

CELADA BREIFING I

Land Grabbing: Facts and Issues

Jessie Wallace

Buy land, they're not making it anymore.
– Mark Twain

LAY OF THE LAND

The purpose of this paper is to offer an introduction to the basic facts and issues concerning modern land grabbing. Land grabbing takes place in a setting wherein unlimited human wants and needs come into conflict with limited and highly prized resources. As a result, territory, minerals, and waterways are being partitioned inequitably often to the detriment of the poor, the marginalized and the powerless.

Land exchanges hands in developing countries through formal and informal channels, with consent or by forceful means. The transactions may involve purchase, lease, or rent. It is important to acknowledge the existence of a “grey area” between legitimate land transactions on the one hand, and land grabs on the other, contested on cultural, political, and socio-economic grounds. Those who transact land deals cannot be automatically caricatured as “Capitalists of Chaos,” as a provocative *Rolling Stone* article described the polarizing nature of American investor Phil Heilberg’s landholdings in Africa.

For example, there exist alternative models of land acquisition aimed at equitable, environmentally sustainable outcomes. Kimminic is a Canadian company that uses a collaborative model to enhance local participation in its transactions. The biofuel company operates in Ghana where local producers are involved in the production chain of *jatropha* crops planted on their land in which they retain ownership. In Burkina Faso and Mali, similar undertakings by the investor group SeedRock with local producers constitute an alternative to outright land ownership by the investors. Who are the “true” beneficiaries of such programs? What are the potential adverse environmental impacts? How do they fit within an equitable ownership model that is both viable for replication and a “success story” in its own right?

The practices of “water grabbing” and “green grabbing” (i.e. land acquired and utilized for environmental purposes as with the ecotourism industry) are often closely related to land grabs. Further complicating the issue are the neo-colonial undertones and historical grievances over land relations. Asymmetric power dynamics over foreign land

investments in some of the world's hungriest, poorest, most fragile or conflict-ridden states resemble the "Scramble for Africa" of the late 1800s. What then, can be said in greater specificity about today's large-scale land acquisitions in the wake of the 2008 world food, fuel and financial crises?

Three features distinguish current land grabbing activities from those in the past. First is the presence of "control grabbing," -- the control of land and/or other natural resources for some form of gain. This can be profit-driven, production-oriented, or politically motivated. Second is the sheer size of land acquisitions and magnitude of capital spent. A third feature of contemporary land grabs is their genesis in the interrelated food, fuel, and finance crises against a backdrop of climate change.

It is challenging to achieve consensus on what constitutes land grabbing. A "sound" land deal for UK investors can undermine livelihoods in Uganda. Globalization, shifting consumption patterns driven by the growing middle classes of the BRICs, along with their mounting energy needs, all drive "a thirst for foreign lands."

The interconnectedness of these global forces that straddle food sectors and financial markets, national food security concerns, the lack of readily accessible arable land, and extreme weather shocks intensify the rush for land. According to Oxfam, from mid-2008 to 2009, agricultural land transactions conducted by foreign investors were found to have risen by approximately 200 per cent among developing states.

Food produced specifically for export, biofuel and non-food production, and for the industrial-agricultural complex, are typical drivers of land grabs. In addition land acquisitions are also associated with the mining sector, which is particularly relevant to Canada.

Farmland in countries like Laos, Mali, and Somalia is being purchased by capital abundant (but land short and/or strained) countries including China, Japan, and Saudi Arabia for "offshore farming" via foreign direct investment (FDI) for food production. Conversely, FDI is also flowing into non-food agricultural commodities and biofuel production for 'flex crops' like sugarcane, oil palm, and soya in places like Columbia, Ethiopia, Ghana, and Tanzania.

When we consider the agents behind these dealings, there are four main types of actors: 1) states or state-owned entities and/or initiatives, 2) the transnational banking and financial sectors, 3) agribusinesses and multinational corporations, and 4) individuals and private institutions. The table below classifies some of the players involved under these four categories.

