




## Emergence of a diversity of rubber institutions from local negotiations

A challenge for policy research

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## Objectives

Understanding:

- Rubber institutions at the local level
  - Set of rules and norms that regulate the interactions between stakeholders involved in the rubber chain: production, processing, marketing, extension, etc.
  - Rules of the game are fixed by some kind of contracts (oral, written, endorsed by authorities, etc.) that are negotiated by the stakeholders
- Condition of emergence of different rubber regimes
  - A rubber plantation system, characterized by an unique combination according to who provides the 5 key components of rubber production: **land, labor, capital, knowledge**, and access to **market**.
  - Many possible combinations categorized into three main types: **smallholders, contract farming**, and **concessions**

## Rubber trajectories in Southeast Asia

Which lessons for rubber industry in Lao PDR?

- Catch-Up Program = regional dimension of the agrarian transition
- Build upon long-term experiences in the region by IRD – CIFOR and partners: Laos, Thailand, Vietnam, Indonesia
- Studies on smallholder systems in northeast Thailand, rubber-based agroforests in Indonesia, influence of rubber industry in China and Vietnam



## Lessons from neighbours

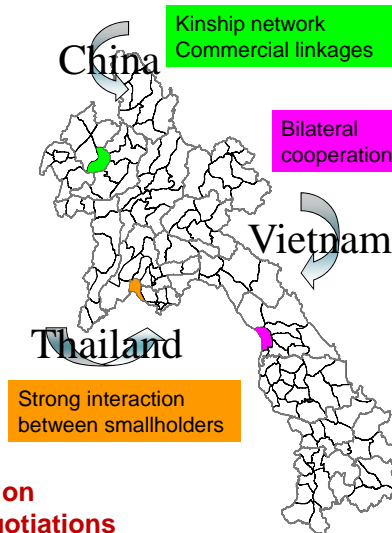
Major rubber producing countries in the world

- **Thailand:** large majority of smallholders thanks to important public investment: subsidized loans, extension, etc.
- **Indonesia:** jungle rubber or rubber agroforests initially poorly managed rubber plantation – under threads of monoclonal rubber, oil palm, acacia mangium plantations,
- **China:** initially State rubber farms, then opened to smallholders – need to expand production areas but old plantations or limitations by land availability,
- **Vietnam:** few consortia of State farms ready to invest abroad (Laos, Cambodia, Africa) to expand business.

## Influences of foreign investors

on rubber institutions in Lao PDR

- **Informal negotiations:**  
between relatives across the borders, traditional social networks, Lao rubber workers in China/Thailand -> Smallholders
- **Formal negotiations:**  
cooperation agreements between countries ->
  - 1st Concessions
  - 2nd Contract farming
  - 3rd Smallholders' credit

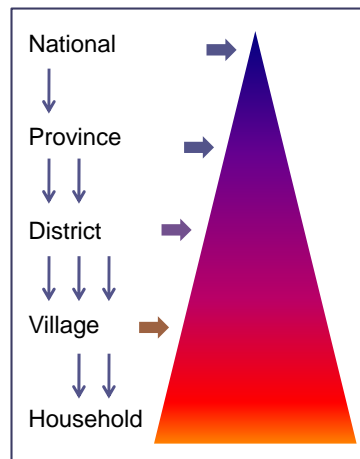


➔ **Emerging rubber regimes depend on the level and the quality of the negotiations**

## Influence of the level of negotiation

On the emerging rubber regimes

- **National**
  - Bilateral agreements involving high ranking officials (National Assembly) => large concessions in southern Lao PDR (VN),
  - Contracts with companies (CH).
- **Province**
  - Application of decisions from higher hierarchical level -> locate and assign state land to concessions,
  - Direct agreements with foreign companies who have to explore suitable land.



## Influence of the level of negotiation

### On the emerging rubber regimes

- **National**
- **Province**
- **District**
  - Involvement of district staff in land exploration - LUP/LA for the companies
  - Direct investment of district and province, officials.
- **Village**
  - Company + district staff visit all villages -> prospection – negotiation
  - Some villages request companies to come to their villages (Nalae)
  - Negotiation benefit share / infrastructure development – roads, etc.

