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**Opening Statement of the Honorable Ed Royce (R-CA), Chairman
House Foreign Affairs Committee
Subcommittee on Asia and the Pacific Hearing:
Property Rights and Development in Southeast Asia
August 21, 2015**

(As prepared for delivery)

Thank you Chairman Salmon for convening this important hearing. I'm delighted to be back at Cal Poly Pomona University, which has graciously hosted us in the past, to look at how best to promote property rights and fight "land grabbing" in the Philippines, Cambodia, and elsewhere in Southeast Asia.

We have been working very closely with President Aquino's government to respond to the devastation of Tacloban and to reform the government. However, at some local government levels, the legacy of Marcos still remains. For years, the United States has sought to spur economic growth in Cambodia and the Philippines. This is good for these countries, and us. We have had some success. But as we aim to deepen our engagement and transform our aid so that it supports sustainable, market-based economic growth, we must consider whether the underlying conditions exist to realize that growth. In countries where citizens are denied basic protections under the law, including the right to secure property, those conditions simply do not exist.

These are the issues we will be discussing today, and I am encouraged to learn that the U.S. Agency for International Development has come to a similar conclusion: it is launching a program to support rule-based land reform in the Philippines. These efforts need to be expanded more broadly across Southeast Asia.

Consider Cambodia, where according to some reports, over half of

landholdings are held informally, without any legal title. As the Cambodian economy has developed, many Cambodians have been displaced. Government cronies and domestic and foreign businesses are responsible for seizing land. The government has appropriated land and homes, sometimes forcibly, for agricultural, mining, logging, and tourism. According to testimony I request be submitted for the record, the Cambodian government of Hun Sen maintains its political and economic power “through the control and harsh repression of anyone who stands in the way of their economic enrichment and political control, and anyone criticizing their policies and actions.” Jamie Meach, who wrote those words, is suffering, as is her husband, Meach Sovannara, who is unjustly imprisoned in Cambodia for peacefully opposing this tyranny.

According to the Cambodian League for the Promotion and Defense of Human Rights, three-fifths of arable land in Cambodia is controlled by foreign agribusiness companies. Foreign investment can be very beneficial, but only if it is made above-board. Critics point out that large plantations fail to provide stable employment or adequate income for local residents who formerly farmed their land.

In the Philippines, land ownership is informal and narrowly distributed among local elites and clans. Tens of millions of Filipinos work as leaseholders or rent-paying sharecroppers. Outdated land administration laws and an inefficient land administration system have resulted in fraudulent, overlapping, and duplicative land titles --and widespread land-grabbing. The perpetrators are local politicians foreign investors and well connected people in the Philippines. Besides insecure land rights, over 12 million families in the Philippines reportedly do not own the rights to their own homes with respect to verifiable land title. So there is a desperate need for proper titling, which would unlock vast wealth for Filipinos, as noted Peruvian economist Hernando de Soto has told this Committee. President Benigno Aquino III has made considerable efforts to reform and clean up politics in the Philippines, but his few years in office cannot undo the years of damage done by President Marcos and the legacy he left at some of the local communities.

Last February, I led a bipartisan Congressional delegation to the Philippines, where we were able to observe the destruction done by Typhoon

Yolanda. I was glad to see such a strong U.S. humanitarian effort. In the aftermath of natural disasters like this, on top of losing their homes and belongings, victims can also find themselves without a shred of proof of their rights to their property. On a previous delegation to the Philippines I was personally prevented, at gunpoint, from accessing the property of a constituent by what appeared to be local security forces. In my meeting with President Aquino, I pressed him on the importance of protecting property rights. Filipinos, as well as Cambodians, have great economic potential we should be working to unlock.

Today we will hear from several victims of land grabbing. Because property rights are essential to stability and economic growth, we must-- do all we can to encourage nations to offer these protections to their citizens. This would dramatically improve the lives of Filipinos, Cambodians and others in Asia, while improving our economic well-being and security.

Thank you Chairman Salmon.