The Land Grab Line-up, Examples of Key Actors in Africa

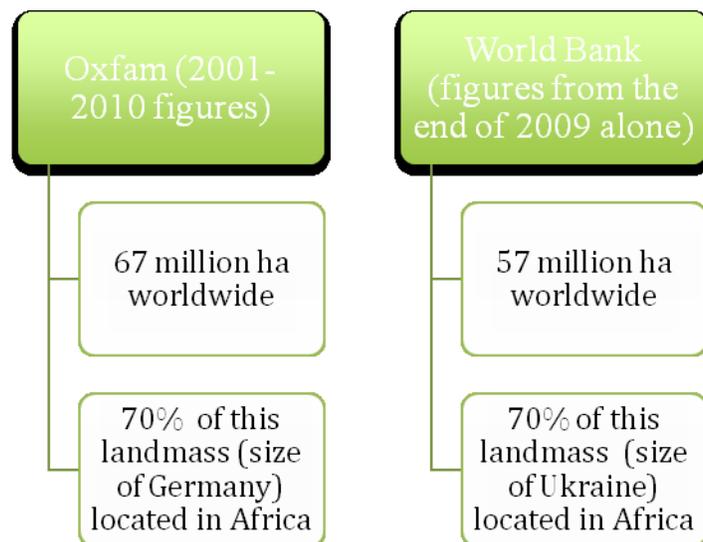
(ha= hectares)	Agent	Principal Line of Activity or Business Type	Associated Land Area
States	China	Oil palm production	2.8 million ha (Congo)
	Qatar	Fruit and vegetable production	40,000 ha (Kenya)
	South Korea	Wheat production	690,000 ha (Sudan)
Transnational Banking and Financial Sectors	BlackRock Deutsche Bank Goldman Sachs Knight Frank JP Morgan TIAA-CREF	Investment Banking Investment Property Consultancy Banking US Pension Fund	<i>Activities in various countries of origin</i>
Agribusinesses & Multinational Corporations	Addax Bioenergy	Biofuels, 50-year lease	15,000 ha (Sierra Leone)
	SIAT Group	Oil plantation, rubber plantation, cattle farming	7,300 ha, 12,000 ha, 100,000 ha (Gabon)
	Karuturi Global of Bangalore	Oil palm, sugarcane, rice production	700,000 ha (Ethiopia)
	Trans4mation Agritech Ltd.	Rice production, 25-year lease	300,000 ha (Nigeria)
	Tereos	Sugarcane production, 50-year lease	14,000 (Mozambique)
Prominent Individuals & Private Institutions	Bruce Rastetter (Agrisol Energy, Summit Farms, Pharos Ag)	Agribusiness	Tanzania (3 refugee camps in Lugufu, Katumba, Mishamo)
	Howard Eugene Douglas (former US politician, Kinyeti Development)	Business Partnership & Holdings	600,000 ha South Sudan
	Universities: Harvard* Iowa	Affiliation with AgriSol Energy	Tanzania
	Spelman Vanderbilt*		

* Recent developments and media reports have signalled a disassociation from foreign land investments and other forms of asset holdings.

In addition to “foreign” actors, domestic--national, sub-national, and local elites—are also actively involved, yet their role is relatively understated in the discourse on land grabs. In the case of Mozambique, for example, researchers have shown that local elites can harness benefits from land dealings by shaping domestic legislation.

BY THE NUMBERS: A SNAPSHOT OF GLOBAL LAND GRABS

At this point, to label land grabbing as “complicated” would be an understatement. Drawing on quantitative data to make better sense of the question marks hovering around its magnitude is thus a meaningful start to reign in an overwhelming amount of information that a quick Internet search inevitably brings. Two of the most wide-reaching data sets available to date are the Land Matrix from GRAIN, and the International Land Coalition’s Land Portal that both compile a significant amount of land deal recordings. In the case of the former, the Land Matrix has assembled information on 416 land deals covering roughly 35 million ha of land that have taken place in some 66 states from the year 2006 onward. As inferred from the below comparison, the range of figures that attempt to capture the aggregate status of land grabs fluctuates by approach and source.



Africa’s high share of global land grabbing activity is due to the fact it is relatively cheap as a ‘host’ destination for such dealings. As Emergent Asset Management’s CEO, Susan Payne, put it, Sub-Saharan Africa was the prime candidate for the firm’s food and biofuel investments in the region as “land values are very, very inexpensive, compared to other agriculture-based economies.” Leasehold arrangements in Angola, Ethiopia, Mali, and Sudan range between USD \$2 and \$10 per ha, while Sub-Saharan Africa’s average cost for land purchased range from USD \$800-\$1,000 per ha. When compared to the average cost of purchasing land for USD \$6,000/ha in Brazil,

USD \$18,000/ha in the UK, and USD \$22,000/ha in Germany, the clamour for Africa's territory is understandable. However, the market for African land should also be seen as very imperfect. Buyers tend to have more power, and widespread corruption and a lack of transparency obscures many land transactions from public scrutiny. As a result, African land deals may significantly underprice the true value of the land at stake.

