deepening and assessing result	Interview	5 informant	1 Tenant, 1 for house construction, 1 for marriage, 1 for religion, and 1 for land buying.	Theoretical

IV. Findings

Table 5.1: The Village's Profile

Characteristics	Male	Female	Total	Percentage
Population	181	215	396	100%
Economic active	91	110	201	51%
Illiterate	46	93	139	35%
Farming	65	88	153	56%

Source: Author Survey

Note: The village chief's statistic: 416 people (missed 3households),
Dependency Ratio: 1:1
Average Member per household: 5

Table 5.5: the Number of Households involve in Land Transaction

Types of HH	No. HH	Manner of HH	Total area (ha)	No. HH	Area/HH (ha)	Area sold (ha)	Sold/HH (ha)
HH has land	62	HH, not sold	19.15	27	0.71	00	00
		HH, some land	25.93	34	0.76	13.7	0.40
		HH, all land	00	8	00	3.34	0.42
Landlessness	14	HH, land sold	00	4	00	00	00
		Never had land	00	10	00	00	00
Total	76		45.08	76		17.04	

Source: Author survey

Note: HH: household, ha: hectare

Table 5.14: Reasons of Land Transaction by the households

Reasons of land sold	<1999	2001-2006	2007-2008	Total plots
To deal with shocks	4	3	4	11
For consumption	0	2	8	10
House building	0	3	6	9
Low farming yield	0	2	4	6
For business	0	2	3	5
For social activities	0	0	3	3
Peer pressure	0	1	1	2
Total	4	13	29	46

Source: Author survey

Land transaction is done to deal with shock, fulfill the basic need and get the congenial lifestyle as the income from farming cannot provide.

Table 5.16: Flow of Wealth in the Village

Revenue from land	Cash (\$)	Percentage (%)	Land size (ha)	Plots
<i>Cost of transaction</i>	<i>1,156</i>	<i>0.62</i>	<i>16.84</i>	<i>31</i>
Consumption	85,333	46.60	8.19	39
Investment	73,662	39.37	5.26	24
Divestment	26,974	15.41	3.59	21
<i>Sub-total</i>	<i>185969</i>	<i>99.38</i>		
<i>Total</i>	187,125	100	17.04	42

Source: Author survey

Note: consumption (housing, materials and food shortage)

Investment (business, education and saving)

Divestment (social, health, shock and destructive expense)

It shows a sign of poverty in the village although land transaction help to improve the present standard of living and save from shock.

Table 5.18: Alternative livelihoods of land-transacted households

Alternative livelihoods	HH sold all land			HH sold some land		
	Male	Female	Total	Male	Female	Total
leasing out land	0	2	2	2	4	6
Farming	0	1	1	24	7	31
Selling labor	2	2	4	5	1	31
Petty business	1	4	5	6	1	7
Factory worker	0	2	2	0	2	2
Livestock raising				1	0	1
Land broker				1	0	1
Scavenger				1	0	1
Seasonal migration	0	1	1			
Common resource	0	1	1			
Total of HH	2	6	8	27	7	34

Source: Author survey

Alternative livelihoods of the land-transacted households still rely wholly on the previous agrarian structure. Land transaction formulates the condition of labor division and force land-transacted households to call for multiple livelihood strategies to pay for the present cost of living.

Table 5.19: Perception toward the Effect of Land Transaction on Livelihoods

Livelihood portfolios	HH sold all land			HH sold some land		
	Male	Female	Total	Male	Female	Total
Better livelihoods	2	2	4	20	3	23
Multiple Livelihoods	0	1	1	5	0	5
Welfare enhancing	0	2	2	10	1	11
No impact (shocks)	2	5	7	13	4	17
No impact (no return)				1	0	1
Total of HH	2	6	8	27	6	33

Source: Author Survey

Land transaction has very small effect on the income generating capability of land-transacted households. Currently, land transaction is the cornerstone of the village growth through the flow of wealth and its fragile spillover of local productivity.

Impact on the Village Development

Land Rental Market:

- ◉ Land renting is generally done among the relatives/friends or the ones within land brokerage network as the new landlords live in somewhere far from the village.

