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EDITORIAL

Global Land Sharks Are Having A Field Day

- Piyush Pant

The march of neo-liberalisation entwined with crony capitalism, instead of providing long term growth to the global economy, devastated it to the extent that much touted US economy along with Europe plunged into a serious crisis in the year 2008.This failure of neo-liberal economy whose engine of growth had always been fuelled with capital investment (particularly foreign) put the investors in a quandary. The Wall-Street collapse had rendered all opportunities to rake in profits redundant. Suddenly the investors saw a ray of hope in the food prices boom occurring in various countries. While the financial crisis made other assets less attractive, the escalating food prices led to a "rediscovery' of the agriculture sector by different types of investors. Soon a wave of farm land acquisitions in developing and under-developed countries started blowing. The scale at which these acquisitions are being done recently is so enormous that these investments are being called "land grabbing". This is also so because many of these investments have been made without regard to social, economic and environmental impacts and without consultation with or consent of the affected land users.

For instance, a World Bank report released in 2011 said that data collected between October 2008 and August 2009 revealed deals covering 56.6 million hectares of land. Again a January 2012 report by the International Land Coalition indicates that, based on data from the Land Matrix project, large scale land deals (those exceeding 200 hectares) reportedly approved or under negotiation from 2000 to November 2011 covered 203 million hectares of land. It says that countries attracting investor interest include those that are land abundant and those with weak land governance. The press reports further point out that foreign investors expressed interest in around 56 million hectares of land globally in less than a year. Of these, around two-thirds (29 million hectares) were in sub-Saharan Africa. Countries with fairly abundant non-forested, non-cultivated land with agricultural potential attracted more interest. The World Bank report also says that experts conservatively estimate that due to increasing demand for food and bio-fuels, six million hectares of new farmland will be brought into production per year in developing countries over the next 20 years. While International Institute for Environment and Development report says that at least 2.5 million hectares of land has already been acquired (in parcels of 1000 hectares or more) in just five countries: Ethiopia, Ghana, Madagascar, Mali and Sudan from 2004 to 2008, the media reports point out that Ethiopian government plans to make available some 3 million hectares of land to investors in the next 3 years.

This is to be noted that most of these farmland acquisitions are taking place in low-income and middle-income countries, often in settings where land property rights are weak, unclear, and poorly governed, thus creating enormous risks for poor people, investors and governments. Moreover, in much of developing world more than a billion poor people lack legal rights to the land they harvest. Increasingly many of them are at risk of losing their land due to recent pace in land acquisitions and seizures by private sector interests and governments.

The observers say that the current land rush is essentially a Third wave of outsourcing. They say that the First wave, in the 70s and 80s, sent manufacturers scrambling to lower wage countries, the Second wave involved the outsourcing of white collar service jobs primarily to India and other English-speaking, low wage countries and now a Third outsourcing wave is sending investors to under-developed nations to buy up farm land.

The proponents, including the World Bank, of acquisition of farmlands or 'land grabbing' argue that when done right, larger-scale farming systems can also have place as one of many tools to promote sustainable agricultural and rural development, and can directly support small-holder productivity, but the critiques point out that these land deals can result in loss of access and rights to land, water and other natural resources and to the displacement of individuals and communities. This, in turn, has a severely adverse impact on the livelihoods and food security of poor and vulnerable population. Displacement and reduced livelihood opportunities can lead to increased potential for conflict over scarcer resources. Moreover, these transactions can also cause environmental damage such as land degradation, depletion of water resources, and elimination of forests. Further, the present rush for land can have particularly negative effects on women's land rights and related negative effects on social and gender relations since women are generally more vulnerable than men in their access to and ownership of land and their ability to access any land compensation that might be awarded. It is also said that these transactions pose risks to investors and governments: they can create an anti-market backlash that has a negative impact on the investment climate.

In this issue of **Infopack** we have given the summary of the documents highlighting pros and cons of land grabbing by global investors.

Rising Global Interest in Farmland Can it Yield Sustainable and Equitable Benefits?

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Bird's Eye View

This 214-page World Bank document dwells into various aspects of ongoing farmland grabbing in the developing countries by global corporate investors. It says that one of the highest development priorities in the world must be to improve small-holder agricultural productivity, especially in Africa. Small-holder productivity is essential for reducing poverty and hunger, and more and better investment in agricultural technology, infrastructure and market access for poor farmers is urgently needed. When done right, larger-scale farming systems can also have a place as one of many tools to promote sustainable agricultural and rural development, and can directly support small-holder productivity, for example, through out grower programmes. However, the document says that the recent press and other reports about actual or proposed large farmland acquisition by big investors have raised serious concerns about the danger of neglecting local rights and other problems. It further says that these reports have also raised questions about the extent to which such transactions can provide long-term benefits to local population and contribute to poverty reduction and sustainable development.

The document says that against this backdrop, the World Bank, along with other development partners, has highlighted the need for good empirical evidence to inform decision makers, particularly in developing countries. This report is one such endeavour.

Tracing the background, the document points out that 2007-2008 boom in food prices and subsequent period of relatively high and volatile prices reminded many import-dependent countries of their vulnerability to food insecurity and prompted them to seek opportunities to secure food supply overseas. Together with the reduced attractiveness of other assets due to the financial crisis, the boom led to a "rediscovery" of the agricultural sector by different types of investors and a wave of interest in land acquisitions in developing countries. With little empirical data about the magnitude of this phenomenon, opinions about its implications are divided. Some see it as an opportunity to reverse long-standing underinvestment in agriculture that could allow land-abundant countries to gain access to better technology and more jobs to poor farmers and other rural citizens. There are others who say that an eagerness to attract investors in an environment where state capacity is weak, property rights ill-defined, and regulatory institutions are deprived of resources could lead to projects that fail to provide benefits because they are socially, technically, or financially non-viable. It says that such failure could result in conflict, environmental damage, and resource curse that, although benefitting a few, could leave a legacy of inequality and resource degradation.

The document further says that it is difficult to determine which of these positions are right or to advise countries on how to minimize the risks associated with such investments while capitalizing on any opportunities. It says that this information is not available to those affected, key decision makers, or the public. Hence, this report aims to overcome this information gap and provide key data needed to facilitate and informed debate about large-scale land acquisition. Its main focus is analytical rather than normative, and its purpose is four-fold as given bellow:

- Use empirical evidence to inform governments in client countries, especially those with large amounts of land, as well as investors, development partners, and civil society, about what is happening on the ground.
- Put these events into context and assess their likely long-term impact

by identifying global drivers of land supply and demand and highlight how country policies affect land use, household welfare, and distributional outcomes at the local level.

- Complement the focus on demand for land with a geographically referenced assessment of the supply side, that is, the availability of potentially suitable agricultural land.
- Outline options for different actors to minimize risks and capitalize on opportunities to contribute to poverty reduction and economic growth, especially in rural areas.

The document says that to provide an empirical basis that can help countries and other stakeholders to better understand and address the issue, the writers use a variety of methodological approaches and proceed in a number of steps. These steps are-

- First, the writers use experiences of land expansion in Asia, Latin America and the Caribbean, Eastern Europe, and Sub-Saharan Africa to distil lessons that will be useful in light of predicted future commodity-demand and land-demand.
- Second, the writers assess the extent to which recent demand for land differs from earlier processes of area expansion and identify the challenges, in terms of land governance, institutional capacity, and communities' awareness of their rights, raised by this. To do so, they use a variety of sources ranging from intended land acquisitions as reported by the media to official country data and project case studies.
- Third, to properly frame the issue and allow it to be included in countries' development policies, the writers determine the agricultural potential for land-whether currently cultivated or not-to provide a basis for quantifying the gap between actual and potential yields by current producers, the amount of land that could be available for area expansion, and where investor interest may actually materialize.
- Fourth, the writers compare countries' policy, legal, and institutional frameworks to help identify good practice in a variety of country contexts to assist countries confronted with this issue in providing a response that will minimize risks and allow them to utilize available opportunities.
- Finally, based on the notion that the scale and nature of the phenomenon require different stakeholders to each contribute their share, the writers discuss the areas where governments, the private sector, civil society, and international organizations are challenged to contribute.

Crop-land expansion: Drivers, underlying factors and expected impacts

The document says that large-scale expansion of crop land is not new. From 1990 to 2007, the land cultivated expanded by 1.9 million hectares (ha) per year, for a total of some 1.5 billion ha cultivated globally. Cropland expansion, which would have been much larger without productivity increases, was concentrated in Sub-Saharan Africa, Latin America and the Caribbean, and Southeast Asia. Key commodities driving this expansion were vegetable oils, sugarcane, rice, maize, and plantation forests. In addition to overall increases in commodity demand attributable to population and income growth and biofuel mandates, greater trade led to shifts of production to developing countries with high productive potential. For example, since 1990, soybean yields in Latin America increased at twice the U.S. rate from a much lower base, and the yield of fast-growing trees for wood and pulp in South America is three to four times the level that can be achieved in Europe or the United States. By contrast, agricultural area with sufficient amounts of water has not grown much or even shrunk in most countries of the Middle East and North Africa and in China and India.

The document further says that expansion of cultivated area seems unlikely to slow. Population growth, rising incomes, and urbanization will continue to drive demand growth for some food products, especially oilseed and livestock, and related demands for feed and industrial products. A conservative estimate is that, in developing countries, 6 million ha of additional land will be brought into production each year up to 2030. Two-thirds of this expansion will be in Sub-Saharan Africa and Latin America, where potential farmland is most plentiful. At the same time, in many countries that are of interest to investors, productivity on currently cultivated land is only a fraction of what could be achieved. Concerted efforts to allow existing cultivators to close yield gaps and make more effective use of the resources at their disposal could thus slow land expansion sharply while creating huge benefits for existing farmers.

It says that because investment to expand cultivated area is not a new phenomenon, it is important to draw lessons from past experience. Even a cursory review of recent land expansion across regions highlights the associated environmental and social risks, shows that country policies have an important impact on outcomes, and points to a need for new approaches involving all stakeholders to help achieve sustainable outcomes.

In **Latin America and the Caribbean**, different processes of land expansion can be distinguished with mixed results. The best known is forest clearing for extensive livestock ranching and establishing land rights in the Amazon basin. Net impacts were often negative as most of the land deforested was not put to productive use. A second process was the expansion of soybeans and other crops in the cerrado (savanna) region of Brazil, based on public investment in research and development (R&D) that allowed cultivation of acid soils previously unsuitable for agriculture, use of appropriate varieties, and adoption of conservation tillage. While this was a major technological success, direct impacts on rural poverty were reduced because capital subsidies encouraged in more highly mechanized forms of cultivation. Public and private sector players in Brazil and neighbouring countries now recognize that agricultural investment and expansion pose serious environmental challenges and that action will be needed to reduce detrimental impacts. These actions include rehabilitation of degraded lands, stricter enforcement and monitoring of "legal reserves" (minimum levels of forested areas on agricultural properties), better delineation of protected areas, and environmental zoning.

The document says that in **Southeast Asia**, area expansion has been pronounced for oil palm, generally under large estates, often with smallholders attached to them in Indonesia and Malaysia. Rice cultivation, entirely based on smallholders, has also expanded significantly in countries such as Thailand and Vietnam. The oil

palm industry has grown rapidly in response to global demand, high returns to investment, and low labour costs. In Indonesia, planted area more than doubled from about 2.9 million ha in 1997 to 6.3 million ha in 2007, with significant small holder participation and creation of an estimated 1.7 million to 3 million jobs. In response to policies that aimed to foster development of the industry by giving away land (and the trees on it) for free, large areas with high biodiversity value have been deforested without ever having been planted with oil palm.

Thailand and Vietnam have clarified property rights and used public investment to provide smallholders with access to technology. The small and medium farmer-driven expansion of rice exports-and subsequently exports of other commodities with higher value added-in these countries indicates that these policies had a major impact on poverty reduction and gradual increases of farm size as non-agricultural growth accelerated as well. It also illustrates that increases in production are by no means contingent on large scale land acquisition. In fact, in the rubber sector, production has shifted primarily from large plantations to smallholders. Some countries, such as Cambodia, with relatively abundant land resources but production based mainly on smallholders, have more recently also tried to attract outside investment with mixed success.

The document further says that in most of **Africa**, area expansion has been based on smallholder agriculture in the context of population growth. While countries on the continent range from very land scarce (such as Malawi and Rwanda) to relatively land abundant (such as the Democratic Republic of Congo, Tanzania, and Zambia), large-scale investment has been limited. A key reason for this was that policy distortions against agriculture, especially exports and low public investment in rural areas, have reduced investment incentives, thus limiting the development of Africa's agricultural potential. Elimination of many of these policy interventions over the past two decades has allowed agricultural growth to accelerate and paved the way for renewed investor interest in the continent. Even so, many attempts to jump-start agricultural growth through large-scale farming, as in Sudan, Tanzania, and Zambia, were largely unsuccessful. In some of these, neglect of existing rights prompted conflict over land and further undermined investment incentives.

The document points out that **Eastern Europe and Central Asia** represent a unique situation, where investments in very large farms contrast with an overall contraction of agricultural land use. In the Russian Federation, Ukraine, and Kazakhstan, the area sown to grains has declined by 30 million ha since the end of the Soviet era. These croplands were mostly returned to pastures or fallow, due to lack of suitable technology and market access. Large farms were better able to deal with financing, infrastructure, and technology constraints of the transition, leading to considerable concentration. For example, the 70 largest producers in Russia and Ukraine control more than 10 million ha. They have been a key driver of increases in grain production in Russia, Ukraine, and Kazakhstan, the region's three most land-abundant countries. There remains considerable scope for improving technology to increase yields.

In general, given the large differences in labour intensity across crops, the social and equity implications of cropland expansion will depend on the type of crop grown and the way production is organized. Except for plantation crops, agricultural production across the globe has historically been managed by owner-operated farms, with increases in farm sizes largely driven by rising non-agricultural wages. Recent developments in technology-such as zero tillage, pest resistant varieties, and information technology-made it easier to manage large farms. But true "super farms" emerged only where vertical integration of operations well beyond the production stage allowed large firms to better overcome the obstacles created by imperfections in other factor markets, especially marketing and access to finance. Owner-operated farms, linked to processors and exporters via contracts or other forms of productive partnerships (including producer organizations), will therefore continue to be a key pillar of rural development.

