

The Foreseeable Impact of SEZs Development: Perspectives from Local Actors in Trat Province, Thailand

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Abstract. This paper explores the foreseeable impact of the Trat SEZ development from local perspectives. The study is conducted by collecting the data from related documents and in-depth interview with the related people, such as provincial vice governor, federation of Trat industries chairman, chief executive of sub-district administration organization, fishery association president, village headman and villagers. The preliminary findings indicate that the foreseeable impact of Trat SEZ development are (1) Land grabbing and dispossession (2) Low rate of income distribution in local (3) Misleads of project implementation from centralized development (without participation from locals) and (4) Criminal concerns. Moreover, the paper suggests that government should (1) concern more about local benefits, (2) emphasized the participation of local people and organizations, (3) concern more of local context and potential and (4) study the possibility of impact from SEZs development on locals.

1. Introduction

Special Economic Zones (SEZs) are areas which are used to attract foreign and domestic investment into a specific part of a country with a view to concentrating economic activities in that area [1]. In Thailand, the first statute draft of Special Economic Zones was written in the era of former prime-minister Taksin Shinawatra. In January 11, 2005 the SEZs statute draft which was approved by the cabinet was submitted for the approval from the house of parliament. However, the process was ceased because of the protest against those SEZs statute draft by civil society.

Long running political conflicts in Thailand led to dead-end situation. Finally the coup was done by military junta or named "National Council for Peace and Order" (NCPO) in May 22, 2014. Under the authoritarianism regime, the SEZs policy was brought back to implement again. Around 1 month later, NCPO issued the notification on appointment of working group members on SEZ policy and then issued the official announcement entitled Land acquisition for SEZs development by using the autocratic power through article 44¹ of the interim constitution which grants it absolute powers for Prime Minister Prayut Chan-o-cha to retract the status of land from national preserved forest, permanent forest and public land to be subject to the Treasury Department and then the government plan to issue the title deed on those lands and lease for private sectors under the SEZ projects for at least 99 years.

In April 2016, the research report conducted by Land Watch Group entitled "the Implementation and the Impact of GMS Economic Corridor, ADB and SEZs in Thailand: Case study of SEZ in Tak, Chiangrai, Nongkai, Nakorn Panom and Mukdahan" indicates that, in the case of Tak SEZ, there were violation of human rights and freedom. For instance, violating the freedom of expression,

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Article 44 of the interim constitution empowers the NCPO leader to issue any order "for the sake of the reforms in any field, the promotion of love and harmony amongst the people in the nation, or the prevention, abatement or suppression of any act detrimental to national order or security, royal throne, national economy or public administration, whether the act occurs inside or outside the kingdom". The orders so issued are all deemed "lawful, constitutional and final."

villager's gathering for discussing about the SEZ impact and any political movements were prohibited as well as the protest leaders also were intimidated by military force [2]. Among the criticism, land dispute and protest against SEZs from various areas across the country which concerning about negative impacts from such exploitative development project, Trat province is somewhat quiet. So that, the main question of this paper is that what is the foreseeable impact of Trat SEZ by exploring the perspectives from local actors.

2. Literature review

2.1 Commoditization of Natures

Nothing is intrinsically a commodity: production for sale on the market is what made things commodities. Something is made into a commodity in a particular context and under certain conditions. Things (or people, place, or "nature" itself) may be commodities at one time and not at another; they can move in and out of the commodity state (Kopytoff 1986; see also Appadurai 1986). Commoditization involves the establishment or recognition of some kinds of property rights, so that regularized and state-controlled transactions can take place between people transferring rights over particular things to one another [3].

Although commodities have always been with us, commodities have only become central to our ways of seeing and living in the last two hundred years or so (Watts 1999, 305). At the same time, commoditization-the process through which "everything comes to acquire a price and a monetary form"- is an ongoing process, and an incomplete one, because the commodity process can never replace all the other ways in which things (inanimate and living) are socially valued [3].

2.2 Exclusion

The term "exclusion" is widely used in studies of land access around the world, and its use tends to have two characteristics. Empirically, references to exclusion as a condition tends to denote situations in which large numbers of people lack access to land or in which land is held as private property, while references to exclusion as a process highlight large-scale and often violent actions in which poor people are evicted from their land by or on behalf of powerful actors. Normatively, exclusion is seen as negative and is counterposed to a positively weighted "inclusion". These framings convey the sense that exclusion is something imposed on the weak by the strong, something that should be opposed [4].