Multiplier Effects:

- ▶ Land brokerage jobs
- ▶ Garage, repaired/maintenance shops and retail gasoline stores and carpenters– outside suppliers
- ▶ More social services– battery charging, moto taxi and small restaurant.
- ▶ Improve housing condition and access to health service

V. Discussion

Wellbeing of household

- ▶ The new ideas of ‘**materialism**’ stand on many aspects, generally not only physical assets, glorious ceremonies, but also safe emotion, peaceful environment and recreation.
- ▶ *Cash frequently allocated to satisfy the basic needs, console the materialistic desire and equalize the growth of their peers (Table 5.14).*

Alternative Livelihoods

- Farming and access to land are still the key sources of income and lifestyle– Nearly 70 percent of the villagers (table 5.4)
- The change of status from **‘farmer to laborer’** or **‘landlord to tenant’**.
- The study reinforces the inference of Chan and Kim (2002) that **‘people have no favor to work in land when land is amortized, and to invest in small plots without irrigation and technology’**.
- Some better-off households purely take outside land speculators as the **‘role model’**– Only 5 households (Table 5.17).

Economic Impacts

Positive Impacts:

- ⦿ The externalities of ‘**demonstration effect**’ provide opportunities and absorb some rural labors– house constructors, gasoline sellers, hawkers and small shops.
- ⦿ Land transaction regarded as a way of ‘**trickle-down**’ financial capital to the grassrooted development.
- ⦿ Selling land for buying cheaper land is called ‘**spatial dynamics**’

Negative Impacts

- ⦿ Land transaction negatively impacts the village through **the increase of land concentration** as well as **the decline of income from farming**.
- ⦿ The land market of the village goes **an opposite direction** (oppose to the World Bank, 2003)– it does not promote the efficiency of land use but a systematic dead capital.

Social Impacts

Positive Impacts:

- ⦿ a **'visible hand effect'** raised by Adam Smith– Pagoda and infrastructure benefits for all.
- ⦿ Participation– being valued by the internal feeling, the poor can pertain to the symbiotic relation and take up some of the slack of rural development.

Negative Impacts:

- ⦿ The growth of goods in households– increases **the cost of living**→ **more income**.
- ⦿ the cost of travel to **far location of farming** and movement to trade outside the village.
- ⦿ Land transaction degrades **the quality of human resource**– drunkard, not work hard
- ⦿ Land transaction creates an **'antagonism'** within the village– winners and losers.

Change of Contextual Setting

- The recent transaction does not related to agricultural investment but to house construction, food and material purchase (Table 5.16).
- the **‘vernacular market’** ruled by customary jurisdiction is no longer workable in the rural village.
- The demand of more secured land title by new landlord shows the same trend of CDRI’s finding (2007).
- **Shift of landlordism:** losers becomes the **“slave”** in the local perception.

Table 6.1: Profile of the village transformation

Village transformation	2004–2005*	2007–2008
Housing condition	steady improve	Highly improve
Geographic endowment	Poor soil, no irrigation	Poor soil, no irrigation
Food insecurity	61 percent	Still influential
Agricultural assistance	No	No
Access to health service	Improve	Improve
Adult illiteracy (15–54)	30%	21%
Landless household	16%	18%
Average land size	0.9 ha	0.7 ha
Household (>1 ha)	32 households	18 households
Yield/rice productivity	decline	decline

Note: * CDRI (2007)

VI. Conclusion

- The villagers transact their lands because *cash from farming cannot bring dignity, deal with shocks, and provide immediate wellbeing as it from land transaction.*
- Livelihoods strategies still roots in the **subsistent farming and on-farm activities**– not capital intensive farmers despite of inflow of new landlords.
- the shift of landlordism (**new social force**) promotes land idle as well as land rental market with more bureaucratic procedure– business skills, capital and spatial dynamic.
- The pitfall causes from **the weak role of local institutions to intervene in land rental market** and its ability to foray pro-poor policies for effective land use.

Recommendation

Meso Policy:

- ⦿ There should have more long-term livelihood enhancing projects– mainly capacity building, welfare scheme, agricultural assistance and promoting SMEs.
- ⦿ Social safety nets such as health insurance, health equity fund and saving scheme (GRET SKY and rural welfare scheme).

Households (Micro policy):

- Should base on mixed livelihood strategies.
- ⦿ Farming should move out of subsistent production
- ⦿ Increase livestock raising
- ⦿ Capacity building– non land related livelihoods (nearby garments and factories)
- ⦿ The concept of ‘one village one product’ should be initiated for the future scenario of the village development.

Thanks