Are recent processes of land acquisition different from past ones?

The document says that countries attracting investor interest include those that are land abundant and those with weak land governance. The 2008 commodity boom dramatically increased interest in agricultural land as a potential investment, especially in Sub-Saharan Africa. According to press reports, foreign investors expressed interest in around 56 million ha of land globally in less than a year. Of these, around two-thirds (29 million ha) were in Sub-Saharan Africa. Countries with fairly abundant non-forested, non-cultivated land with agricultural potential attracted more interest. However, countries with poorer records of formally recognized rural land tenure also attracted interest, raising a real concern about the ability of local institutions to protect vulnerable groups from losing land on which they have legitimate, if not formally recognized, claims. Especially in these countries, public disclosure, broad access to information on existing deals, and vigilant civil society monitoring are needed, along with other efforts to improve land governance, including the overall policy, legal, and regulatory framework for large-scale land acquisition. Moreover, actual farming has so far started on only 20 percent of the announced deals, indicating that there is a large gap between plans and implementation, and ways to transfer land from non-viable enterprises to more capable entrepreneurs may be needed in the future.

Inventory data on land acquisitions highlight the role of policies and domestic players, as well as the limited benefits attained to date. Data from official registries in 14 countries suggest that policies influence the size and nature of large-scale land transfers, whether by lease or by sale. In Tanzania, where land rights are firmly vested with villages, less than 50,000 ha were transferred to investors between January 2004 and June 2009. By contrast, over the same period in Mozambique, 2.7 million were transferred. But a 2009 land audit found that some 50 percent of this transferred land was unused or not fully used. Virtually everywhere, local investors, rather than foreign ones, were dominant players. Moreover, in most cases, the expected job creation and net investment were very low.

Further the case studies confirm widespread concern about the risks associated with large-scale investments, including the following:

- Weak land governance and a failure to recognize, protect, or-if a voluntary transfer can be agreed upon-properly compensate local communities' land rights
- Lack of country capacity to process and manage large-scale investments, including inclusive and participatory consultations that result in clear and enforceable agreements
- Investor proposals that were insufficiently elaborated, nonviable technically, or inconsistent with local visions and national plans for development, in some cases leading investors to encroach on local lands to make ends meet
- Resource conflict with negative distributional and gender effects.

In many of the case studies, progress with implementation was well behind schedule. As a result, local people had often suffered asset losses but received few or none of the promised benefits. Yet field visits by local collaborators also found that investments can provide benefits through four channels: (i) supporting social infrastructure, often through community development funds using land compensation; (ii) generating employment; (iii) providing access to markets and technology for local producers; and (iv) higher local or national tax revenue. If investments generated profits, social impacts depended not only on the magnitude of benefits, but also on the mix of different types of benefits. For example, entrepreneurial and skilled people could gain from jobs created by an investment, while vulnerable groups or women lost access to livelihood resources without being compensated.

Towards a country typology-linking endowments and equity effects

Under this heading the document says that in many countries, both those with and without land available for expansion, there is large scope to increase productivity on currently cultivated land, something that could have major impacts on poverty. Broadly, countries with relatively little or no available additional suitable land for cultivation (for example, Burundi, the Arab Republic of Egypt, India, Malawi, and Rwanda) are on the left half of the graph, and those with relatively more land (for example, Argentina, Brazil, Russia, Sudan, Uruguay, and Zambia) are on the right. Countries also vary widely in the extent to which they realize potential yields. Large gaps in productivity, with current farmers achieving less than 30 percent of potential yields-as found in most of Sub-Saharan Africa-point to deficiencies in technology, capital markets, infrastructure, or public institutions, including property rights. In countries with large amounts of suitable land currently not cultivated, area expansion will have little developmental impact if it fails to address the factors that underlie such widespread failure to make full use of the productive potential of currently cultivated land. Careful analysis of these factors as part of a broader country-level agricultural and rural development strategy that identifies a proper space for private investment can help realize this potential by attracting investment that will also help existing small holders realize the productive potential of their land.

At the global level, the typology can be used to classify countries into four types:

Type 1: Little land for expansion, low yield gap: This group includes some countries in Asia, Western Europe, and the Middle East with high population density and limited land suitable for rainfed cultivation. Agricultural growth has been, and will continue to be, led by highly productive smallholder sectors that may shrink as non-agricultural employment grows.

Type 2: Suitable land available, low yield gap: This group includes countries, mainly in Latin America, where land is fairly abundant and technology is advanced, often a result of past investment in technology, human capital, and infrastructure. Here, savvy investors have recently exploited opportunities for area expansion.

Type 3: Little land available, high yield gap: This group includes many densely populated developing countries. While little additional land is available, yields far below potential lock many smallholders in poverty. Especially given limited scope for non-agricultural development to absorb labour in the short run, increasing agricultural productivity will be critical for poverty reduction. This will require public investment in technology, infrastructure, and market development to raise smallholder productivity. Private investment through contract farming can promote diversification into high value and export markets.

Type 4: Suitable land available, high yield gap: This group includes countries with large tracts of suitable land, but also a large proportion of smallholders with very low productivity. If labour supply constrains smallholder expansion and in-migration is limited, larger farm sizes enabled through mechanization could be a viable strategy. This situation could create opportunities for outside investors.

This suggests that other constraints prevent farmers from making the most effective use of available land. Understanding these constraints and identifying ways to address them will be critical to identifying the types of investments that could best help reduce poverty. Identifying constraints should precede efforts to attract outside investors. As in most countries the area already cultivated exceeds the amount of suitable land that could still be brought under production, addressing these constraints could also lead to output increases much greater than would be possible by expanding cultivated area without improving productivity. Whether and how land is transferred to investors will have potentially far-reaching impacts on the dynamics of farm size distribution. Projections of future population growth and the scope for employment generation in the non-agricultural economy would be useful to trace out options for the evolution of farm sizes.

The policy and legal and institutional frameworks

The document says that variation in legal and institutional frameworks is wide. This is especially true regarding the extent to which property rights are recognized, and the openness, capacity, and coordination of different public institutions responsible for guiding investment and ensuring compliance with regulations. In this regard, five areas are relevant-

Recognition of rights

Rights to land and natural resources need to be recognized, clearly defined, identifiable on the ground, and enforceable at low cost. These include rights to lands managed in common areas, state lands, and protected areas. This is to ensure that local people benefit from investments, and that investors enjoy tenure security that encourages them to make long-term investments. There .are now many examples of cases where relatively land-abundant countries have improved their legal and regulatory framework to recognize customary rights and allow their registration. Low-cost and participatory tools to do so, either at individual or group level without eliminating secondary rights, have been applied successfully in cases such as Ethiopia, Mexico, and Vietnam with positive impact. They demonstrate that, if transparent and accountable structures can be relied upon, registration at group level can be a cost-effective way to protect rights over large areas quickly, greatly empowering rights holders.

Voluntary transfers

Transfers of land- rights should be based on users' voluntary and informed agreement, provide them with a fair level of proceeds, and should not involve expropriation for private purposes. To create these preconditions, local people need to be aware of their rights, the value of their land, and ways to contract, and have assistance in analyzing investment proposals, negotiating with investors, monitoring performance, and ensuring compliance. Compensation may occur in several ways, either through the provision of equivalent land, the setting up of a community fund to provide public services, an equity stake in the investment, or monetary transfers (including the payment of a land rent). To provide a basis for negotiation of a fair level of compensation, it is necessary to be able to assess the value of the land used by the investor.

Transparency

To effectively perform their respective functions, all stakeholders, in particular, governments, need access to accurate and up-to-date information on opportunities, actual transfers, and the technical and economic impact of large investments. In many cases, lack of such information makes it difficult to identify and utilize opportunities, ensure a level playing field, and enforce regulation and contracts properly. Investors unaware of the location of high potential land that current owners might be willing to transfer may design projects that are ultimately not viable or, if institutions are weak, that could cause great damage. Communities that have not been educated about their rights or potential land values will be less likely to anticipate and contest investments that are not sustainable or may lead to conflict. Weak or nonexistent information on project performance or technical parameters imposes costs on all parties and makes it difficult to quickly restructure or liquidate investments that are underperforming or that violate environmental and social safeguards.

Information on prices, contracts, rights, and, ideally, on land use plans should thus be publicly available to help local people to monitor performance of investments and public institutions to properly do their job. Information on land use, existing rights, and land suitability will allow governments to devise strategies and revise them during implementation. The availability of these types of information will also be useful to investors who want to know what approaches and technologies have or have not worked in the past. Public availability of information on rights and written agreements will help communities and civil society to ensure that contracts are enforced and promises kept.

Technical and Economic viability

For investments to provide local benefits, mechanisms need to be in place ensuring technical and economic viability, consistency with local land use plans and taxation regimes, and transfers of assets from nonviable projects. This should also include the scope for investment and associated land governance issues in countries' broader development strategies that identify areas or crops where investment can provide the highest benefits based on agro-ecological endowments and existing land use intensity. This information can then be used to establish parameters and minimum criteria for investor applications. This exercise could be combined with mapping and documenting existing rights on a systematic basis, as well as educating local populations on how to manage their land most effectively.

Environmental and Social sustainability

Even investments that are highly profitable for an investor will generate sustainable social benefits only if they are not associated with environmental externalities or undesirable social and distributional changes within or beyond the immediate project area. Ideally, investors should take these considerations into account on their own in the context of project preparation.

However, experience indicates that this is often not the case and that therefore a regulatory framework, to ensure such negative effects do not outweigh potential benefits, will be essential. In particular, areas not suitable for expansion need to be protected from encroachment and any indigenous or other rights on them respected. Environmental norms need to be clearly defined and compliance with them monitored, with ways for recourse in case of noncompliance. Large investments will also need to consider social impacts in advance and make relevant information on potential impacts available to stakeholders in order to allow informed decisions.

Moving from challenge to opportunity

The document further says that the earlier evidence suggests that large-scale expansion of cultivated area poses significant risks, especially if not well managed. As the countries in question often have sizable agricultural sectors with many rural poor, better access to technology and markets, as well as improved institutions to improve productivity on existing land and help judiciously expand cultivated area, could have big poverty impacts. Case studies illustrate that in many instances outside investors have been unable to realize this potential, instead contributing to loss of livelihoods. Problems have included displacement of local people from their land without proper compensation, land being given away well below its potential value, approval of projects that were only feasible because of additional subsidies, generation of negative environmental or social externalities, or encroachment on areas not transferred to the investor to make a poorly performing project economically viable.

Many countries with large amounts of currently uncultivated land suitable for cultivation also have large gaps between potential and actual yields. Thus, even without any expansion of cultivated area, large increases in output and welfare for the poorest groups could be possible through efforts to enable existing farmers to use currently cultivated land more productively. The associated need for investments in technology, infrastructure, market access, and institutions all suggest that private investors can contribute in many ways, not all of which require land acquisition. Especially in countries with large amounts of currently non-cultivated land with potential for rainfed cultivation and a large yield gap, ways to better utilize existing endowments and help producers move closer to realizing their potential will need to be part of a long-term strategy. Often this can be through partnerships between the public and private sector.

To counter the negative outcomes that can result from participants being ill-informed, all involved will need to contribute to better information access and land and water governance. This requires making information on deals, land availability, and future plans accessible to all interested parties and using such information as an input into analysis and policy advice. Exploring options for doing so and drawing on lessons from other sectors or initiatives could help move in this direction and avoid doing harm by shedding light on these important issues. More immediately, using information on recent and proposed land transfers available at the project level could also help promote more effective monitoring of performance and continued feedback to decision makers in the public and private sectors. This information could help them make more informed decisions so that the opportunities opened up by increased global interest in land and agriculture can benefit local people and reduce poverty.

Even if large-scale land acquisition is not a desirable option, it will, in many cases, be necessary to improve land governance to ensure that the pressures from higher land values do not lead to dispossession of existing rights. To ensure that existing rights are protected and a level playing field exists to make voluntary transfers feasible, three priority areas need to be covered. First, have state land identified geographically and ensure that mechanisms for its management, acquisition, and divestiture, as well as the imposition of land use restrictions, are transparent and justified. Second, make information on land rights that is complete and current available to all interested parties in a cost - effective manner. Finally, ensure that accessible mechanisms for dispute resolution and conflict management are in place.

The document points out that the responsible investors interested in long-term viability in their investments realize that adherence to the set of basic principles is in their best interests; many have even committed to doing so under a range of initiatives, including one with a governance structure incorporating civil society and governments.

Civil society and local government can build critical links to local communities in three ways: educating communities about effectively exercising their rights; assisting in the design, negotiation, implementation and monitoring of investment projects where requested. Also acting as watchdogs to critically review projects and publicise findings by holding governments and investors accountable and providing input into country strategies.

It further says that international organisations can do more to support countries to maximize opportunities and minimize risks from large-scale land acquisition in four ways. First, they can assist countries to integrate information and analysis on large-scale land acquisition into national strategies. Second, they can offer technical and financial support for capacity building. Third, there is a scope for supporting stake holder convergence around responsible agro-investment principles for all stake holders that can be implemented and monitored.

Fourth, they can help establish and maintain mechanisms to disseminate information and good practice on management of land acquisitions by incorporating experience and lessons from existing multi-stake holder initiatives.

The document underlines the fact that building on the work done thus far the World Bank is committed to work together with its partners to help countries integrate investment into their rural development strategies.

Exploring the scenario further, the document says that increased investor interest in agriculture provides opportunities to developing countries with large primary sectors and high levels of rural poverty, gaps in productivity, and large amounts of land. Explaining the seekers of land, it says that there are three broad groups of actors who demand lands. First group includes government from countries initiating investments which are concerned about their inability to provide food from domestic resources. Second group of relevant pairs are financial entities which in the current environment find attractive attributes in land-based investments. Thirdly, with greater concentration in agro-processing and technical advances that favour larger operations, agro-industrial operators or traders may have an incentive to either expand the scale of operations or integrate forward or backward and acquire land, though not always through purchases.