Exclusion is not random process, nor does it occur on a level playing field. It is structured by power relations. Access rural Southeast Asia and elsewhere, exclusion from land can be understood in terms of the interaction between regulation, force, the market and legitimation. Regulation, often but not exclusively associated with the state and legal instruments, sets the rules regarding access to land and conditions of use. Force excludes by violence or the threat of violence, and is brought to bear by both state and non-state actors. The market is a power of exclusion as it limits access through price and through the creation of incentives to lay more individualized claims to land. Legitimation establishes the moral basis for exclusive claims, and indeed for entrenching regulation, the market and force as politically and socially acceptable bases for exclusion [4].

3. Trat Special Economic Zone

Trat Province is a small and quite city and it is located in the Eastern part of Thailand located around 400 kilometers away from Bangkok and borders Cambodia in West. Trat has been determined for Special Economic Zone development by including 3 sub-districts, Klong Yai, Mai Rood and Had Lek in Klong Yai district. In all of the 3 sub-districts, there are around 4,482 hectares and 255,000 people. The main economic sectors are fishery (32%), agriculture (22%) and retailing (11%) and border trade. The permanent border crossing in Klong Yai district which connects to Cambodia, is leading to the high GDP from border trade which is around 30,000 million baht a year.

Mai Rood sub-district is located in Klong Yai district, Trat province. There is around 127 hectares public land, which is the largest area amongst those 3 sub-districts in Klong Yai. It has been determined by military government for constructing the Service Industrial Estate emphasizing on Tourism SEZ. The 127 hectares public-purpose land, where people in Mai Rood have used for cattle husbandry, growing the eucalyptus trees, and hunting and gathering foods from the forest, was changed to be subjected to the Treasury department.

Over the past few decades, this area had been used for refugee camp construction for over 100,000 Cambodians who escaped from Khmer rouge regime that had occupied Cambodia since 1975 to 1979. In 1979, Queen Sirikit proceeded here to visit and help the Cambodian refugees. Around 7 years later, 1986, the refugee camp was closed because the political situation in Cambodia back to normal. Some of them went back to their hometown in Cambodia but some of them migrated to other countries. Since then, the land had been abandoned because it is sandy that unsuitable for agricultures unless the durable plant such eucalyptus trees. Until in 2015 this area was determined for SEZ and in November 23, 2016 the Treasury department together with Property Perfect company signed the land lease contract for 50 years (contract can be extended to 99 years). To acquire the land for investors, state changed the status by privatizing “Public land” to “Private land”, for instance, by issuing the title deed or certificate of ownership. Moreover, the privatization process is happened together with exclusion. After signed the leased contract with the company, villagers have no right to use the land for their livelihood.

In terms of development strategies, Trat SEZ includes (1) import-export support and service center (2) logistic system development center and (3) regional tourism service center. According to the industrial estate construction plan suggested by investor, construction site is divided into 4 zones, (1) commercial zone; border trade market, community market, duty free and etc. (2) recreation zone; hotels and amusement park (3) eco-industrial zone and agro-industry (4) green zone; mangrove forest reserve center, museum and monument, public park and community service center. The development project will started in 2017 and with the investment budget around 3,000-5,000 million baht.