Moreover, land grabs often impose adverse impacts on others, notably through forced displacements and human rights violations of customary dwellers on the land that is acquired. In Angola, for example, local inhabitants living in areas targeted for aluminum mining, silver mining, oil, and natural gas deposits have been forcefully moved through, at times, highly militarized processes in regions like Bathucarta, Dondo, and Soyo. In Ethiopia, state-led "villagization" programs in the Gambella area are relocating locals using violence to clear the path for Indian firm BHO Bioproducts and its production of rice and cotton. The company is anticipating yearly revenues of USD \$135 million by 2017 from the endeavour. The human cost? 225,000 people in the region and a total of 1.5 million countrywide are projected to be displaced within three years. Similar land evictions are also taking place in the Lower Omo Valley, where eight indigenous groups are confronted with incoming bulldozers and met with cases of torture, false incarceration, and rape in the land clearance process.

Environmental degradation is an additional concern of land- and water-grabs. For example, because of activities of companies like Karuturi and Saudi Star, Ethiopia's Gambella National Park is being threatened with the prospect of 438,000 ha of land being leased within close proximity to the park—threatening its rich biological diversity.

In short, the true social and environmental costs of land acquisition are often understated and their benefits overstated. The argument that land investment can enhance economic growth, poverty reduction, or infrastructure development is not supported by available evidence. Countries most active in selling agricultural land (concentrated in Sub-Saharan Africa) tend to be those with the highest rankings on the global hunger index, and constitute 18 of the top 20 most malnourished countries.

Selected References

- Belanger-Gulick, Jasmine. "Canada and the Global Land Rush: Analysis of Canadian Involvement in Large-Scale Agricultural Land Acquisition in the Southern Hemisphere." Canadian Food Security Policy Group (April 2013). url: http://www.ccic.ca/files/en/working_groups/2013-08-21_canada_and_the_global_land_rush_fspg_april_2013.pdf.
- Daniel, Shepard. "Situating Private Equity Capital in the Land Grab Debate." *The Journal of Peasant Studies* Vol. 39, no. 3-4 (2012): 703-729.
- De Castro, Paolo et al. *The Politics of Land and Food Security*. London: Routledge, 2013.
- Deininger, Klaus et al. "Rising Global Interest in Farmland: Can It Yield Sustainable and Equitable Benefits?" The World Bank (2011): 1-214. url: <http://siteresources.worldbank.org/DEC/Resources/Rising-Global-Interest-in-Farmland.pdf>.
- GRAIN. "GRAIN releases data set with over 400 global land grabs" (February 2012). url: <http://www.grain.org/article/entries/4479-grain-releases-data-set-with-over-400-global-land-grabs>.
- McMahon, Paul. *Feeding Frenzy: Land Grabs, Price Spikes, and the World Food Crisis*. Greystone Books: London, 2014.
- McMichael, Philip. "The Land Grab and Corporate Food Regime Restructuring." *The Journal of Peasant Studies* Vol. 39, no. 3-4 (2012), 681-701.
- Margulis, Matias E., Nora McKeon, and Saturnino M. Borras Jr. "Land Grabbing and Global Governance: Critical Perspectives." *Globalizations* Vol. 10, no. 1 (2013): 1-23.
- Robertson, Beth and Per Pinstrup. "Global Land Acquisition: Neo-colonialism or Development Opportunity?" *Food Security* Vol. 2, no. 3 (2010): 271-283.
- Ross, Alexander Reid. *Grabbing Back: Essays Against the Global Land Grab*, Oakland: AK Press, 2014.
- Smaller, Carin and Howard Mann. "A Thirst for Distant Lands: Foreign investment in agricultural and water." International Institute for Sustainable Development (2009): 1-23. url: http://www.fao.org/fileadmin/templates/est/INTERNATIONAL-TRADE/FDIs/A_Thirst_for_distant_lands.pdf.
- Zoomers, Annelies. "Globalisation and the foreignisation of space: seven processes driving the current global land grab." *The Journal of Peasant Studies* Vol. 37, no. 2 (2010): 429-447.