Talking further, the report says that during the study three insights were worth noting. First, access to information emerges as much more of a problem than as anticipated. Even for data that should not be subject to any restriction of confidentiality or within government departments, limited data sharing and gaps and inconsistencies in record-keeping implied an astonishing lack of awareness of what is happening on the ground even by the public sector institutions mandated to control this phenomenon. Second, while some countries have transferred large areas to investors, the extent to which such land is actually used productively remains limited. In many cases, it appears that investors either lack the necessary technical qualification or were interested more in speculative games than productive exploitation. Third, it was surprising that in many cases the nature and location of the lands transferred and the ways such transfers are implemented are rather ad hoc - based more on investor demands than on strategic considerations. Rarely are efforts linked to broader development strategies, careful consideration of the alternatives, or how such transfers might positively or negatively affect broader social and economic goals.

The document contains five chapters.

Chapter 1 is titled **Land expansion: Drivers, underlying factors, and key effects**

It quantifies past land expansion and, based on key drivers, highlights predictions for current and potential future demand for land expansion. It uses differences in regional experience to highlight how policy affects the nature, magnitude, and impact of investments and to demonstrate risks and opportunities. This is linked to determinants of the agricultural production structure and the implications for fair land valuations.

Chapter 2 asks **Is the recent "land rush" different?**

To provide an answer to this question, the writers rely on press reports on demand for land, inventories of registered transactions, and case studies based on field visits to assess social impacts of actual investments on the ground. Media reports highlight the magnitude of investor interest, the pervasive implementation gaps, and the focus on countries with weak land governance. Project inventories point toward the overriding importance of policies, illustrated by differences in the amounts of land transferred and the number of jobs or land-related investment generated. Case studies show that investments can bring significant benefits, but that they can also impose high costs borne disproportionately by vulnerable groups

Chapter 3 deals with the **scope for and desirability of land expansion**

The focus of the debate thus far has been almost exclusively on investors' demand for land rather than the potential for expanding rainfed cultivated area or increasing productivity on currently cultivated area from a country perspective. Adopting the latter will help in at least two ways. First, it highlights the fact that any investments need to help countries achieve their development objectives rather than the other way around, that for many countries improving the productivity of smallholder farmers will have a much larger impact on poverty reduction than promotion of large-scale land acquisition, and that if a country decides that attracting investors is in its best interest, ways that such investments benefit local populations must be high up on the agenda. Geographically referenced data on land potential also allows to check whether investors focus on the most productive areas and fully use available potential and to identify hotspots that might attract investor interest in the future.

Second, it suggests how one might quantify, at the country level, the supply of land with unused agro-ecological and economic potential where cultivation would not eliminate environmental services or displace existing land users without their agreement.

Chapter 4 -The policy, legal, and institutional framework

If there is potential for sustainable agro-investment outcomes but outcomes are far from optimal, it is necessary to explore the framework under which these investments are conducted. Broad consensus exists that the framework governing large-scale land acquisition in sample countries should have five attributes:

- Legal recognition and actual demarcation of rights to land and associated natural resources and the way communities are consulted and decisions made.
- Representative mechanisms should ensure that transfers of rights to land and other resources are voluntary and that all interested parties are consulted, not captured by a narrow elite.
- Clear rules and impartial, open, and cost-effective mechanisms should guide interactions with investors.
- The investments' economic viability and consistency with broader goals of food security should be assessed and publicized.
- Adherence to standards for environmental and social sustainability should be ensured during project preparation and implementation. Extensive review of arrangements in place in 14 countries helps identify good practice examples that have helped achieve good outcomes and thus can guide countries with weak frameworks. At the same time, it points to a large number of gaps that are likely to lead to some of the negative impacts observed in practice. Addressing these quickly, in a way that focuses on high priority areas and complements existing initiatives, will be critical if investments are to live up to their potential rather than cause significant damage and harm.

Chapter 5 is titled Moving from challenge to opportunity

It asks how can governments, the private sector, and civil society address the risks and respond to opportunities opened by large-scale investment? For governments, what is needed to provide the basis for strategic decisions is an assessment of the following:

- Current and potential future comparative advantage in terms of not only availability of suitable land but also infrastructure, evolution of the labour force and human capital, and anticipated changes in the environment
- The institutional framework for investors (and its implementation) and how consistent it is (and its implementation) with the goals of attracting serious investors, respecting land rights and sharing benefits with local people, and monitoring performance
- Potentially available land, existing claims to such land, and the scope and need for employment generation.

It says that the writers have developed a typology of countries by potential availability of land for rainfed cultivation and yield gap to help countries assess the extent to which large-scale investment will be an option and, if yes, how to shape such investment to contribute to national development. In many cases the most\ desirable mechanism for investment in the agricultural sector will be providing support to existing smallholders. If investment in land acquisition is desirable, attention will need to be given to the gaps identified in case studies and in the review of policy and legal frameworks. Although industry-led initiatives are not always simple to establish, drawing on them for technical guidance and building on accepted financial sector performance standards offer considerable potential. International institutions and civil society actors can complement this with effective mechanisms involving all stakeholders to monitor and improve land governance and increase disclosure and access to information. This would include dissemination, capacity building, and support to implementation and effective monitoring of a common set of standards. Debate on how to shape it, followed by concrete steps, will be a high priority.

Land and Power: The Growing Scandal surrounding the New Wave of Investments in Land

By:

Oxfam.org/grow

22 September 2011

Bird's Eye View

This 50-page document, besides **Summary**, is divided into five chapters. Chapter I refers to **Land acquisition: trends and drivers**, Chapter II talks about **Experiences on the ground**, Chapter III is titled **What is failing at the National level**, Chapter IV is about **What is failing at the International level**, and Chapter V refers to **Growing justice**.

In the Summary, the document says that investment can improve livelihoods and bring jobs, services, and infrastructure, when it is managed responsibly within the context of an effective regulatory framework. But the recent record of investment in land is very different. It tells a story of rapidly increasing pressure on land - a natural resource upon which the food security of millions of people living in poverty depends. Too many investments have resulted in dispossession, deception, violation of human rights, and destruction of livelihoods.

This interest in land is not something that will pass; it is a trend with strong drivers. The land deals are very often rightly be called 'land grabs', as recently defined by the International Land Coalition (ILC). This term refers to land acquisitions which do one or more of the following:

- Violate human rights, and particularly the equal rights of women;
- Flout the principle of free, prior, and informed consent of the affected land users, particularly indigenous peoples;
- Ignores the impacts on social, economic, and gender relations, and on the environment;
- Avoid transparent contracts with clear and binding commitments on employment and benefit sharing;
- Eschew democratic planning, independent oversight, and meaningful participation.

This document looks, in details, at five land grabs: Uganda, Indonesia, Guatemala, Honduras, and South Sudan.

Some cases tell a story of the forced eviction - often violent - of over 20,000 people from their lands and their homes, and the destruction of their crops. Others tell how affected communities have been undermined through exclusion from decisions affecting the land they rely on. In most cases, the legal rights of those affected by the land grabs have not been respected. Most of those affected received little or no compensation and have struggled to piece their lives back together, often facing higher rents, few jobs opportunities, and risks to their health. It is actually development in reverse.

The document says that rising interest in farmland should come as good news for small-scale farmers, pastoralists, and others holding rights over land. But the opposite seems to be the case. Local rights-holders are losing out to local elites and domestic or foreign investors, because they lack the power to claim their rights effectively and to defend and advance their interests. In order to improve outcomes for these people, governments must ensure that land transfers do not take place without the free, prior, and informed consent of the affected communities.

Home and host governments, financiers and sourcing companies, the international community, and civil society groups all have a role to play. They must address the failure at all levels to respect human rights, to steer investment in the public interest, and to respond to one of the most alarming trends facing rural populations in developing countries today.

In Chapter I, the document points out that preliminary research by the

Land Matrix Partnership indicates that as many as 227 million hectares have been sold, leased, licensed, or are under negotiation in large-scale land deals since 2001, mostly since 2008 and mostly to international investors. To date, 1100 of these deals, amounting to 67 million hectares, have been cross-checked by the Partnership. Half of the land is in Africa. Over 70 per cent of the total numbers of crossed checked deals are in agriculture.

The document says that the rising interest in acquiring farm land has strong drivers and serious consequences for previous users and rights-holders of the land. The surge in large-scale land acquisitions was initially described in neutral or even enthusiastic terms by intergovernmental organisations, including the World Bank and various United Nations (UN) agencies, the tone has become increasingly sceptical, and even critical. The fear is growing that this new wave of investment will do more harm than good if land grabbing is not stopped. There are few documented examples of large-scale land acquisitions that have resulted in positive impacts for local communities. By comparison, there are many example from media, academia, civil society and the intergovernmental bodies that point to land deals which have failed to provide benefits and have destroyed livelihoods and undermined human rights.

Given the central role that land plays in food security, livelihoods, and overall poverty reduction, there is ample cause for concern.

The document further says that the current wave of land deals is not essentially different from previous struggles over land. What is different is the scale and speed at which they are occurring. This can be explained by the 2007-2008 food prices crisis, which made investors and governments turn to agriculture after decades of neglect. Land and agriculture seemed to many a safe bet. There are many strong factors driving the current push.

One factor is world population, which is expected to grow seven billion in 2011 to nine billion by 2050. Another important determinant is the global economy, which is expected to triple in size by 2050 demanding ever more scarce natural and agricultural resources. Production is expected to double by 2050, increasing the land area under cultivation worldwide to 24 million hectares.

The huge increase in demand for food will need to be met by land resources that are under increasing pressure from climate change, water depletion, and other resource constraints, and squeezed by biofuel production, carbon sequestration and forest conservation, timber production, and non-food crops.

Water, the lifeblood of agriculture, is already scarcer than land and a driver of land investments. By 2030, demand for water is expected to have increased by 30 per cent.

Production of non-food agricultural products is also expanding, from traditional goods, such as textiles, timber, and paper, to modern products like biofuels and bio-plastics, in the face of climate change and the inevitable exhaustion of fossil fuels. Mandates, such as the EU target of obtaining 10 per cent of transport fuels from renewable sources by 2020, mean that there is now major pressure on land for biofuel production, constituting a major cause of food price rises and food insecurity.

Land scarcity and volatility of food prices on the world market have led richer countries that are dependent on food imports to acquire large amounts of land elsewhere to produce food for their domestic needs.

While some investors might claim to have experience in agricultural production, many may only be purchasing land for speculative purposes, anticipating price increases in the coming year (known as 'land banking').World Bank analysis in 2011 of 56 million hectares of large-scale deals concluded that nothing had yet been done with 80 per cent of the land involved, suggesting a significant amount of land banking.

The document says that access to land is critical for small-scale food producers. Lack of it defines 'landless farm workers'. Losing it and becoming landless is feared by many smallholders, as it will mean losing food security and opportunities for development. It is the most marginalized groups in society who are most susceptible to land grabbing - which makes preventing it a crucial issue for poverty reduction and human rights.

The document further says that for women all over the world, lack of access to and control over land is a major determinant of gender inequality. In Guatemala, for instance, 8 per cent of farmers account for 78 per cent of the land in production; of the smallholders who control the remaining land, just 8 per cent are women. In rural areas, lack of access to land forces many women to sell their labour on cash-crop producing farms, where they are paid less than men. Women farm workers may also suffer sexual violence and harassment, discrimination, and devaluation of their work. Rural women often end up with a double burden of providing for and managing the household when men migrate in search of works - another consequence of land shortages.

Women also fare disproportionately in conflicts over land, where they face a number of challenges. Discriminatory legislation is compounded by the sexism of those implementing the laws, and women often have little opportunity to participate in decision-making processes regarding new legislation, projects, or contracts. They also tend to have less (cash) income than men, reducing their ability to buy land when it is available. Compounding this, gender-violence is often a common feature in conflicts over land.

Evidence from research on land grabs in Africa suggests that women are getting a raw deal. Women's land rights are less secure and more easily targeted. They also depend more on secondary uses of land, which tend to be ignored in large-scale acquisitions. Furthermore, although women comprise the majority of farmers, men effectively control the land and the income derived from it, even if it is the fruit of women's labour. In practice, a new commercial opportunity often means that men assume control of the land at the expense of women's access. Thus, new sources of income from the land are likely to burden women and benefit men. The new competition for land between biofuels and food crops, leading to less availability of food and higher prices, is also likely to affect women more, as women tend to take responsibility for feeding the family.

While talking about 'Opportunity or Risk' the document points out that it is not just the 'demand side' of foreign investment that is driving the global scramble for land. Domestic companies are also promoting the opportunities presented by land acquisition to local populations. Investment promotion agencies are actively putting farmland on the international market on behalf of governments under pressure to catalyse economic development and improve the balance of payments. There is personal motivation too for many; Transparency International's Global Corruption Barometer reported that 15 per cent of people dealing with land administration services had to pay bribes. Some governments, particularly in Africa, risk competing in a 'race to the bottom' to attract investors. Incentives provided include duty-free imports of capital goods used for projects, lack of restrictions on the use of the land for particular crops or purposes (e.g. exports), and permission to utilise underground water sources for free.

The document further says that small-scale producers, particularly women, can indeed play a crucial role in poverty reduction and food security. But to do so, they need investment in infrastructure, markets, processing, storage, extension, and research. However, these large-scale land acquisitions do little or nothing to address their needs. Small-scale producers have untapped potential with land, labour, and local knowledge on offer. For example, contract farming, involving pre-agreed supply contracts between farmers and company buyers, can enable farmers to access markets and increase income stability. However, in the current rush for land, the assets of small-scale producers are often ignored and their rights and interests violated.