## Influence of the level of negotiation

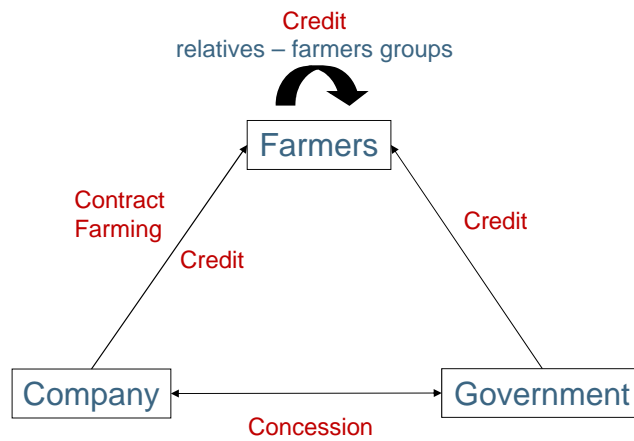
### On the emerging rubber regimes

- **National**
- **Province**
- **District**
- **Village**
  - Company + district staff visit all villages -> prospection
  - Some villages request companies to come to their villages (Nalae district)
  - Negotiation benefit share / infrastructure development – roads, etc.
- **Household**
  - Register all members of the family
  - Register land with district (company pay tax)
  - Sign contract – individual or village head

➔ Beyond official regulations / policies: fluidity of the rubber arrangements according to local circumstances

