

Factsheet: Tenure and Investment in Southeast Asia

Three new reports on Tenure and Investment in Southeast Asia produced by the Rights and Resources Initiative and TMP Systems examine trends throughout the region as well as within the Maritime and Continental Southeast Asia sub-regions

Conflict and Community Land Rights: Southeast Asia

- The report analyzes 51 conflicts between communities and companies across Continental and Maritime Southeast Asia. These are compared with a global average derived from 237 cases outside Southeast Asia. All cases date from 2001 or later.
- **Tenure disputes in Southeast Asia last longer and were less likely to be resolved than the global average.** 88% of cases in the region remain unresolved, with 74% of cases lasting more than six years. Globally, 61% of cases from the same period are unresolved. This figure demonstrates that conflict over land in Southeast Asia carries a disproportionately high cost for companies and communities alike.
- **Tenure disputes in Southeast Asia are also more likely to result in violence than in the rest of the world,** with 47% of cases in the region resulting in violence and 18% causing fatalities. 35% and 38% of cases result in violence in Africa and the Americas respectively.
- **More than three quarter (76%) of conflicts started before operations began,** revealing a lack of initial good-faith negotiations with affected communities.
- **65% of cases resulted in material impact for project backers, due either to direct action or regulatory intervention** (compared to 52% in the rest of the world). 71% of the cases involved legal action. Investors and companies have an operational stake in ensuring that they conduct due diligence and obtain the Free, Prior, and Informed Consent of affected communities before investing in land.
- **Displacement of local peoples is the primary driver of conflict in the region, featuring in 45% of cases.** This finding is roughly in line with the global average, suggesting that as in other parts of the world, companies cannot rely on compensation to mitigate tenure risk. Environmental damage featured as a more prevalent driver of disputes in Southeast Asia than in other regions, particularly in Maritime Southeast Asia.
- **Reputational damage caused by tenure disputes can threaten company profits.** For instance, a tenure dispute in Indonesia caused Mitr Phol, a sugar company, to become the subject of an international campaign led by Oxfam and ActionAid. In response, Coca-Cola—which was an upstream buyer from Mitr Phol—audited its suppliers and helped force Mitr Phol to withdraw from the plantation, while the sugar industry body Bonsucro forced Mitr Phol to resign.

Maritime Southeast Asia

- **81% of projects in the sub-region suffered financially significant impacts as a result of the dispute—the highest rate found anywhere in the world—while only 14% of cases have been resolved.** About three fourths of cases have been running for over 5 years. These findings show that tenure disputes in the sub-region are among the most intractable and difficult to resolve in the world, and are among the most costly for companies and communities alike.
- Rates of violence were even higher in the sub-region than in the region as a whole, as **52% of cases involved violence and around a fifth involved fatalities.**
- **Displacement was the most common driver of dispute, featuring as the primary issue in 48% of cases. Environmental damage was also a common problem, accounting for 29% of cases.** This is likely due in part to the prevalence of sectors in the sub-region with a high level of environmental impact, such as mining and palm oil production.
- **76% of disputes started before operations began,** suggesting that companies failed to adequately consult with communities in good faith or conduct proper due diligence and risk assessment before investment.

Continental Southeast Asia

- **53% of the projects involved suffered financially significant impacts** as a result of the dispute. This figure does not account for considerable reputational damage companies may have incurred.
- **Displacement was the most common driver of dispute in the sub-region,** featuring as the primary driver in 43% of cases, roughly consistent with the findings for both the region as a whole and global averages.
- **77% of disputes in the sub-region started before operations began,** suggesting that companies failed to adequately consult with communities in good faith or conduct proper due diligence and risk assessment before investment.
- **Rates of violence were roughly in line with those of the region as a whole,** as 43% of cases involved violence and around a fifth involved fatalities.
- **Investment from companies within the region is common and can be a source of both local and international tensions,** for instance with Thai sugar companies operating in Cambodia and Vietnamese rubber companies operating in Laos.