For the increase interest in farming to be an opportunity rather than a risk for food security and poverty reduction, the following things need to be in place:

- Assistance must be given to small-scale food producers to allow them to take advantage of new opportunities on the world market. In particular, their land rights must be strengthened, and they must be empowered to uphold their rights and advance their interests in the face of competing pressures on the land.
- Governments must strengthen and protect the rights of small-scale producers to the land. This includes the home governments of companies involved in agriculture investments.
- Companies equally have the responsibility to respect human rights and apply due diligence in their operations, as well as to require the same of the business partners with whom they co-operate, whether as financiers, buyers, or suppliers.

While referring to **Experiences on the ground**, the document says that local rights-holders are losing their livelihoods -- and even their lives - in a new version of the 'resource curse', where investments in natural resource-rich countries cause more harm than good. The experiences of local communities in the five cases are considered here.

South Sudan

In South Sudan, Africa's newest nation, small-scale farming is the primary source of livelihood for 80 per cent of households. A January 2011 assessment found that of the 36 per cent of people, who were food insecure, 9.7 per cent were severely insecure. South Sudan's newest challenge, which could derail its long-term socio-economic prospects, is large-scale land acquisitions. Between 2007 and 2010, foreign companies, governments, and individuals sought or acquired at least 2.64 million hectares for agriculture, biofuel, and forestry projects.

For a new country still reeling from years of conflict, this wave of acquisitions may undermine affected people's livelihoods.

In March 2008, Nile Trading & Development Inc. (NTD), a for-profit corporation established under Delaware law, secured a 49-year lease for 600,00 hectares of extremely fertile community land in Lainya County, Central Equatorial State (CES). The deal was concluded between NTD and the 'Mukaya Payam Cooperative'. According to the Mukaya Payam community, who live in Lainya County, this 'cooperative' is not a legally registered entity, has no local office, does not represent them, and is made up of three influential sons of the region.

According to the 2008 census, Lainya County's population is largely dependent on subsistence farming. Under the lease agreement with NTD, communities beyond the Mukaya Payam land give up the right to oppose the following activity by NTD: exploiting timber/forestry resources on the leased land; the harvesting of current tree growth; the planting and harvesting of megafoli-paulownia, palm oil trees and other hardwood trees and the development of wood-based industries; and agriculture. The lease also includes a clause giving NTD exploration, extraction, and sub-leasing rights. Since 2008, NTD has not activated its lease, nor has it applied to the Government of South Sudan for any licence - a prerequisite for NTD to become operational.

Uganda

While talking about the case in Uganda, the document states that Christine (not 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, they now struggle to pay rent for a cramped two-room house, where there is not enough land to farm and grow food. Her children often eat only once a day and are no longer receiving an education, as it is too expensive. They 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, 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 their eviction were justified.

The paper further says that in Oxfam's view, NFC's operations highlight how the current system of international standards - designed to ensure that people are not adversely affected as a result of large-scale transfers of land use rights - does not work. The serious impacts of the operations on local villages, as reported by them to Oxfam, raise particular concerns given that NFC operations are supported by international investment from institutions including the World Bank's private sector lending arm, the International Finance Corporation (IFC), as well as the European Investment Bank (EIB) and HSBC, all of which claim to uphold high social and environmental standards.

On the villagers' rights to use the land, NFC has followed the NFA in describing the displaced groups, some of whom claim to have spent their entire lives on the land, as 'illegal encroachers' and 'trespassers'. The company says that the majority of people who had settled within the (reserves) had done so illegally, with the exception of those who could demonstrate residence on the land since before 1992. Of which only 31 families could demonstrate such ownership. NFC says that no families in Kiboga have demonstrated rights to the land they used to occupy.

Over 20,000 local villagers, however, believe that they have clear legal rights to the land they occupied, and both communities have brought a case before the Ugandan High Court to protect those rights. These claims are being resisted by NFC, and neither case has been finally decided.

Local communities describe the evictions as anything but voluntary and peaceful. But people told Oxfam that the army and police were deployed in the area to enforce the evictions, and that many people were beaten during the process. The evictees claim that employees of NFC were evicting, harassing, erasing their plantations, demolishing their houses, intimidating, mistreating them.

During meetings and interviews with the communities, villagers told Oxfam that none of them, and no-one they knew who had lost their homes and livelihoods, had received compensation or alternative land to date.

Oxfam heard that in Kiboga, a proposal was made to offer alternative land for a period of five years. The communities say they rejected this offer because it provided insufficient space and was merely a temporary solution.

Indonesia

The document says that the rapid expansion of palm oil production across the world has led to hundreds of conflicts over land with local communities, as their food security and access to natural resources are threatened by palm oil plantations. Latin America and West Africa are palm oil's new frontier, but many unresolved land conflicts remain in Indonesia, which together with Malaysia produces some 85 per cent of the world's palm oil. Indonesian NGO Sawit Watch is currently monitoring over 663 land conflicts.

In the 11 villages of Tayan Hulu district, conflict has been dragging on for the last 15 years. In the mid-1990s a Malaysian/Indonesian joint-venture company named PT. Menara AlfaSemesta (PT.MAS) came to negotiate with representatives of the local communities about turning their land into oil palm plantations. The company, endorsed by the 'Bupati' (Head of District), handed out 'letters of release' for villagers to surrender their land by way of a 35 year lease to the company, which in return promised to build houses, schools, a health clinic, and water facilities. Each family transferred over 7.5 hectares, of which 5.5 would be for company use, while two planted hectares would be returned to the family for oil palm cultivation.

PT.MAS states that the area given back as smallholder oil palm plots currently amounts to 27 percent of the total land area. Oxfam research shows that, 15 years later, most families have only received an average of 1.2 hectares - not enough to harvest sufficient fruit to survive.PT. MAS also claims to have built facilities for workers, and claims that since it acquired the land, the community has been brought into mainstream of social and economic development activities. According to the communities, however, most of the facilities originally promised to them have not materialised. Moreover, while the 'letters of release' mentioned the right to lease the land, the communities in Tayan Hulu have since learned that at the end of the 35-year leasing period, the land will revert to the state, which in turn can extend the lease to the company up to 95 years without consulting or obtaining the consent of the people affected. Although in one case, villagers successfully used customary law to fine the company for failing to negotiate with them before accessing the land, by and large, the communities' grievances over the way the land was taken from them have never been resolved, either by the company or by the government, leading to protests, blockade, arrests, and oppression.

In Latin America, historically a continent of extremely unequal distribution of land, income, and power, and of violent conflict over land, the expansion of sugar cane and palm oil for biofuel production is associated with brutal land-grabbing and violence.

Honduras

For a short period in the mid-1970s, the Bajo Aguan Valley, one of the most fertile regions in Honduras, was known as the 'capital of land reform'. Much of the valley's land was given to 54 cooperatives of smallholders farmers from other parts of the country. Even after the Agriculture Modernization Act of 1992, which was generally seen as a counter reform, the new law allowed land to be sold only to farmers or cooperatives that would have qualified to be beneficiaries of the land reform. However, in the decade that followed, corrupt cooperative leaders in coalition with bad-intentioned businesses circumvented the legislation through a combination of deceit, blackmail and violence, selling much cooperative land into the hands of powerful landlords. The farmers found themselves back as day labourers on large plantations, working hard for little pay.

In 2001, some of the farmers organised as the Unified Peasants Movement of the Aguan Valley (know in Spanish as MUCA), with the aim of reclaiming their land rights, initially through the courts. With legal routes exhausted, in 2006 they began land occupations. In June 2009, they even occupied one of the palm oil processing plants of Exportadora del Atlantico, part of Grupo Dinant, provoking President Manuel Zelaya to promise to investigate the land rights issue. However, Zelaya was removed in a coup later that month. Subsequently, as of October 2010, 36 small-scale farmers have been killed. None of these cases has been resolved or brought to court. As a result of the escalating violence and murders, the government has militarised the area.

The government was eventually forced to convene both MUCA and the company to negotiate a deal in June 2011. The government agreed to distribute 11,000 hectares to the farmers. The company agreed to the proposal, but later announced it wanted to renegotiate.

However, under the deal, the farmers have to buy back the disputed land at market price. Moreover, many other peasant groups in the valley are still looking for solutions to their problems, and are continuing land occupations and exposing themselves to violent evictions by state security forces. The farmers' organizations are now proposing an Integrated Agrarian Transformation Law which will contribute significantly to a long-term solution to the problem of a land tenure structure that is concentrated in very few hands at the expense of hundreds of thousands of small-scale farmers, who do not have access to the land they need to survive.

Guatemala

Guatemala has been discovered internationally as a suitable area for biofuels production, both for ethanol (sugar cane) and biodiesel (oil palm). This has given rise to a new wave of land dispossession, targeting the few remaining indigenous and peasant lands.

The Polochic Valley region in the north of the country is one of the areas targeted for increased sugar cane cultivation. In 2005, the Windmann family moved their sugar cane refinery from south coast to the Polochic Valley, remaining it Chawil Utz'aj (good cane), using a loan of $26m from the Central American Bank for Economic integration (CABEI). By 2008, Chawli Utz'aj had planted 5,000 hectares of sugar cane. The farmers saw themselves with no option but to seek refuge in the steep and infertile lands of the sierra de las Minas.

According to media articles, by 2010 Chawil Utz'aj was struggling to repay the loan. Farming families who had to leave the valley a few years ago decided to return in late 2010 to occupy the land for food production. However, as has been recorded by a human rights mission from the UNESCO programme on sustainability of the University of California, in March 2011, private security units forcibly evicted more than 800 families in 14 communities in the Polochic Valley.

The document calls it **development in reverse**.

It says that the case studies present a sad picture of what happens next, after people lose their land and their livelihoods. Villagers in the Indonesian district of Tayan Hulu, who signed away their land to PT. MAS, cannot harvest sufficient fruit to survive from the land they received in return.

In Uganda, the villagers from the NFC concessions in Kiboga and Mubende districts who spoke to Oxfam say they have much less food to eat now; most families have dropped from three to one or two meals a day. Children are more prone to diseases, as their health is suffering through malnutrition. Most say they were evicted from well-established villages which they have inhabited for 30 years. All those who talked to Oxfam are now renting smaller houses or put up fragile, temporary structures made from polythene or straw and wood. Few can afford to pay school fees or medical treatment any more.NFC says that former encroachers who settle outside the boundaries of the reserve benefit from various educational, health and livelihood enhancing projects implemented by NFC, communities and local government, but none of the evictees with whom Oxfam spoke said they had benefited from NFC's community development work.

Chapter II refers to **What is failing at the national level?** In this context, the paper points out that the UN Special Rapporteur on the Right to Food, Oliver de Schutter, noted that human rights conventions contain clear provisions in relation to the negotiation of large-scale land deals. An important principle is that, in general, any shifts in land use can only take place with the free, prior, and informed consent of the local communities concerned.

Respect for free, prior, and informed consent is key to good governance and is essential for poverty reduction. Local governments must ensure that principle is respected. But, in practice, governments often fail to ensure that affected rights-holders are even at the negotiating table, never mind empowering them to be strong players. Too often it is the government - the president, the provincial governor, the local mayor or chief - negotiating with a disputed mandate from the people whose land rights are at stake. Where local communities are consulted, consultations tend to be biased against the equal participation of women, even where the (primary and secondary) use rights of women are heavily affected.

In each of the cases presented in this paper, negotiations were neither run nor even mandated by the land rights-holders, but by local chiefs and/or local and national government authorities.

However, Oxfam's research has revealed consistent testimony from villagers to the effect that they were not consulted and did not consent to losing their land, homes and livelihoods. They say that public meetings, involving government representatives, were convened, but that these were not consultative and simply served to deliver deadlines for clearance of the land. This does not appear to contradict NFC's account. In a letter to Oxfam, NFC describes a series of consultations that took place in the months leading up to the 'vacations', which clearly outlined the conditions under which the vacations should occur.

Only in the Indonesian case was there any form of consultation with land rights-holders. But it hardly followed the principle of free, prior, and informed consent; many of the farmers who handed over land felt cheated into signing a letter that turned out to have wider negative implications.

The document further says that the International Institute for Environment and Development (IIED) could only find 12 contracts for its analysis of land deals. Of these, they found that some contracts underpinning the recent wave of land acquisitions may not be fit for purpose. A number of the contracts reviewed appeared to be short, unspecific documents that grant long-term rights to extensive areas of land, and in some cases priority rights over water, in exchange for seemingly little public revenue and/or apparently vague promises of investment and/or jobs. Lack of transparency also undermines public scrutiny and may open door to corruption.

The newly globalised pressures on land have put more strain on the fragile mix of legal systems that are in place in many countries. In practice, investors can often exploit the confusion created by overlapping systems to evade the requirements of either, or trump them by aligning with government or a customary chief.

Research by the Centre for International Forestry Research (CIFOR) on several cases in sub-Saharan Africa found that despite diverse national contexts and laws, land investments often end up having the same outcomes for local communities. Customary rights, for instance, were seldom adequately protected in land negotiations, despite widespread legal recognition of these rights. They concluded that results are strikingly similar despite a wide variety of legal and institutional frameworks for protecting customary rights and regulating large-scale land acquisition.

Oil palm planter PT. MAS exploited the inconsistencies in Indonesian land policies. In Sanggau Regency, one third of the land has been designated by the local government as izin lokasi, or land that companies can persuade communities to part with. This has often meant that some community leaders are co-opted by companies or local authorities to persuade - or coerce - families into handing over their land. In practice, this often means that the indigenous people's Chief, the village head, and sub-village head are paid a monthly salary by the oil palm company. As a result, notes the NGO Sawit Watch, the village heads and the Chiefs do not represent the community but effectively represent the company against their own community.

Strengthening the rights of women farmers and other small-scale food producers, as well as their access to justice, is crucial. Enabling those affected by land acquisition deals to exercise free, prior, and informed consent will ensure that they know their rights and are able to exercise them. In contrast, the absence of the rule of law and access to justice can result in violent conflict - whether initiated by elite investment interests or by communities attempting to hold on to their land. Communities will struggle when something as basic as their land is under threat; it is at the core of their livelihoods, identity, and survival.

What is failing at the international level?

