Land Grabbing – A New Colonialism

Since the global financial crisis of 2008 and its associated food crisis that sent another 200 million people into malnutrition there has been a massive grab for land by large corporations around the world. Worst hit has been Africa, where food security is already non-existent for many people. Governments, including our own, welcome this “investment” in agriculture, some bizarrely claiming that food security will be increased.

Estimates vary as to the extent, because there are no accurate records and some deals are confidential, but Oxfam estimates that 227 million hectares in the developing world, the size of North-Western Europe, has been either sold, leased or licensed to foreign corporations between 2000 and 2011, or is under negotiation. In 2009 alone 50 million hectares was transferred from farmers to corporations. Some of this land has been purchased while the majority has taken on long term leases of 25 to 99 years, usually renewable. This includes 63% of all the arable land in Cambodia, 30% of Liberia and 20% of Sierra Leone. Other countries that have lost more than 10% of their agricultural land to foreign investors are Ethiopia, Indonesia, Laos and the Philippines. More than half is in Africa.

There are several reasons for this land grab, none of which will increase food security in the areas targeted. The most important impetus is for biofuel production, particularly oil palm, soy and corn, as a direct result of mandatory biofuel targets set by European and North American countries for their domestic energy supplies. The UK is the biggest investor in biofuel production in sub-Saharan Africa, followed by the US, India, Norway and Germany. Land formerly being used by small farmers for their own food needs is converted into plantations and crop monocultures to feed the cars of the industrialised world. Some land is also being used for forestry plantations used to offset carbon emissions in the rich countries.

The second most significant reason for land grabbing is to ensure food security in the country from which the investment comes. Governments of those countries are often involved, organising the land deals then sub-leasing to private corporations – standouts include India, Libya, Saudi Arabia and the United Arab Emirates. The food produced is for export, not for domestic consumption.

The third important factor in land grabbing is pure speculation. Corporations involved, including superannuation and other funds managers, and investment banks are looking for high returns, either from increasing land values or short term profits from the land exploitation. Their aim is not food security but profit. As George Soros, American billionaire, said in June 2009: “I'm convinced that farmland is going to be one of the best investments of our time. Eventually, of course, food prices will get high enough that the market will be flooded with supply through development of new land or technology or both, and the bull market will end. But that's a long way off yet” (quoted in The Great Food Robbery, p.121). Speculation in land is seen as less risky than shares, currency or gold in the wake of the global financial crisis. A World Bank 2011 study of land acquisitions found that 80% was not being used by the investors, indicating that speculation is a prime motive. A total eight times the size of the UK has either been left idle by speculators or is being used for biofuel production.
George Schoneveld (in *The Anatomy of Large Scale Farmland Acquisitions in Sub-Saharan Africa*) shows that in sub-Saharan Africa 43% of the alienated land is intended exclusively for biofuels, 25% is for export food production, and 20% for a combination of biofuels and export food. About 9% is for forestry plantations.

Martin Keulertz of King’s College, London, says that land grabbing is really water grabbing. Most of the land acquisition agreements include free and unlimited water access. Over irrigation has depleted river and ground water supplies in Australia, China, India, Pakistan, the Middle East and the United States, and corporations are eying Africa where this has so far not happened on such a scale. As corporations take up land they increase pressures on governments to construct huge dams that will displace people and increase water insecurity downstream, as well as affecting the environment.

**Examples of Land Acquisition**

The Saudi company Foras International Investment aims by 2016 to produce 7 million tons of rice in Senegal and Mali for export back to Saudi Arabia, on 700,000 hectares of land. This is in countries where people now have insufficient land for their own needs. The land being taken over is not idle land waiting for investment to become productive, it is prime irrigated land already in use. Under the agreement with the Senegal government the corporation will receive subsidies, and expects an annual rate of return of 35%. Hundreds of thousands of farmers will be affected. Local people are resisting, and are taking court action in Mali to stop it.