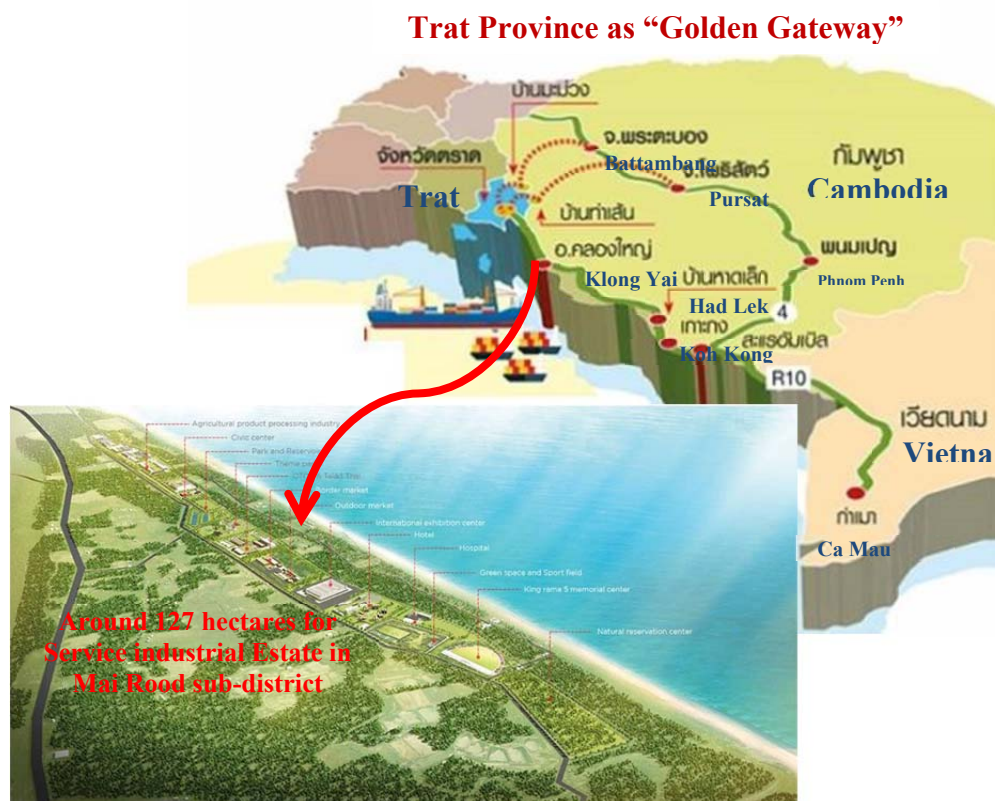


Fig. 1. Map and layout of Trat SEZ (The construction site of service industry)

4. The foreseeable impact of Trat SEZs: From the local's perspectives

4.1 Land grabbing and dispossession

The SEZs requires enormous lands. NCPO acquired the public lands; national preserved forest, permanent forest zone and land reform zone by transforming these lands to the Treasury department. Moreover, some laws that are the barriers to land acquisition and land use for SEZs development are also exempted for investors. As the official announcement entitled Land acquisition for SEZs development including 5 provinces: Tak, Mukdahan, Sa Kaew, Nong Kai and Trat, around 1,211 hectares public lands are dispossessed from villagers.

After the state's announcement of SEZs developing sites the land prize rose up to twofold. As a result of risen prize of private land, state cannot expropriate or buy the private land. This is the reason why state uses public land for developing SEZs in Thailand. However, the official spokesman insisted that *"Government emphasized on the interests of nation and people by choosing economic potential area and emphasized on acquiring of state land first such as land where belonging to the Treasure department, denuded forest and public land and no expropriation unless exchange with private land where nearby SEZs"*.

Land acquisition for SEZs implementation is based on the logic of absolute legitimacy as land owner and view the people who occupying those lands as "intruders". According to official spokesman *"...there are many of state land are intruded by people, no certification of ownership or no investigation of possession right..."*. This logic led to the enclosure and eviction [2].

In the case of Trat SEZ, it was found that although this area is public land the villagers have used it for their livelihood for long time. There are houses, of around 8 households, located in SEZ site for more than 10 years before the government announced this area for SEZ site. Most of them are fishermen. They must move out if construction project starts. In addition, the author found that land lease is leading to the reducing of food security and income earning because the villagers lost the grazing area for cattle, all cattle were sold, as well as they lost the forest area for gathering and hunting the foods. Furthermore, some villagers lost around 3 hectares of their Eucalyptus farm.

4.2 High GDP but low rate of income distribution in local: The criticisms from a local commercial organization

Government always promotes SEZs by propagating that SEZs will create more jobs and incomes for local people by increasing the employment from investors or from more investment and border trade. It reflects the contradiction of state's policy on SEZ development. In other words, on one hand, the purpose of establishing the SEZ in borderland is in order to use the cheap labor from neighbor countries under the principal of "Sister City"² but on another hand they stated that SEZ project will create more jobs for local people.

However, the representative from local commercial organization, federation of Trat industries chairman, argues that the government is misunderstanding about this issue. In fact, SEZs development, especially if without the participation from local people and organizations, may lead to the low rate of income distribution in the local.

In the case of Trat SEZ, Property Perfect is the only company who won the auction, as developer, to develop Trat SEZ project. Secretary of federation of Trat industries said that

"We only have small opportunities to invest in SEZ because they have industrial zone (I think) they may open for us to rent the area that they are not using...In the case of Trat SEZ, the interest that locals will be gaining is only from the process of input the raw materials because everything

² "Sister City" is a principal under the Ayeyawady-Chaophraya-Makong Economic Cooperation Strategy (ACMECS). In Thailand, in order to seeking for cheap labors, materials and resources the industrial sector is relocated to the borderland where the logistic routes can connect to neighbor countries such as Trat Province, Thailand - Koh Kong, Cambodia or Mae Sod in Tak Province, Thailand - Myawaddy, Myanmar or Mukdahan Province, Thailand – Sawannaket in Lao PDR.