The document says that the cases considered here are linked to international markets through finance and trading. When district and national accountability mechanisms fail, international instruments exist that should prevent abusive or irresponsible practices. But are these mechanisms working?

Human rights conventions contain clear obligations in relation to the negotiation of large-scale land acquisitions. These apply not just to host governments, but also to companies investing in or sourcing from such operations, as well as 'home' governments in the countries where investors are based. But the human rights system often fails to provide practical, effective mechanisms for individuals and communities to hold companies and home governments to account.

It is important that the workings of the international legal system are developed in order to protect land rights and that aggrieved communities are able to test the systems already in place.

While these rulings have set important precedents, they are rare examples, and in the cases discussed in this paper, the courts have not provided recourse.

The paper further says that what is known as the UN Framework is built on the ideal of 'protect, respect, and remedy'. States have duty to protect people from human rights abuses by third parties, including business; corporations have a responsibility to respect human rights; and people must have more effective access to remedies. The framework and its principles identify the following roles for businesses to meet their internationally recognised human rights obligations:

- Identify, prevent, and mitigate the adverse human rights impacts of their operations;

- Exercise due diligence pertaining to adverse human rights impacts that the business enterprise may cause through its own activities, or which may be directly linked to its operations, products, or services by its business relations (in other words, a company should take responsibility for its entire supply chain);
- Communicate externally how the company is addressing its human rights impacts; and
- Give victims access to effective remedy.

The UN Framework also underlines the importance of state oversight, including oversight of companies operating abroad; it calls on governments to provide effective remedies to redress human rights abuses by business enterprises. Investors often take advantage of weak or non-existent governance at the national level to acquire land. To address this, home countries (where investors are based) should institute tougher legal rules and safeguards for companies, regardless of where they operate, in order to promote transparency, regulate business practices, and enable communities to find remedy.

Efforts to promote transparency internationally could be an important step, as long as lessons are learned from the limited impact of other initiatives, such as the Extractive Industries Transparency Initiative (EITI). While EITI is credited with creating space for national civil society organisations and helping to shed light on financial flows, its impact is limited, since it is voluntary. Its obligations also excluded contract details or transparency around consultations before contracts are finalised. In the meantime, civil society initiatives are helping to shed light on what remains a highly secretive business.

In Oxfam's view, the failure of international standards and rules to safeguard communities from the devastating impacts of land grabs is demonstrated by the case of NFC in Uganda. NFC is backed by due diligence processes appear to have failed in this regard. The IFC concluded that NFC had been unable to comprehensively apply the principles guiding resettlement in IFC's performance standard on land acquisition and involuntary resettlement. This standard recognises that project-related land acquisition and restrictions on land use can have an adverse impact on communities using the land and therefore requires that affected communities are provided with compensation, resettlement, and livelihood restoration.

While talking about **Perverse policies**, the paper points out that some national and international government policies, though well-intentioned, in practice serve to undermine local communities' land rights, providing incentives that increase the pressure for land or protecting harmful investments.

In the name of mitigating carbon emissions, the EU and the USA (as well as others) have introduced biofuels mandates over the past decade. This is despite the fact that the benefit of biofuels to reduce emissions has come under serious scrutiny, and biofuel production is increasingly linked to rising food prices and pressure on land. In effect, the high demand for biofuels is giving rise to harmful land investments.

Another example is the UN Clean Development Mechanism (CDM), one of the instruments created by the Kyoto Protocol to facilitate carbon trading. The CDM Board has registered a biogas installation at Dinant's Exportadora del Atlantico in Honduras as an emissions reduction project, allowing the company to sell certified carbon credits on the market. Over 200,000 tonnes of emissions reduction credits which Dinant expects to realise by 2017 could raise several million dollars for the company. Dinant's application to the CDM was accepted despite the intervention of two human rights groups, FIAN (Food first Information & Action Newtwork) and CDM Watch, which documented the violent displacement and human rights violations linked to Dinant's project in the Bajo Aguan Valley, and despite concerns raised by the UK government, the Carbon Markets and Investors Association, and EDF (Environment Defence Fund) Trading - which withdrew from an agreement to buy certified Emission Reductions (CER) from project. The CDM Board, however, explained that human rights concerns fall outside the parameters of its mandate in decisions on the recognition of carbon credits.

Furthermore, there are over 2,500 bilateral investment treaties (BITs), which protect investors from changes to host government policy and which may be impairing the ability of countries to regulate investments effectively. The opportunity for investors to challenge public policy through arbitration procedures under these BITs weakens developing countries' capacity to regulate their food, land, and water sectors, as well as to introduce policies that promote food security and poverty reduction.

Growing justice

While talking about this the paper points out that new demands for agricultural commodities on the world market have the potential to provide opportunities to local communities in areas of increasing investor interest. But they present more of a risk than an opportunity for communities. The power balance has to shift in favour of those most affected by land deals.

The paper then present some important recommendations for the benefit of mostly affected communities. The recommendations are:

- Grievances of communities affected by the cases discussed here must be resolved;
- The balance of power must be shifted in favour of local-rights-holders and communities;
- Host country governments and local authorities should promote equitable access to land, and project people's rights;
- Investors operating agriculture projects should respect all existing land use rights, and seek the free, prior, and informed consent of local rights-holders and communities before engaging in any land-related activities;
- Financiers of agriculture ventures and buyers (traders and processors) of agricultural products should take responsibility for what happens in their value chains;
- Home country governments should take responsibility for acts of originating companies abroad.
- Members of the public can put pressure on governments and companies to grow justice;
- Civil society, media, and academia can help protect rights and foster transparency.

Global Land Grabbing and Trajectories of Agrarian Change: A Preliminary Analysis

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Bird's Eye View

This 25-page document deals with two key dimensions of the current land grab, namely, the politics of changes in land use and property relations change (and the links between them) which are not sufficiently explored in the current literature. The writers attempt to address this gap by offering a preliminary analysis through an analytical approach that suggests some typologies as a gap towards a fuller and better understanding of the politics of global land grabbing.

In the Introduction, the document says that 'Global land grab' has emerged as a catch-all phrase to refer to the explosion of transnational commercial land transactions and land speculation in recent years mainly around the large-scale production and export of food and biofuels. The emphasis on land grabbing builds on familiar, iconic images from the past of (Northern) companies and governments enclosing commons (mainly land and water), dispossessing peasants and indigenous peoples, and ruining the environment (in the South). It rightly calls attention to the actual and potential role of current land deals in pushing a new cycle of enclosures and dispossession, and therefore the urgent need to resist them. But like all 'catch-all' phrases intended to frame and motivate political action, this one too suffers from limits and weaknesses that partly make it vulnerable to capture by undemocratic elite and corporate agendas.

The document further says that the writers attempt to take a broader view of the politics of global land grabbing, by delving into two crucial dimensions of this phenomenon; namely, the dynamics of changes in land use and property relations, including how these two dimensions are interlinked, and why it matters. In spite of their centrality to current land-related political and policy debates, to date neither dimension has been addressed extensively or systematically enough in the emerging literature.

Inspired and informed by the fundamental political economy analytical traditions, the writers ask critical questions like: Do all investments in land today constitute land grabbing? Do all changes in land use and property relations today constitute land grabbing? Does all land grabbing results in peasants' expulsion from their land? Does all land grabbing involves foreign land grabbers, and how does it matter? Do all land grabs today indeed result in important changes in land use and property relations?

In this paper, the writers deal mainly with social relations of property, with some reference to questions of labour. They also add to these questions some discussion of how land grabs shape and are shaped by dynamic ecologies (political ecology), in order to engage with the big-picture questions around land grabbing.

In the background, the document says that a convergence of global crises (financial, environmental, energy, food) in recent years has contributed to a dramatic revaluation of, and rush to control, land, especially land located in the global South. The convergence of 'peak oil', anthropogenic climate change (with industrial agriculture and transport sector combined probably contributing to more than half of greenhouse gas emission), and persistent hunger (affecting one billion people in 2010) are located within capital's need for continuous expanded accumulation. For mainstream economists, there is a newly discovered lifeline: the putative existence of 'reserve agricultural land' in the global South, which can be transformed into zones of investment for food, animal feed and fuel production.

The document further says that transnational and national economic actors from various big business sectors (oil and auto, mining and forestry, food and chemical, bio-energy and biotechnology, etc) are eagerly acquiring, or declaring their intention to acquire, large swathes of land on which to build, maintain or extend large-scale extractive and agro-industrial enterprises. National governments in 'finance-rich, resource-poor' countries are looking to finance-poor, resource-rich' countries to help secure their own food and especially energy needs into the future. Land in the global South has been coveted for multiple reasons historically. But today, there is new momentum building behind the idea that long-term control of large landholdings beyond states' own national borders is needed to supply the food and energy needed to sustain their population and society into the future. As a result, it has been noticed that there is a rise in the volume of cross-border large-scale land deals. Many large-scale land deals are driven by transnational corporations (TNCs), and in some cases by foreign governments, but almost always in lose partnership with national governments. On many occasions too, national governments in developing countries are actively seeking out possible land investors.

The earliest reports of a surge in transnational commercial land deals leading to (or threatening) a massive enclosure of remaining 'non-private' lands and to dispossession of rural poor came from radical environmental-agrarian and human rights activists. Several networks have been documenting cases of land grabbing and bringing them to public attention. In April 2009, the International Food Policy Research Institute (IFPRI), a member of the CGIAR (Consultative Group on International Agricultural Research) and based in Washington, DC, reported that, since 2006, 15-20 million hectares of farmland in developing countries had been sold or leased, or were under negotiation for sale or lease, to foreign entities. Their report identified cases mostly in Africa. In September 2010, the World Bank released a report on land grabbing, and offered an estimate of 45 million hectares (World Bank 2010; Deininger 2011).

The writers point out that the countries targeted by these deals, particularly in sub-Saharan Africa where labour is relatively cheap and where land is considered plentiful, will be potentially increasingly dependent on international markets to achieve food security. So they will produce more food, but this food will be exported. Countries that are the least self-sufficient and most dependent on international markets have been most severely affected by increasingly volatile prices.

The dominant discourse amongst NGO and social movement circles, think-tanks and the media offers following characterization of the current wave of land grabs:

- Land-use change involves converting forest lands or lands previously devoted to food production for subsistence or domestic consumption to produce food or biofuels for export;
- It is transnational in character and driven largely by the Gulf states, Chinese and South Korean governments and companies;
- The underlying land deals increasingly involve finance capital, partly leading to speculative deals;
- These deals are often shady in character, being non-transparent, non-consultative and fraught with corruption involving national and local governments;
- The deals often lead to, or have led to, dispossession when 'local communities' do not have formal, legal, and clear property rights over the contested lands; and so
- Regulation of land deals is needed, whether through the Responsible Agricultural Investments (RAI) principles put forward by the World Bank, UNCTAD (United Nations Conference on Trade and Development), IFAD (International Fund for Agricultural Development) and FAO (Food and Agriculture Organisation), or through the Voluntary Guidelines being advocated by social movements and NGOs within the Committee on Food Security (CFS) of the FAO.

The many faces of changing land use today

The document, under this title, says that to get a broader understanding of land issues requires unpacking the vague category of 'changing land use'. Global land use today is changing not just in one direction (e.g. in favour of food or biofuel production for export); but has many faces. The main idea here is that while the dominant narrative around global land grabbing (focused on converting lands previously dedicated to food production or forestry for domestic use to export-oriented food and biofuel production) is correct and important, it should be seen against far more diverse, complex and dynamic changes in land. It gives a better idea on how and why changes in land use occur, and with what effects for those who use it. It brings in important dynamic missing from the dominant land grab narrative, and enables writers to situate their analysis of land-use changes in the latest wave of capitalist penetration of the countryside of the world.

The main directions of land-use change today takes the following patterns - Type A: Food to food, Type B: Food to biofuel, Type C: Non-food to food and Type D: Non-food to biofuels.

Land-use change within food-oriented production

The document points out that land remain within food production, but the purposes for which food is produced have changed. In aggregated official censuses of land use, these changes are not always captured. In this context, there are three sub-categories.

Type A : 1. It involves land previously dedicated to food production for consumption that are then converted to food production for domestic exchange - also known as the commoditization of food production. It is an integral component of capital accumulation in the countryside that accounts for everyday forms of peasant dispossession, often through social differentiation of the peasantry (Lenin 2004). As the price of food rises, more peasants tend to sell some or all of their food harvest to the accumulation-dispossession dynamics of commoditization (Hall 2011). If the population of the world continues to increase at the current pace, somehow new lands will have to be put to agricultural cultivation to produce more food. Not all of this new cultivation was devoted to food crops, though, and it included large-sale tree plantings for the pulp industry.

2. It involves lands previously devoted to food production for consumption or domestic exchange, which are then converted to food production for export. Although this kind of change is not new, it has some new features that contribute to making it even more controversial. First, it involves a new set of non-traditional land grabbing countries (e.g. oil-rich Gulf states, South Korea, Japan, China and India), alongside the more traditional ones. The 2007-8 world food crisis prompted many of these newer, non-traditional players to begin transacting foreign land deals as a way to ensure their own national food security.

Second, whether traditional or non-traditional, today's land grabbers are gaining control of land through a combination of land purchases, long-term leases of up to 99 years and contracting with small-scale farmers, where this is safer and more profitable than buying or leasing land. Third, as already indicated, the pace of land-use conversion in this sub-category alone is quite rapid and extensive.

3. Finally, it involves land previously devoted to food and feed production for export (especially large farms), which in then converted into small-scale family farm units, mainly for food production for use and domestic exchange. This includes land-reform settlements created from redistributed plantations. For example, land-reform settlements in Brazil, where large private sugarcane plantations or cattle ranches were redistributed and converted by land-reform beneficiaries to subsistence-oriented food production. Other examples are those in the banana and sugarcane sectors in the Philippines, oil palm plantations in Indonesia, and commercial tobacco and cereal farms and ranches in Zimbabwe.