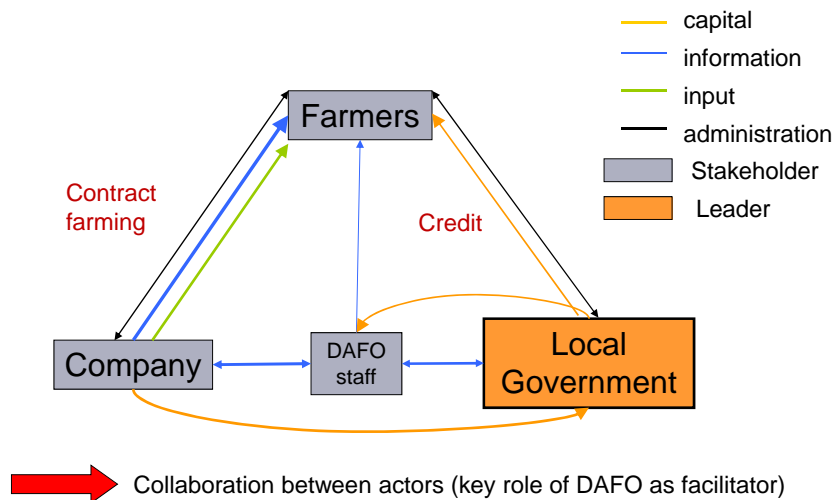
## Emerging rubber institutions

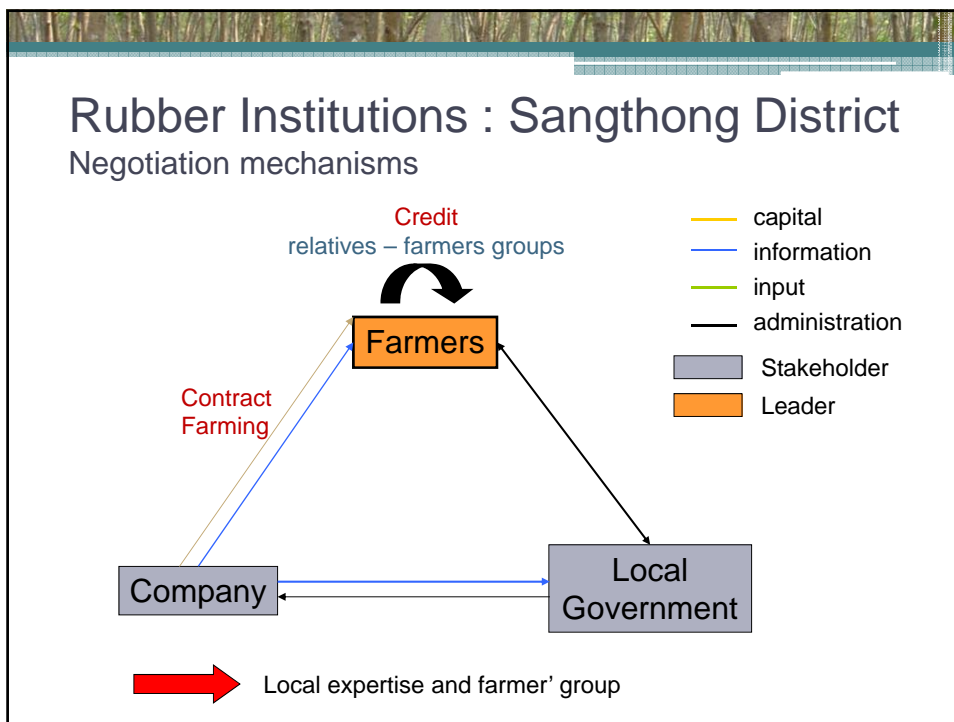
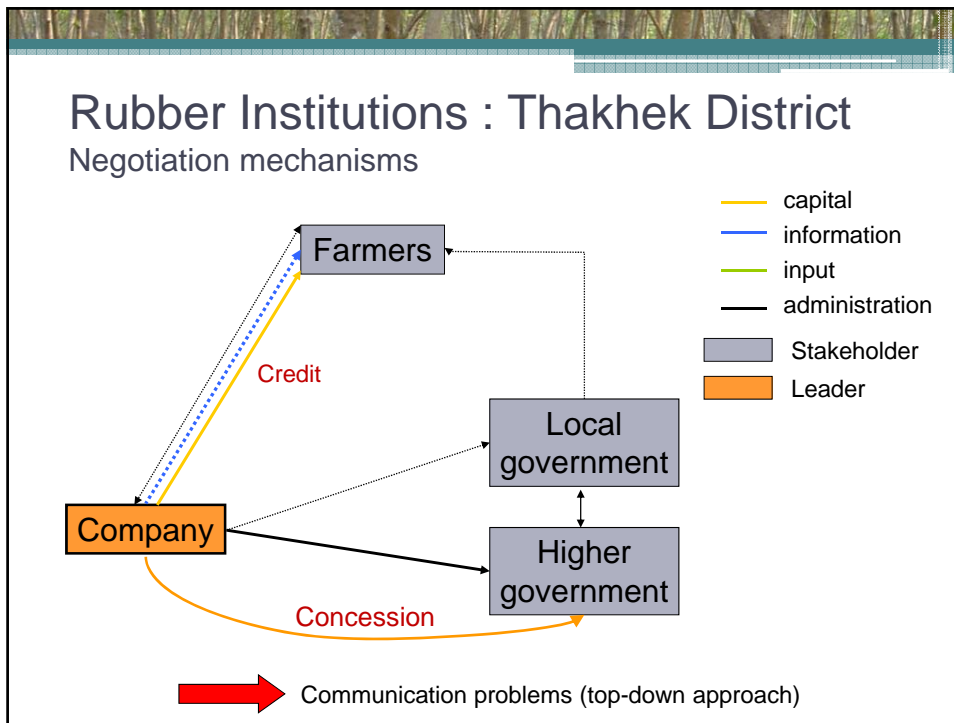
Content of the negotiation



## Rubber Institutions : Nalae District

Negotiation mechanisms





### Resulting rubber regimes

● Farmer    ● Company

Rubber regimes	Land	Labor	Capital	Market	Technical knowledge
Smallholders 5+0 (with own capital)	●	●	●	●	●
Smallholders 5+0 (government officials)	●	●	●	●	● ●
Contract Farming 4+1 smallholders (credit)	●	●	●	● ●	●
Contract Farming (3+2)	●	●	● ●	●	●
Contract Farming (2+3)	●	●	●	●	● ●
Contract Farming (1+4)	●	● ●	●	●	● ●
Concession 0+5	●	●	●	●	●

### Initial phase of the process in Lao PDR

Emerging institutions, not stabilized

- Roles of policy research:
  - Documenting issues related to the rubber boom as external observer,
  - Action-research to tackle the challenges and influence rubber trajectories towards desirable goals
- Exploring new research domain on:
  - Negotiation
  - Social networks

} Key factors to the emergence of differentiated rubber regimes



## Implications for policy research

- So far, policy or regulatory frameworks have limited influence on local negotiations,
- Policy making in such a diverse and dynamic context means reconciling tensions between top-down and bottom-up approaches of the rubber regimes,
- Negotiating and reinforcing contracts may be a legal way to stabilize the rules of the game, but poor law enforcement, no sanction.

➔ **Action-research** is needed to provide knowledge that is relevant to the current collective learning process

## Influencing the negotiations is the key

for effective, adaptive policy research

- Researchers need to develop and apply methodologies:
  - To explore different scenarios of change with multiple stakeholder groups,
  - To assess the implications for different stakeholders groups of alternative pathways,
  - To document past experiences and monitor on-going experiences in order to capitalize knowledge relevant to the negotiation process,
  - To empower weak groups of stakeholders to make sure they can take part in the negotiations