The Tanzanian government has agreed to lease 800,000 hectares in western Tanzania to AgriSol Energy, a US company, for 99 years at 200 shillings per hectare per year, plus payment of 500 shillings to the District Council. This is equivalent to about 50 cents per hectare in total. The agreement includes the eviction of 160,000 refugees from Burundi who have lived there for 40 years and established their homes, fields, churches and other community facilities. AgriSol calls it “abandoned refugee land”. The occupants have even granted Tanzanian citizenship, but this is conditional on them moving off the land. In the meantime they are banned from planting crops and building new houses. The compensation offer is 300,000 shillings per head, $200. The company plans large scale monoculture crops and beef feedlots, which will inevitably use large amounts of chemicals, and has asked the Tanzanian government to change its national biosafety laws to permit genetically modified crops. Local government officials enthusiastically claim that the deal will increase Tanzanian food security, despite the fact that it is an energy company. Under the agreement any disputes will be arbitrated in London by the International Chamber of Commerce.

A further example is located in Río Negro province in Argentina. The Chinese corporation Beidahuang has been given (not sold or leased, given) 23,000 hectares to develop for irrigation farming for 20 years, plus information on a further 234,000 ha that they might be interested in. The company is exempt from provincial taxes and charges and receives free use of the port, free technical support, free office space, and investment guarantees. The project is for soy production and export to China. There is much local opposition to the project.
Ethiopia has allocated 3.6 million hectares for lease to foreign investors of which deals had been concluded for a significant proportion by 2011. This is “non-utilised land” according to the government, though it is hard to imagine this much quality unused land exists in a country with frequent food shortages. The land is to be used for export crops of sugarcane, cotton and palm oil. Schoneveld estimates that by 2011 807,000 ha had been leased for biofuel production. The government has committed to building the infrastructure of roads, telecommunications and electricity.

The US corporation Farm Lands of Guinea Inc. has obtained 100,000 ha of land in Guinea to produce corn and soy for export and biofuels; it is looking for another 15 million hectares. A South African group has obtained a 30 year lease on 80,000 ha in the Republic of Congo to be divided up into 30 farms for South Africans. Atama Plantations, a Malaysian company, has been granted a lease on 470,000 ha also in Congo, of which it has announced 180,000 ha will be used for oil palms. More than 500,000 ha in each of the following West African countries has been sold or leased to foreign investors: Ghana, Guinea, Liberia, Nigeria, Sierra Leone and the Republic of Congo. Several others are not far behind.

Australia is also a target, though the mechanism and effects are different. In general the acquisitions do not require displacement of people from the land and are less likely to affect food security in Australia. The largest acquisition so far has been Terra Firma Capital, a British firm with 3.2 million hectares (largely from buying out Consolidated Pastoral Company). Second is the Qatar company Hassad Food with 750,000 ha of wheat and sheep land, followed by 252,000 ha taken up by the Alberta Investment Management Company of Canada for forestry and agriculture (from the collapsed Great Southern Plantations). Cubbie Station is another example.

Australian companies are not strongly involved in land acquisitions overseas. An exception is BKK Partners (founded by Peter Costello, former Leader of the Opposition) which has 100,000 ha in Cambodia for bananas, rice, palm oil, sugar cane and teak (still in the planning stages in January 2012).

The effects

In many African and some Asian and Pacific countries land is not bought and sold but used according to customary rights. Because customary landholders do not have titles governments can, in most countries, legally evict them. George Schoneveld explains that: “…customary land users are seldom consulted or requested to acquiesce to land alienation, typically with detrimental implications for livelihood and social identity”.

The Oxfam report *Land and Power* documents the following example from Uganda.

“Christine (not her real name) and her husband used to grow enough food to feed their eight children on the six hectares of land that they had farmed for over 20 years. By selling the surplus at the market, they could afford to send their children to school. Instead of living in their old six-room home, complete with kitchen, they now struggle to pay rent for a cramped two-room house, where there is not enough land to farm and grow food. Christine’s children often eat only once a day and are no longer receiving an education, as it is too expensive. She and her husband were once self-sufficient,
but now depend on the goodwill of friends and neighbours and whatever casual labour can be found.

“Christine is among more than twenty thousand people who claim that they have been evicted from their homes and land in Kiboga district, and nearby Mubende district, to make way for UK-based New Forests Company (NFC) plantations. The Ugandan National Forestry Authority (NFA) granted licences over the plantation areas to NFC in 2005 and authorised the removal of the former residents, which took place by February 2010 in Mubende and between 2006 and July 2010 in Kiboga. The NFA says that the people living there were illegal encroachers on forest land and that their evictions were justified.