Type B : Land-use change from food to bio-fuel production

In this context, the document says that a popular protest line has been seen against the TNC (Transnational Company)-driven shift 'from feeding people in developing countries to fuelling cars in the industrialized world'. Converting food lands to bio-fuel production for export is another feature of current trans-national commercial land deals. In fact, it turns out that the majority of current land deals are not for food production, but for bio-fuels and another industrial products (World Bank 2010; HLPE 2011). This is the main land-use change that has drawn fire from activists worldwide, and which even mainstream development agencies and inter-governmental entities such as the European Union (EU) are now sensitive to, extending the debate over the issue of EU bio-fuel policy impacts on indirect land-use change or 'IULC'. It is this type of land-use change that most evidently exemplifies the logic of contemporary capitalist development and its global patterns of production and consumption. This is generally corporate driven.

The document further says that corporate-driven bio-fuel for export usually requires large-scale financing, mono-cropping, industrial-scale production and processing, and new transportation infrastructure. With feed-stocks such as 'jatropha', castor or cocoanut, biodiesel can also involve small-scale, community-based type operation. However, for the corporate biodiesel business, industrial operation is required to achieve business viability, as exemplified by the scaling-up of 'jatropha' production currently attempted in numerous countries today. Other bio-diesel feed-stocks are oil palm and soya, usually with the (at times adverse) incorporation of small growers.

The pace of land-use change has been quite rapid in some countries where bio-fuel feed-stocks have been introduced only recently. Like that of food for export, the extent of biofuel production is difficult to pin down for various reasons. Experience shows that it difficult to monitor actual change on lands that have already been allocated, and where conversion from food to bio-fuel production is already underway.

By early 2011, newspaper reports remain the main source of global monitoring of the extent of this type of land-use change; while useful, they may not always be precise or up to date. For example, the Philippines has always been reported as the site of extensive land grabbing, with China, South Korea and Middle Eastern countries for export production of food and bio-fuel. However, initial talks and a formal memorandum of agreement signed between the governments of the Philippines and China have not been followed up, partly because of protests from Philippines' civil society groups.

For bio-fuel production, it seems that the socio-political processes through which land-use changes occur are marked by manoeuvring by national and local governments and TNCs, ranging from promises of a better livelihood and employment, to deceit, coercion and violence. Vermeulen and Cotula (2010) offer an insightful mapping of the political dynamics of coercion and consent in affected communities in Africa. The expansion of oil palm in Colombia has been associated with paramilitary activities in contested lands; paramilitary activity forces people to abandon their lands, which are then converted to oil palm plantations (Ballve 2011; Grajales 2011). In the Brazilian state of Sao Paulo, the promise of better livelihoods under lease arrangements and job employment have induced many land-reform beneficiaries to abandon their land-reform settlements and lease them to sugarcane companies; to a lesser extent, this is similar to what is happening in the province of Isabela in the Philippines with country's largest operational sugarcane ethanol project. In Cambodia, the opening up of a major sugarcane plantation in Kampong Speu province has required the forced eviction of existing farmers and communities (Borras and Franco 2011).

Type C : Lands devoted to non-food uses converted to food production

The document says that these settings involve lands devoted to non-food land uses being converted to food production. Forest land is included in this category despite the fact that forests supply important food items to many people. Tracing the direction of land-use change, four broad patterns are detected under this category. These are:

Type CI represents settings where forest lands and other non-food lands (e.g. grasslands) are converted to food production for consumption and/or local exchange.

Type CII involves settings where lands devoted to forest or other non-food purposes are converted to food production for export. This type of change is now often depicted as the clearing and destruction of forests, from Indonesia to Brazil to Cambodia, in order to sustain a wasteful lifestyle of over consumption abroad. But as a type of change, the phenomenon is certainly not new and began during the colonial era. Most of these production expansion initiatives are corporate-driven (domestic and transnational), but with active encouragement from national governments. This is the most controversial and protested land-use change pattern today.

Type CIII shows settings where lands dedicated to non-forest uses (such as grasslands, wetlands and wastelands) are converted to food for consumption and domestic exchange.

Type CIV represents settings of the same type as in Type CIII, but involving conversions from non-forest use to food for export. For example, many wetlands in the South have been converted to fishponds to produce high-value export commodities (shrimps, fish and so on).

The document further says that lands dedicated to forest uses are being converted to biofuel production for local consumption and exchange. This is another controversial type of land-use change: clearing forests in the South in order to fuel cars in the North, with the bio-fuel expansion into the Brazilian Amazon and the massive clearing of Indonesian forests again providing two of the most important examples. Often corporate-driven, with both transnational and domestic corporate involvement, the wealth created in this process tends to be concentrated in the hands of just a few companies.

The document also says that settings in which lands officially classified as not devoted to food or forest uses are converted to biofuel production for consumption or domestic exchange. These are the object of the key drivers of biofuels: 'marginal', 'idle', 'waste lands' and so on. The World Bank (2010) has estimated the global area of such land as 1.7 billion hectares. The biofuels produced from these lands can be for consumption by either the producers (village) or for domestic (local and national) markets. The key drivers are usually local governments, NGOs and farmers' organizations and local or foreign corporations.

To illustrate, after the food crisis in 2007-2008, the Philippine government used data based on official land classifications to identify lands that could be allocated to intensified food and biofuel (jatropha and other) production, and aggressively encouraged domestic and foreign capital to seize investment opportunities in the countryside. In 2009, the government allocated one million hectares of so-called 'marginal' and 'uninhabited' lands for a joint venture investment by the Malaysian Kuok Group of Companies and the Filipino San Miguel Corporation. According to the companies' official declarations, the joint venture aims to help the government achieve food security by transforming marginal, idle and uninhabited lands into productive spaces. However, field investigation in Davao del Norte province in Mindanao revealed that the lands allocated there are in fact significantly populated, contrary to the official census. Similarly, in Mozambique, the Procana biofuels project in the southern province of Gaza (which eventually closed in December 2010) occupied land offered to investors as marginal and underutilized. In fact, hundreds of people live and earn their living from this land, as livestock farmers and cultivators, and charcoal makers. The 30,000-hectare plantation was located adjacent to the huge new Massingir dam and the Dos Elefantes river. The writers say that one must wonder how such an agro-ecological zone could have been categorized as marginal (Borras et al. 2011). Likewise, villagers in Kampong Speu in Cambodia were forcibly evicted from a 20,000 hectare area of ostensibly empty land to make way for a new sugarcane plantation.

Further discussion on land-use change

Under this title, the document highlights some analytical points. It says that first a conceptual and empirical mapping of the nature and direction of land-use change is relevant, because land-based social relations can vary from one broadly distinct agrarian setting to the next: from predominantly Western-style private property rights regimes to more customary non-Western ones, to varied combinations of the two; and from more traditional extensive ways of farming to other more intensive industrial ways, and so on. Given such diversity, the dynamics of land-use change and its implications for different social classes and groups will likewise be diverse, calling for more nuanced empirical research and political advocacy and action.

Second, changes in land use that may strategically undermine the socially differentiated 'rural poor' occur not only in forms that are obviously detestable. They also occur in other forms, such as conversion to commercial-industrial production of food and biofuel for domestic exchange. Linked to this is the need, analytically and politically, to take a disaggregated view of the 'rural poor', which means rural working classes, including poor peasants, small-scale farmers, landless rural labourers, indigenous peoples, pastoralists and subsistence fishers - both male and female. Land-use change will have different impacts on these various strata of the rural poor and between them and rich farmers, landlords, moneylenders and traders.

Third, not all changes in land use are 'bad' for the rural poor and the environment. Far-reaching land-use change is needed in order to reverse past and current dominance of, and trends towards, monocultures and industrial farming that result from corporate-driven agriculture. This is a classic scenario in radical activists' framing of their critique: industrial farming means agriculture without people. It means land-grabbing and labour-saving/labour-expelling land investments, processes captured in Tania Li's formulation (Li 2011, 286) that 'their land is needed, but their labour is not'.

Fourth, there is a need for careful empirical enquiry to find out 'who was dispossessed, why, how and to what extent? John McCarthy's study of some Indonesian oil palm plantations is illustrative of a differentiated impact: some farmers were dispossessed and displaced, others were not.

Fifth, while there are struggles against the TNC-driven food-biofuel agro-industrial complex, it is not always the case that the rural poor participate in or support such struggles. Empirically, the use of a disaggregated, class analytical lens to examine the social and political reactions by the rural poor is likely to reveal that the impacts of land-use change -as well as the responses to it - are highly differentiated between different social groups and classes among the rural poor, and between them and the non-poor. There are numerous potential fault lines around this issue, including between environmental and agrarian justice movements, between small-scale farmers and landless labourers, between different agrarian movements with different social class bases and ideological standpoints, between organized social movements and unorganized rural poor communities, and so on. In many settings, local people and local communities include elite local chiefs, corrupt petty officials, local bosses, local bullies, moneylenders, landlords and rich farmers, who have competing class interests that are different from, and typically opposed to, the interests of small farmers or landless labourers. The fact that it was the local chiefs who signed the lease agreement for the 30,000 hectares in Procana in Mozambique, despite opposition from many subsistence farmers.

Sixth, corporate-driven land-use change is not always precisely about 'land-use change' but, rather, 'crop-use change'. The current promotion of biofuels does not always lead to changes in the use of land, but in some cases involves changes in how existing crops are used. Key examples here are soya in Argentina, oil palm in Indonesia and cocoanut in the Philippines (for biodiesel), as well as sugarcane in South Africa and Philippines and corn-for-feed in the United States (for ethanol). The change in the US Midwest Corn Belt has caused a tsunami worldwide in terms of food prices over the past few years did not strictly involve land-use change but crop-use change.

Seventh, the recent discourse on land-use change has focused on the transnational dimension, with particular emphasis on the so-called 'new' land grabbers; namely, the Gulf states, China, South Korea and India. Not all transactions related to food involving Gulf States, China and South Korea ought to be construed as 'land grabbing'; nor is all global land grabbing limited to those states. Also it must be recognised that key actors in Brazilian, Malaysian, Cambodian, Philippine, Indian and Indonesian land grabs, among others, are mainly national capitals. Transnational-regional players in the South play a key role in many countries; Vietnamese and Thai companies in Cambodia and Laos, South African companies in Africa, and Brazilian companies in South America. If we include so-called 'internal land grabbing', such as in China, or the situation in India, where a lot of land grabbing is actually for non-agricultural purposes, including mining, industrial and infrastructural development, business parks, residential and other real estate, then the overall picture widens even further.

Eighth, while analysis and research of large-scale land-use change from food or forest land use to food and biofuel production is necessary and urgent, the social and political dynamics of land-use change brought about by converging food, energy and environmental crises are complex, within and far beyond the boundaries of recent large-scale land acquisitions by TNCs and foreign governments. 'Host' governments engage in massive enclosures by speculating on possible fortunes from transnational commercial land deals in the forms of an anticipated expanding tax base, the extension of state spaces, foreign exchange earnings and opportunities for rent-seeking. The food-versus-fuel land-use discourse inadvertently risks serving the basic interest of nation-states by providing a 'moral' argument to engage in new food and biofuel production outside of already neatly demarcated private property on vaguely categorized 'public lands' generally assumed to be 'underutilized', 'marginal' and 'idle', despite contrary existing realities.

The many directions of changes in land property relations today

The document says that political dynamics around land property relations related to current transnational commercial land deals can be seen on two fronts. On the one hand, the writers see dominant social classes and groups (e.g. landlords, capitalists, traditional village chiefs) and state bureaucrats who, in various ways, have some pre-existing private access to and/or control over land resources, trying to cash in on revalued land property either by consolidating and expanding landholdings and selling or leasing them out to new investors, or by incorporating themselves in the new food and energy agro-industrial complex in a variety of ways. This is evident in many countries today, including Argentina, Brazil, Bolivia, Colombia, Indonesia and many countries in Africa. Moreover, some of these economically and politically dominant classes and groups and other corporate interests have expanded their food and biofuel production by swallowing up smaller farm units by purchase or lease.

On the other hand, and the main and much bigger target of current worldwide massive enclosures, are broadly and vaguely labelled 'non-private'/ 'public'(Franco 2009). This land category is huge. It comprises the majority of land in Africa (World bank 2003,xviii); 70 per cent of Indonesia's land, which is officially categorized as 'state forest land', despite unofficial private appropriation and use of this lands, many of which in reality are productive farmlands under different farming system (Peluso 1992); and in the Philippines, where only 3.5 million of 12 million hectares of arable land is formally private property (Borras 2007), the government's hopes to cash in on the rest, officially designated as 'non-private' lands. In absolute terms, the World Bank

(2010) has come up with an estimate of between 445 million and 1.7 billion hectares worldwide of potentially 'suitable' lands assumed to be 'marginal', 'underutilized', 'empty' and 'available', most of which are classified as public lands (Deininger 2011).

The document further says that massive enclosures on these two combined fronts (private and non-private) manifest 'accumulation by dispossession', in Harvey's term (2003), driven by the imperatives of capitalist development and expansion in the context of converging food, energy, financial and environmental crises, and facilitated by hi-tech gadgetry (computerized recording, satellite mapping and so on) deployed in the name of clearer, cheaper and faster land management, so-called efficient 'land governance'.

Land-based social relations, not things

The document mentions that most fundamental to understanding the political dynamics of change in land property relations is to know the direction of the transfer of effective control over land-based wealth and power caused by a policy (or absence of it).

Land policies neither emerge from, nor are carried out, in a vacuum. Emerging out of and embedded in existing power configurations, there is a strong tendency for the changes wrought by land policies to favour (or end up favouring) dominant landed classes and groups, as well as powerful state officials and bureaucrats. Land laws and policies are neither self-interpreting nor self-implementing, and it is in the interactions between various, often conflicting, actors within the state and in society that land policies are interpreted, activated and implemented (or not) in a variety of ways, from one place to another and over time (Franco 2008; see also Roquas 2002; Sikor and Lund 2009).

Finally, it is worth stressing that property rights and land policies are often the focus of very particularized contestation and struggle between different social classes and interest groups, and between the latter and the state, and that multiple state land policies - in the form of land reform, land restitution, land tenure reform, land stewardship and so on - have become the norm in many national settings.

