



Trapang Sangke Community Fishery, Cambodia. Photo: Charles Fox/ActionAid

# NO PLACE TO GO

## How unregulated investments are worsening land, gender, and food security inequalities in Southeast Asia

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Leaders from Southeast Asia are meeting in Manila in November 2017 to commemorate the 50<sup>th</sup> Anniversary of the Association of Southeast Asian Nations (ASEAN). ASEAN leaders will have the chance to reflect on the region's economic development plan—central to the creation of the ASEAN Economic Community—and consider its impact on peoples across the region. They have an opportunity to redefine the idea of regional economic cooperation as less about trade, investment, and liberalization, and more about creating a regional economy where women enjoy the same economic rights and opportunities as men, where everyone—not only the rich—gains from economic progress, and where economic growth is not achieved at the expense of the environment.

Like many regional blocs, ASEAN aspires to be an economic powerhouse by becoming a vital link in the global supply chain. In line with this, ASEAN began implementing a host of policies as early as the 1990s to facilitate trade and to attract foreign direct investments (FDI) into the region, with some success. ASEAN trade with the world rose from USD 1.61 trillion in 2007 to USD 2.53 trillion in 2014.<sup>1</sup> FDI flows to the region increased from USD 108.1 billion in 2010 to USD 129.9 billion in 2014.<sup>2</sup>

Although these high rates have since dropped, what remains is the impact of this economic model on women and marginalised groups living in the region.<sup>3</sup> Unregulated private sector investment affects women, peoples' access and right to land, and the climate and the environment.<sup>4</sup> Without safeguards, private sector investments tend to perpetuate gender wage gaps and lead to disinvestment in public services, which increases women's unpaid care work burden<sup>5</sup>. This, in turn, limits women's life choices and exacerbates gender inequality.<sup>6</sup> Unregulated investments chip away at

communities' access to land, and the drive for increased economic output uses up natural resources.<sup>7</sup> Investments affect segments of society differently; it is marginalised groups living in precarious contexts that are the worst affected. Inequality is no longer just about disparities in income and wealth. It also pertains to the very lack of economic opportunities and the inability of marginalised people to influence and participate in decisions affecting them.<sup>8</sup>

This policy brief summarises the impact of the ASEAN's economic model on gender inequality, land rights, and climate; and offers recommendations for ASEAN to help it eradicate poverty and inequality, in keeping with the Sustainable Development Goals (SDGs) and with other human rights agreements.<sup>9</sup>

## Gender Inequality

The topic of women's labour-force participation has recently been at the center of development debates. The International Monetary Fund (IMF) refers to it as a 'macro-critical' issue for growth,<sup>10</sup> and the UN Secretary General's High Level Panel on Women's Economic Empowerment has adopted it as a discussion theme.<sup>11</sup> These and other examples highlight the inequalities women face and the impact of these inequalities on countries. However, this tends to instrumentalise women. Fixating on female labour-force participation without anchoring it in the structural causes of women's economic inequality risks intensifying that very inequality.<sup>12</sup> To achieve gender equality, governments must study the range and types of women's work and enact policies around unpaid care work to allow women to enjoy their (human) rights and to participate fully in society.<sup>13</sup>

In many Asian countries, many women work in agriculture. Unfortunately, public investments to boost income and productivity in this sector—such as for improved irrigation, access to finance, and extension services—are often inaccessible, unresponsive to, or insufficient for women's specific circumstances.<sup>14</sup>

Cheap labour is one of the main factors why investors are attracted to ASEAN. Women, who typically earn 70–90 per cent of what men in Asia earn whilst shouldering 2.5 times the amount of the unpaid care work that men do, often find themselves in the losing end of these complex supply chains.<sup>15</sup> They suffer from low wages, long work hours, and precarious working conditions, on top of assuming the bulk of unpaid care work in households.<sup>16</sup>

## Land Rights

In 2014, ASEAN became the largest recipient of FDI in the developing world—most of the investments came from the European Union, intra-ASEAN, Japan, the United States, and Hong Kong.<sup>17</sup> FDI in agriculture also rose from USD 2.3 billion in 2013 to USD 4.5 billion in 2014 in ASEAN.<sup>18</sup>

Many FDIs in Asia involve large-scale land acquisitions devoted to infrastructure, corporate farming, processing, or service-providing units. Data from the Land Matrix show there are currently 340 land deals involving foreign investors in Southeast Asia.<sup>19</sup> Among ASEAN countries, Malaysia has emerged as the largest investor country in acquiring land for agriculture purposes, followed by Singapore. Deals with Malaysian investors involve 3.7 million hectares of land, mostly in other ASEAN countries.<sup>20</sup>

These acquisitions are the result of attractive government policies that include granting long-term large-scale land concessions to investors. These policies, however, strip communities of their tenure rights, leading to their displacement, as documented in various research studies conducted in Vietnam, Lao PDR, Cambodia, and Myanmar.<sup>21</sup> These studies show how land concessions exacerbate poverty and inequality by depriving women and men of their source of livelihood, food, and income—characteristics consistent with land grabbing.<sup>22</sup> These studies also expose the deficiency of development paradigms that are obsessed with growth through trade and investment liberalization but blind to the plight of poor people.