“Most say they were evicted from well-established villages, and some of those who Oxfam spoke to had left behind homes which they had inhabited for over 30 years. All those who talked to Oxfam are now renting smaller houses or have put up fragile, temporary structures made from polythene or straw and wood”.

Pretorius Nkhata, a farmer from Mpongwe district in the Copperbelt Province of Zambia explains what happened to him and his community (quoted by Nebert Mulenga in “Foreign farmers undermine food security in Zambia”, http://farmlandgrab.org/post/view/21246):

“They said we were squatters, we were intruders on that land. I had 21 hectares … I lost it all…

“They (the South African agribusiness) came with guns and threatened to shoot anyone who resisted moving out. They burnt all our household properties without any notice. We were almost 200 households. They burnt my food barns, clothes, blankets, bedding, television set – they even burnt my fields,” he said. The agribusiness has since sold the land and closed its operations in Zambia but people have not been given their land back, or received any compensation. The Zambian government has targeted 1.5 million hectares for agribusiness development.

Any talk of food security really means food security for the investing countries, not for the parts of the world most desperate for food security. Even the World Bank said in a report in 2010 that there were no wins for poor communities or countries, only losses. According to Dr Mickey Mwala, dean of the school of agriculture at the University of Zambia, large-scale land appropriation by agribusiness corporations will compromise his country’s food security by driving peasant farmers, who he says are responsible for most of Zambia’s food production, off the land, and increase poverty by increasing the number of people who can’t grow their own food.

The Oxfam report Land and Power states: “Too many investments have resulted in dispossession, deception, violation of human rights, and destruction of livelihoods.”

Why do governments of the victim countries allow it?

One motivation is for export income to balance trade, and a mistaken justification that it will increase food security. The Ethiopian government says it will generate foreign currency and facilitate technology transfer, create jobs, reduce poverty and reduce
food insecurity, by developing “under-utilised land”. However, as the Oxfam report says: “Despite claims to the contrary, investors target the best lands. They seek land with access to water resources, fertile soil, infrastructure, and proximity to markets to facilitate the profitability and viability of their ventures”. Food security is a total myth – hardly any of the land deals are designed to provide food for domestic consumption, as almost all is for export. An example is Mozambique, where approximately 35 per cent of households are chronically food insecure: a mere 32,000 hectares out of the 433,000 approved for agriculture investment between 2007 and 2009 were for food crops, according to Oxfam.

Another factor in government compliance is pressure from the World Trade Organisation, World Bank, International Monetary Fund, and aid organisations which make the “freeing up” of markets and foreign investment controls a condition for continued foreign aid. The Bill and Melinda Bates organisation Alliance for a Green Revolution in Africa and the US Millenium Challenge Corporation are strongly supporting the abolition of any investment, export and land ownership regulations. As well there are more than 2,500 bilateral investment treaties around the world, which protect investors from changes in government policy, severely weakening the ability of governments to regulate their land, water resources and promote food security and anti-poverty measures. In other words, many governments have little choice.

The third reason is plain bribery. Transparency International’s Global Corruption Barometer reported that 15 per cent of people dealing with land administration services had to pay bribes. This is probably a gross underestimate.

Land grabbing is one of the inevitable consequences of globalisation, deregulation, free trade and the immense power of corporations to act as they please with profit their sole motivation, and no concern for the effects on people. The Oxfam report offers recommendations to curb the worst effects, including better governance by the victim countries, better regulation by the governments of the investing countries, and better scrutiny by the World Bank which finances many of the acquisitions. However the World Bank, while claiming that it “shares the concerns” of Oxfam, has refused to intervene. Governments that do enact sound food sovereignty and land tenure laws like Cuba, Venezuela, Ecuador and Bolivia are labelled pariah states.

There is a strongly growing movement around the world to expose and fight land grabbing. Local affected people are resisting as much as they are able – many have been killed, especially in Honduras. It is only by such resistance and the support by organisations in the richer countries that will halt and reverse the curse.

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References


GRAIN, *The Great Food Robbery: How Corporations Control Food, Grab Land and Destroy the Climate*, published by GRAIN and Pambazuka Press ([www.pambazuka.org](http://www.pambazuka.org), [www.grain.org](http://www.grain.org)).