Broad patterns in the nature and direction of land property relations change

Under this title, the document offers a broad typology on the flow of change in land property; namely, Redistribution, Distribution, Non-redistribution and Re-concentration.

Redistribution - It is the redistribution of land-based wealth and power from the monopoly control of either private landed classes or the state to landless and near-landless working poor (poor peasants and rural labourers). However, there are a variety of other policy measures that can change the relative shares of land held by social classes and groups. These include land restitution, share tenancy, land tenure reform, land stewardship, indigenous land rights recognition and labour reform, regardless of whether the policy is applied to private or public land. The key is to establish the degree to which land-based wealth and power is redistributed.

Distribution - The original source of wealth and power is either the state or the community, or a private entity fully compensated by the state. This reform process does not confiscate resources from one social class to redistribute to another, and has been deployed in some cases precisely to avoid more radical redistributive policies.

Non-redistribution - Its defining character is the maintenance of a status quo, marked by land-based inequity and exclusion. The most typical land policy here is 'no land policy' which, in conditions of land-based inequities and exclusion, supports the existing distribution of land-based wealth and power.

Re-concentration - The defining character here is that while land-based wealth and power transfers do occur, access to and control over land is further concentrated in the hands of dominant social classes and groups. This kind of change can occur on private or public lands. The transfer may involve full land ownership or not. The beneficiaries of such transfers are dominant social classes and groups as well as state officials and bureaucrats.

Further discussion on the politics of changes in land property relations

The document says that any analysis of current land grab-induced changes in property relations should be located in the bigger picture of agrarian change dynamics: not all displacement/dispossession today is a result of land grabbing, and not all land grabbing results in displacement and dispossession.

The current global land grab occurs in diverse settings involving distinct institutional arrangements: some on lands that have been sites of earlier redistributive land policies, others on lands that have not seen any prior redistribution, or were even outcomes of policies of land re-concentration. Some land deals resulted in subsequent changes in land property relations, while others were facilitated by particular patters of change in pre-existing land property relations.

There is urgent concern about the actual or potential dispossession or displacement caused by enclosures carried out in the name of addressing the convergence of multiple global crises. The document further says that there is indeed a threat of land dispossession of peasants as a result of current transnational commercial land transactions. Yet in many land-abundant settings, as in most countries in Africa, perhaps the more common consequences seen to date have been peasants' 'displacement' or 'dislocation', rather than complete land dispossession. The net impact, of course, might be just as worrying, especially when the 'rural poor' are relocated to less productive, environmentally fragile land, or are forced into complex livelihood arrangements on their own land that may have been leased to companies or designated for contract farming schemes. Changes in the agrarian structure due to recent large-scale land transactions (and subsequent dispossession, dislocation and displacement) may already have resulted in complex changes in land property relation. This should be subject of urgent and systematic scientific enquiry.

It says that not all land grabbing requires the expulsion of the 'rural poor' from their land. In cases where capitalism does need both land and labour, it is in the interest of capital to retain peasants on their land via contractualized relationships, either as lessor-labourers or as contract growers. For example, many small farmers in Indonesia or in Sao Paulo in Brazil are linked to emerging plantation enclaves through contract farming and /or land lease-and-labour arrangements. In the context of current land grabbing, bringing these factors under the spotlight allows more nuanced research and discussion of livelihood disruption, relocation and compensation, incorporation in land deal enclaves, and labour conditions, which are pressing and profound issues for so many affected people.

In the context of global land grab, contemporary land struggles are generally understood and assumed to be 'struggles against dispossession', which are the struggles of the 'rural poor' with varying degrees of access to and control over land, who are being evicted or threatened by eviction and dispossession.

An important implication of the above framing is that contemporary land issues and struggles have put land reform back at the centre of development and political discourse, but with narrow sense of land reform conceptually, both policy-wise and politically.

The document further says that global land grabbing can be prevented, or at least its negative impact can be mitigated, if some forms of land tenure security (i.e. individual private property rights, or community land rights and so on) are in place. But the writers say that there are numerous examples to the contrary: land-reform beneficiaries in Brazil directly affected by the waves of rapid expansion of sugarcane ethanol production in the state of Sao Paulo; small-holders with formal community land rights in Mozambique, evicted due to a massive land clearance to establish a sugarcane ethanol plantation; or land-reform beneficiaries in West Bengal and Kerala who recently lost their lands to commercial-industrial interests.

If any when implemented, any 'code of conduct' (including responsible agricultural investments or RAI principles) between the global land grab drivers and promoters is most likely to facilitate and expedite non-redistribution and re-concentration processes, and to discourage or even block reformist re-redistributive ones. It serves the interest of (neoliberal) States and its logic of state-building and provides 'land tenure security' primarily to investors. Any ostensible space for negotiation between the rural poor and land deals drivers and promoters will be marked by power imbalances that are heavily in favour of the latter. Not even a progressive land law that requires community participation can guarantee the right of the 'rural poor' against displacement or dispossession.

Finally, bilateral and multilateral agencies such as the World Bank, the FAO, IFAD, GTZ and others are joining the chorus today in criticizing land grabbing by TNCs and foreign governments that displaces people from their lands, completely dispossesses 'rural people' and /or undermines the food security of communities. Yet, it is important to point out a contradiction among these agencies: that their recent advocacy [Bergeret 2008) on EU land policy, Craeynest (2008) on the UK's DfID (Department of International Development), Vanreusel (2009) on Belgian aid, Herre (2009) on German aid and Monsalve (2008) on FAO land policy] of privatization/formalization of land rights worldwide - through land titling and market-led agrarian reform to establish private property in land as collateral to attract investors - facilitates the same large-scale land transactions that now concern them.

In the concluding discussion of the document, the writers propose linking changing social relations of property in land with changing land (and crop) use that directly bear on capacities to 'feed the world' (i.e. to address the production-food access/security connection) and to respond to climate change. These are two distinct but interlinked dimensions of the agro-ecological challenges facing humanity today. And they are likewise the urgent concerns of two broadly distinct and traditionally separate - but now increasingly interactive - transnational social movements; namely, the agrarian justice and environmental justice movements.

They further say that the challenges of linking the analysis of these two dimensions are themselves multifaceted. For example, hypothetically, what if we have a situation that scores 'high' in the first typology - namely, land-use change that does not harm the biophysical environment and even nurtures it, and produces more food - but that scores 'low' in the second typology - namely changes in land property relations that undermine the interests of the 'rural poor'? Rich peasants - or landlords-driven agrarian change can unfold along this line. Conversely, what if we have a situation that scores 'low' in the first typology -namely, land-use change that does not produce more food and harms the biophysical environment, such as forest land or land for food production for consumption and domestic exchange converted to food and biofuel production for export - but then scores 'high' in the second typology? There are many different possible combinations that expose important actual and potential fault lines: between agrarian justice and environmental justice concerns, between social classes and groups, and so on.

In short, changes in land use and property relations are distinct but interlinked areas of agrarian change and of its critical investigation. Ideal-type A and H serve as markers of best-case and worst-case scenarios, in that sense are no doubt least contentious. More contentious are various combinations outside the polar 'positive' and 'negative' ideal-types that correspond to most cases in the real world. They present multiple fault lines partly defined along divisions of class, gender, and ethnicity; between rural and urban, agriculture and industrial sectors, as well as agrarian and environmental justice perspectives. This points to matters of critical enquiry and debate that require more focused attention in the rapidly growing literature on global land grabbing.

"Land Grabbing" by Foreign Investors in Developing Countries: Risks and Opportunities

By:

Joachim von Braun and Ruth Meinzen-Dick

IFPRI (International Food Policy Research Institute)

April 2009

Bird's Eye View

This 4-page Policy Brief states that one of the lingering effects of the food price crisis of 2007-08 on the world food system is the proliferating acquisition of farmland in developing countries by other countries seeking to ensure their food supplies. These land acquisitions have the potential to inject much-needed investment into agriculture and rural areas in poor developing countries, but they also raise concerns about the impacts on poor local people, who risk losing access to and control over land on which they depend. It is crucial to ensure that these land deals, and the environment within which they take place, are designed in ways that will reduce the threats and facilitate the opportunities for all parties involved.

Rising land acquisition in developing countries

Under this title, the authors say that food-importing countries with land and water constraints but rich in capital, such as the Gulf states, are at the forefront of new investments in farmland abroad. In addition, countries with large populations and food security concerns such as China, South Korea, and India are seeking opportunities to produce food overseas. These investments are targeted toward developing countries where production costs are much lower and where land and water are more abundant. In addition to acquiring land for food, many countries are seeking land for the production of biofuel crops.

They also say that many governments, either directly or through state-owned entities and public-private partnerships, are in negotiations for or have already closed deals on arable land leases, concessions, or purchases abroad.

In past decades, land acquisition abroad has been driven by the profit-making motives of the private sector in developing countries and has often focused on perennial tropical cash crops rather than basic staples. China started leasing land for food production in Cuba and Mexico 10 years ago and continues to search for new opportunities to feed its large population.

Although additional investments in agriculture in developing countries by the private and the public sector should be welcomed in principle, the scale, the terms, and the speed of land acquisition have provoked opposition in some target countries. According to news report, the Philippines blocked a land contract with China because of serious concerns about its terms and legal validity, as well as about its impact on local food security. Mozambicans have resisted the settlement of thousands of Chinese agricultural workers on leased lands-a situation that would limit the involvement of local labour in the new agricultural investments. In Madagascar, negotiations with Daewoo Logistics Corporation to lease 1.3 million hectares for maize and oil palm reportedly played a role in the political conflicts that led to the overthrow of the government in 2009.

News reports have helped shed light on these developments, but details about the status of the deals, the size of land purchased or leased, and the amount invested are often still murky. Well-documented examples are scarce, and some reports are contradictory. This lack of transparency limits the involvement of civil society in negotiating and implementing deals and the ability of local stakeholders to respond to new challenges and opportunities.

Threats and opportunities from large-scale land acquisition

In this context, the authors say that given the changing global economic context, the agricultural sector clearly requires more investment. Because of the urgent need for greater development in rural areas and the fiscal inability of the developing-country governments to provide the necessary infusion of capital, large-scale land acquisitions can be seen as an opportunity for increased investment in agriculture. Proponents of such investments list possible benefits for the rural poor, including the creation of a potentially significant number of farm and off-farm jobs, development of rural infrastructure, and poverty-reducing improvements such as construction of schools and health posts. Other possible positive spillovers include resources for new agricultural technologies and practices as well as future global price stability and increased production of food crops that could supply local and national consumers in addition to overseas consumers.

The report says that others see these opportunities as unwarranted optimism, emphasizing the threats that the land acquisitions present to people's livelihoods and ecological sustainability. Even though some of the land-lease agreements make provisions for investments in rural development, these deals may not be made on equal terms between the investors and local communities. The bargaining power in negotiating these agreements is on the side of the foreign firm, especially when its aspirations are supported by the host state or local elites. Smallholders who are being displaced from their land cannot effectively negotiate terms favourable to them when dealing with such powerful national and international actors, nor can they enforce agreements if the foreign investor fails to provide promised jobs or local facilities. Thus, unequal power relations in the land acquisition deals can put the livelihoods of the poor at risk.

This inequality in bargaining power is exacerbated when the smallholders whose land is being acquired for foreign investment projects have no formal title to the land. Since the state often formally owns the land, the poor run the risk of being pushed off the plot in favour of the investor, without consultation or compensation. Land is an inherently political issue across the globe, with land reform and land rights issues often leading to violent conflict.

In some cases, the land leases are justified on the basis that the land being acquired by the foreign investor is "unproductive" or "underutilized". In most instances, however, there is some form of land use, often by the poor for purposes such as grazing animals and gathering fuelwood or medicinal plants. All these can provide valuable livelihood sources to the poor. Large-scale land acquisitions may further jeopardize the welfare of the poor by depriving them of the safety-net function that this type of land and water use fulfils.

The benefits to local communities depend heavily on how investment projects are designed and managed. On one extreme, conversion of land to large-scale farms or plantations operated by foreign labour causes loss of local land rights and generates little employment for local skilled or unskilled labour. Such projects are likely to generate the greatest local opposition.

The report further points out that the demand for land with access to water has increased not only across the borders, but also within countries. This increased mobilization of the domestic land market can also have adverse effects on equality in contexts where small farm communities lack defined property rights and judicial systems do not have a capacity to protect rights.

The ecological sustainability of land and water resources slated for foreign investment is another important issue when considering large-scale foreign investments. Introducing intensive agricultural production can threaten biodiversity, carbon stocks, and land and water resources. Converting forests or rangelands to mono-cropping reduces diversity in flora, fauna, and agro-biodiversity. Many tropical soils are unsuited for intensive cultivation, or there is insufficient water for intensive cultivation. Although fertilizer use and irrigation can overcome some of these limitations, these activities can lead to long-run sustainability problems such as salinity, water-logging, or soil erosion if they are inappropriately designed.

These problems are most likely to occur if the outside investors focus on short-term profit or lack a sound understanding of the local ecology. Irrigating and landholding of foreign investors may take water away from other users in the area or from environmental flows, and intensive use of agrochemicals contributes to water-quality problems in groundwater and runoff. Foreign investors with short-term leases may have short-term perspective on the sustainability of intensive agriculture and less identity with the area than local residents. Thus it is important to conduct a careful environmental impact assessment that not only looks at effects on the local area, but also considers off-site impacts on soils, water, greenhouse gas emission, and biodiversity. Land-lease contracts should also include safeguards to ensure that sustainable practices are employed.

Making a virtue of necessity: toward win-win policies

The report says a dual approach can help address the threats and tap the opportunities related to foreign direct investment in agricultural land. First, the threats need to be controlled through a code of conduct for host governments and foreign investors. Second, the opportunities need to be facilitated by appropriate policies in the countries that are the target of these foreign direct investments.