## Environment and Climate

Although Southeast Asia constitutes just 3 percent of the world's total land area, it accounts for 80 percent of global biological diversity, and 40 percent of all species on the planet.<sup>23</sup> ASEAN has a duty to safeguard the environment. Unfortunately, the drive to increase economic output, expand trade, facilitate investments, and chart higher levels



**The International Labor Organization (ILO) anticipates that high- skilled jobs will grow by **41%** during the period 2010–2025 in Cambodia, Indonesia, Lao PDR, Philippines, Thailand, and Vietnam. Because women in these countries are mostly engaged in low-skilled and low-paying jobs, they will be shut out of this trend.**



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of economic growth is putting tremendous pressure on the region's natural resources. Unregulated commercial investments and the need to raise production and profits contribute to deforestation, loss of biodiversity, and land and water degradation.

From 1990 to 2010, Southeast Asia's forest cover declined by close to 33 million hectares, an area bigger than that of Vietnam.<sup>24</sup> Experts predict that by 2100 Southeast Asia may lose 13–42 percent of species and 70–90 percent of the habitat if the current destruction of the environment continues.<sup>25</sup> Coupled with environmental degradation, climate change poses a threat to Southeast Asia. The region is vulnerable to extreme weather events, and both warming and extreme events—high temperatures and heavy rains—are projected to increase in future decades.<sup>26</sup> Environmental and natural resource degradation intensify women's work, diminish livelihood options, and deepen vulnerability.<sup>27</sup> For example, when agricultural land deteriorates, there is risk of hunger; rising sea levels will affect vulnerable urban communities in ASEAN's major coastal cities, putting lives at greater risk.<sup>28</sup>

ASEAN must ensure that the pursuit of economic growth does not trump the sustainability of the region's natural resources, which are needed by future generations.

### **Recommendations**

More than 150 leaders from all over the world have committed to the UN Sustainable Development Goals. The ASEAN's 50<sup>th</sup> Anniversary must spur the region into action. ASEAN must recast its development paradigm and prioritise programs to eliminate poverty and reduce inequality rather than to solely pursue or encourage unregulated growth. ASEAN must protect women, peoples' access to and control over land, and the environment from unregulated private investments. In line with this, we recommend the following actions:

- Develop a regional action plan to require governments to uphold international labour standards, including social protection for all in the informal and formal sectors.
- Encourage ASEAN member-states to recognise, reduce, and redistribute women's unpaid care work by investing in and expanding public services and physical infrastructure. These services cover publicly-financed day care centers, universal public health, and education services as well as infrastructure for water, sanitation, and public transport, among others. These services will give women the flexibility and the power to decide how to use their time and to enjoy their other rights.
- Strengthen laws aimed at upholding communities' and poor people's access to and control over land as outlined in the Tenure Guidelines.<sup>29</sup> This includes abiding by the principle of Free, Prior and Informed Consent (FPIC),<sup>30</sup> especially land acquisitions and the transfer of tenure rights. At the same time, governments can help expand people's access to land by investing in agrarian reforms or land distribution programs, and in providing men and women with the necessary support services to help make these lands productive. These support services must be accessible to and suitable for women.
- Enforce strict and common regional standards, based on global human rights standards, to ensure that private sector investments and bilateral agreements and operations do not lead or contribute to environmental degradation. Member-states must be part of the negotiations for a UN treaty on business and human rights. ASEAN must share and develop knowledge, information, and best practices on environmental impact assessments and regulations. Adopting common standards, based on human rights, will prevent a race-to-the-bottom approach among ASEAN member-states when it comes to environmental protection. More importantly, this will allow ASEAN members to learn from each other and work collaboratively in protecting the region's interconnected ecosystems.
- Ensure that regional development plans buttress global programs on climate change. ASEAN leaders must come up with and enforce climate adaptation plans, as well as tackle climate impacts such as forced migration, loss of land, and decreasing agricultural productivity. They must collaborate to arrest rising emissions by protecting forests and promoting the use of decentralized, community-controlled renewable energy, contributing to the full implementation of the Paris Agreement on Climate Change.

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