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was planned by company (Property Perfect) already. Almost 100% of commodities will be imported from outside... Thai economy has been planned by central government and sometimes they misunderstand about economic figures for project implementation. Doing economic activities by without listening to the voices of local commercial organizations it may lead to the ineffective economic development”.

Regarding the government policy on increasing the income from border trade after launching the project from 35,000 million to 100,000 million baht, the federation of Trat industries chairman said that

“I do not agreed with them. In my opinion, I can’t see what people will gain from this policy? These days, Trat’s people gain only 1500 million baht/year. The rest go to outsiders. Local people gain nothing”.

If we take it for granted it seems sound good that the number of income from border trade is increasing and local people seem to gain more interests. However the reason why local people gain a little benefits from policy was explained by the chairman who said

“Before, this border crossing was the temporarily permitted area. Economy in Klong Yai was every good because when Cambodian traders wanted the commodities or products they would order from Klong Yai district and the traders in Klong Yai would order the products from Mueang Trat distict (Trat city) and then the traders in Mueang Trat bought the products from Bangkok...but when this border crossing point became permanent border crossing the Cambodian traders will order from Bangkok or other provinces directly... as a result, Trat province became ‘Motorway’(metaphor) and local people can only sit and see the outsiders gain the profit”.

In terms of border crossing for trade, it is easier it is more disadvantageous for local people. In other words, the time this border crossing point was temporarily permitted area it was difficult for outsiders for trading but it was easy for local people because the border crossing depended on the relationship between local people and Cambodian officers. The local people used the good relationship with Cambodian officers for their own advantages. Conversely, when the temporarily area became permanent border crossing and more formally it is advantageous for outsiders rather than for locals. Moreover, permanent border crossing required many documents such as passport, border pass etc. the formal process require local people’s adaptation and learn more about border crossing process.

4.3 Misleads of projects implementation

Implementing the SEZ Projects without the participation of local people and organizations may lead to some misunderstanding. As The federation of Trat industries chairman said that

“Regarding to SEZs Development, government didn’t invite the private sectors to join the meeting before choosing SEZ development areas. As a result of centralized development, there are many things the government is misunderstanding. For instance, for fruit processing, government offered tax incentives for investors who invest in Trat SEZ at Klong Yai district but most of fruits are planted in Kao Saming District. Nobody is crazy enough to move their products to Klong Yai in order to gain special tax incentives and the move to Leam Chabang deep sea port”.

Moreover, the government also misunderstood about labor force. One reason of establishing SEZs at the borderland is that the government hopes to use the cheap labor from neighboring countries. However, the difficulties of immigration process lead to the return migration of immigrant workers. In the case of Trat SEZ the government hopes to attract cheap labors from Cambodia but for

investors they prefer to invest in the Koh Kong SEZ in Cambodia because they pay cheaper for labors than investing in Thailand.

4.4 Criminal concerns: a perspective from Mai Rood villager

Beside the economic impact from SEZ the villagers also concern about social impact, such as crime, if Trat SEZ becomes effective, a villager in Mai Rood sub-district said that

“In the future, the villagers must be adapting to new circumstance. For instance, we open the door while we sleep. However if here becomes SEZ site many strangers will be coming here and we must be more careful because we do not know who is good or bad. Crimes will happen soon and no peaceful atmosphere anymore in our village. And then our village will be similar to urban that people do not know their neighbors.”

The point of view of Mai Rood villagers toward the Trat SEZ project is somewhat negative rather than positive. The villagers think that the facilities they have are enough for their life. They don't want more infrastructures that will come together with SEZ. They only want the same forest areas to find the food such as mushrooms or local vegetables as the same.

5. Conclusion and Suggestions

In conclusion, the study found that there are at least 4 aspects of foreseeable impact from Trat SEZ project implementation, (1) Land grabbing and dispossession, (2) High GDP but low rate of income distribution in local, (3) Misleading of projects implementation and (4) Criminal concerns. Moreover, from the study result, the paper suggests that government should (1) concern more about local benefits, (2) emphasize on participation from local people and organizations, (3) concern more about local context and potential and study about the possibility of impact from SEZs development.

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