Key elements of a code of conduct for foreign land acquisition include the following:

- Transparency in Negotiations. Existing local landholders must be informed and involved in negotiations over land deals. Free, prior, and informed consent is the standard to be upheld. Particular efforts are required to protect the rights of indigenous and other marginalized ethnic groups. The media and civil society can play a key role in making information available to the public.
- Respect for existing land rights, including customary and common property rights. Those who lose land should be compensated and rehabilitated to an equivalent livelihood.
- Sharing of benefits. The local community should benefit, not lose, from foreign investments in agriculture. Leases are preferable to lump-sum compensation because they provide an ongoing revenue stream when land is taken away for other uses. Contract farming or out-grower schemes are even better because they leave smallholders in control of their land but still deliver output to the outside investor. Explicit measures are needed for enforcement if agreed-upon investment or compensation is not forthcoming.
- Environmental sustainability. Careful environmental impact assessment and monitoring are required to ensure sound and sustainable agricultural production practices that guard against depletion of soils, loss of critical biodiversity, increased greenhouse gas emissions, or significant diversion of water from other human or environmental uses.
- Adherence to national trade policies. When national foot security is at risk (for instance, in case of an acute drought), domestic supplies should have priority. Foreign investors should not have a right to export during an acute national food crisis.

Conclusion

The report concludes that foreign investment can provide key resources for agriculture, including development of needed infrastructure and expansion of livelihood options for local people. However, if large-scale land acquisitions cause land expropriation or unsustainable use, foreign investments in agricultural land can become politically unacceptable. It is therefore in the long-run interest of investors, host governments, and the local people involved to ensure that these arrangements are properly negotiated, practices are sustainable, and benefits are shared. It further says that because of the transnational nature of such arrangements, no single institutional mechanism will ensure this outcome. Rather, a combination of international law, government policies, and the involvement of civil society, the media, and local communities is needed to minimize the threats and realize the benefits.

Foreign Land Deals and Human Rights Case Studies on Agriculture and Biofuel Investment

Published by:

Centre for Human Rights and Global Justice, NY University School of Law

Bird's Eye View

This 100-page report was primarily researched and prepared by International Human Rights Clinic (IHRC) members David K. Deng and Andrea Johansson and Centre for Human Rights and Global Justice (CHRG) Faculty Director Smita Narula at New York University School of Law - in support of the United Nations Special Rapporteur on the right to food, Oliver De Schutter.

Besides Executive Summery, this report includes Overview of four case studies on large-scale land investments in developing countries like Tanzania, Southern Sudan, Pakistan and Mali, and Concluding Reflection.

In Executive Summery, the report states that the Global South is experiencing a surge in foreign direct investments in agricultural land. It also says that prompted in part by the global food crisis, state and private investors are buying and leasing millions of hectares of farmland in Africa, Asia, and Latin America, and this 'land rush' is unlikely to slow. As currently conceived and implemented, however, many large-scale land investments do not service the goal of ensuring equitable and sustainable food security and may, in fact, be further jeopardizing the rights of host population.

The observation in this report contribute to an understanding of the essential minimum steps that can be taken to enhance the benefits of investments that are already underway, while mitigating the risks moving forward. These observations combine as analysis of obligatory human rights standards applicable to states involved in these investments with proposals for private actors to ensure that their activities respect the rights of affected communities. The rights of communities affected by large-scale land investments must finally take centre stage. Their agency over resources must be respected and the development of policies to address their needs must be made a priority.

I. Context surrounding large-scale land deals

A. Driving forces behind large-scale land deals

The report says that the drivers of large-scale land investments today are complex and varied. First, the price volatility in the global food market has led certain food insecure countries to realise the precariousness of their situation. Some have turned to foreign direct investments in farmland to secure adequate food supplies for their domestic population. This is particularly evident in relation to investments made by many of the 'Gulf States', whose scarce water and soil resources make them heavily dependent on international markets for their food supply. Countries with food security concerns and fast-growing populations, such as China, South Korea, and India are also seeking opportunities to produce food overseas.

Second, the surging demand for biofuels has led investors to target vast tracts of land in developing countries for biofuel production. Another closely-related driver is the expectation of subsidies for carbon sequestration through plantation and the avoidance of deforestation. Trade in carbon credits through mandatory reduction schemes and on the voluntary market is providing to be an important source of revenue for many large-scale land investors.

Lastly, many Western investors, including Wall Street banks and wealthy individuals, have begun to view direct investments in land as a safe investment in an otherwise shaky financial climate.

B. Potential problems with large-scale land deals

The report points out that large-scale land acquisitions-or "land grabs" as they have been called by the media-pose serious threats to the human rights of host communities. By denying land users access to vital natural resources, large-scale land investments may undermine local livelihoods, jeopardize food security, and exacerbate tenure insecurity. Land users face possible eviction from lands that they have been cultivating for decades. Indigenous peoples and pastoral populations, in particular, stand to lose access to land that is indispensible to their livelihoods. Moreover, as often underrepresented and marginalized members of their communities, women may be particularly at risk of losing their lands in deals typically negotiated with the male heads of households. Host populations face decreased food security as well as increased competition for water resources. There are even troubling signs that large-scale land investments have the potential to fuel conflict.

The report further says that if done reasonably, agricultural investment can increase production of food crops to supply local, national, and international consumers. However, many agricultural investments to date have been denounced by civil society groups and farmers' associations as "driving the poorest from their access to land, and increasing concentration of resources in the hands of a minority".

C. Towards a human rights-based approach

The report says that Large-scale land investments can negatively affect many human rights, including, but not limited to: the right to water; the right to participation; the rights of indigenous persons; the right to adequate housing, including the right to not to be forcibly evicted from one's home; the right to an adequate standard of living; the right to non-discrimination and equality; the right to self-determination; the right to development; and the right to adequate remedy. The human right to food, in particular, has a central role to play in this discussion.

The report further says that the U.N. Special Rapporteur on the right to food states : "The human right to food would be violated if people depending on land for their livelihood, including pastoralists, were cut off from access to land, without suitable alternatives; if local incomes were insufficient to compensate for the price effects resulting from the shift towards the production of food for exports; or if the revenues of local smallholders were to fall following the arrival on domestic markets of cheaply priced food, produced on the more competitive large-scale plantations developed thanks to the arrival of the investor".

In the light of their international obligations, states are required to respect, protect, and fulfil the human rights enumerated above. As noted by the special Rapporteur, "agreement to lease or cede large areas of land should under no circumstances be allowed to trump the human rights obligations of the states concerned". International financial institutions, which may be involved in facilitating and implementing these investments, are also bound by international human rights law, as part of general international law.

The Special Rapporteur has promulgated the "Eleven Principles" - a set of minimum principles and measures developed to address the human rights challenges of large-scale land acquisitions and leases. The principles are:

1. Conduct investment negotiations in full transparency with the participation of host communities;
2. Consult the local populations prior to any shift, in land use, with a view towards obtaining their free, prior, and informed consent for the investment project;
3. Enact and enforce legislation that safeguards the rights of host communities;
4. Ensure that investment revenues are used for the benefit of local populations;
5. Adopt labour-intensive farming systems that maximize employment creation;
6. Adopt modes of agricultural production that respect the environment;
7. Ensure that investment agreements include clear obligations and predefined sanctions, with non-compliance determined by independent and participatory ex-post impact assessment.
8. Ensure that investment agreements require that a minimum percentage of food crops produced be sold locally.;
9. Conduct participatory impact assessments prior to the completion of negotiations;
10. Comply with indigenous peoples' rights under international law; and
11. Provide agricultural waged workers with adequate protection of their fundamental human and labour rights.

Some critics, though generally accepting the Eleven principles, have pointed out that their simple promulgation may not be enough to safeguard against the detrimental aspects of large-scale land acquisitions and therefore a precautionary approach -whereby all large-scale land acquisitions are discouraged - should be adopted.

The report further says that ultimately, the extent to which agricultural investment can contribute to poverty alleviation, reduce hunger and malnutrition, and benefit populations in the host country, depends not only on how the investment is implemented at the project level, but also how it fits within the context of broader development strategies. Additionally, as the Special Rapporteur emphasizes "these principles are not optional; they follow from existing international human rights norms". Unless proposed approaches adopt a human rights-based framework, they will fail to articulate and implement policies that adequately defend against the negative side effects of large-scale land acquisitions and will fail to comply with international law. It is vital that these strategies incorporate a human rights framework, as the Eleventh Principles do, in order to ensure that affected individuals and groups have access to remedies and exploitative governments and private actors are held accountable.

This report uses the Eleven principles as the basis for its analysis of four case studies in large-scale land investments. As a result, it reflects the Special Rapporteur's dual focus on the obligations incumbent on States as well as recommendations addressed to private parties involved in these investments. Given that many of these projects are ongoing, the assessments of their impacts on host communities are preliminary and there is still time for these projects to be oriented in a way that incorporates the full range of considerations to guarantee the rights of affected populations.

II. Overview of case studies

In this context, the report says that the case studies here evaluate large-scale agricultural investments in Tanzania, Southern Sudan, Pakistan, and Mali. These cases were selected to provide diversity across a range of variables, covering large-scale land investments in either Asia or Africa managed by investors from either Europe or the Middle East. They cover a broad range of industries, from investments in biofuel crop production, to food crop production, and carbon offsets. The case studies explore the numerous human rights challenges posed by large-scale land investments and offer preliminary observations based on a careful review of the investments and an assessment of the extent to which they reflect the Eleven Principles.

Collectively, the case studies reveal that large-scale land investments are a growing trend and have the potential to deeply affect the rights of host communities. Land deals must be structured in a way that maximizes respect for the human rights of local populations and prioritizes their development needs. This report offers a number of recommendations for how this can be done.

A. Purpose and Methodology

The case studies in this report seek to answer the following questions, among others: Who are the actors involved in the land investments? What are the host state regulatory mechanisms that govern the framework in which the investments operate? What kind of impact assessments, if any, were carried out prior to the negotiation of the investment agreements? Who benefits and who stands to lose from the investments/ And which practices can help maximize the positive impacts and minimize the negative impacts of large-scale land investments?

The report says that in order to help answer the questions above, the case studies are each organized into six sections. Section-I provides an overview of the factual context and potential impacts of the projects concerned. Section-II provides more detail surrounding the country context and the background information necessary to understand the investment's dynamics. Section-III explores the relevant laws, policies, and institutions that comprise the framework in which the investors are operating, as well as the relevant actors involved. Section-IV presents the investment characteristics and where possible examines the negotiations behind the investment and the allocation of benefits between relevant parties. Section-V offers some reflections on the preliminary environmental, social, political, and economic impacts of the investment project. Finally, Section VI concludes with a summery of key observations from the case study and a set of preliminary recommendations.

B. Tanzania

The report says that the first case study involves investment in sugarcane projects in Tanzania by Swedish companies, for the purpose of sugar and ethanol production. The projects consist of approximately 22,000 hectares of land in Tanzania's Bagamoyo district that is in the process of being leased, and an additional 250,000 to 500,000 hectares that have been targeted by investors for future lease in the district of Rufiji.

The projects were majority-owned and managed by the SEKAB Group, a leading Swedish producer of ethanol for the European biofuels market, through its subsidiary SEKAB BioEnergy Tanzania (SEKAB BT).

The case study examines issues surrounding negotiations over land use in Rufiji by SEKAB BT at the tim it controlled the investment, and addressed potential local human rights impacts of the projects.

The report further says that the production of biofuels in Tanzania raises issues related to water availability, land rights, and livelihoods in host communities. Water supply is at the centre of allegations of misconduct concerning the environmental impact assessment (EIA) of the Bagamoyo project, which SEKAB BT hired a Swedish consulting firm, Orgut, to conduct. According to the Orgut team leader in charge of the EIA, SEKAB BT altered Orgut's findings before submitting the EIA for review by the Tanzanian government. In particular, Orgut assert that SEKAB BT removed a finding that showed that the amount of irrigation required on the project's sugarcane plantations would be "high and sometimes exceed available water" from the Wami River - even as nearby residents and ecosystems rely on the same water source. SEKAB BT responded to this allegation by stating that any changes to the report were made not by the company, but by additional consultants that it asked to assist with EAI.

The Bagamoyo and Rufiji projects could affect local livelihoods which are key to realization of human rights in a number of ways, both positive and negative. Outgrower partnerships offer small farmers a market for their crops, and liquid fuels produced by the planned factory may reduce the need for labour-intensive charcoal that most of the community now depends upon. At the same time, potential competition between the project and small-scale farmers over water resources runs the risk of reducing nearby crop yields and household water supplies, and the existence of a single purchaser under the outgrower model could exacerbate economic dependency and income volatility. In order to ensure economic benefits from large-scale land investments, a network of farmers' group in Tanzania has recommended that affected communities receive a direct equity stake in such investments.

If and when large-scale investment in Tanzania land gains traction, this case study can be drawn upon to illustrate the value of the Eleven principles. Realization of free, prior, and informed consent by affected communities, for instance, should prevent the sort of allegations that have emerged from Rufiji, where villagers reported that they were unaware of their land rights and uncertain about their future livelihood.

C. Southern Sudan

The report says that second case study involves an investment in Southern Sudan, and concerns a company named TreeFarms Sudan Limited (TreeFarms), which is owned by Green Resources AS (Green Resources), a Norwegian company that also owns plantations in Mozambique, Tanzania, and Uganda. TreeFarms is seeking a 99-year lease to 179,000 hectares in Sudan's Central Equatoria State (CES) to establish a tree plantation and forest conservation project.

The TreeFarms case study highlights some of the difficulties that large-scale land investments face in a delicate post-conflict environment such as Southern Sudan. The Land Act, passed by the Southern Sudan Legislative Assembly in 2009, provides some important safeguards for affected communities; however, given the nascent state of government institutions and the still underdeveloped rule of law in the region, host communities do not yet have access to the law's protections. According to TreeFarms and the local CES government, the state in which the land investment is located, the investment agreement was negotiated with the participation of the host community. However, the uncertainty of both the post-conflict environment and the uncertainty of applicable land law in Southern Sudan may have skewed the allocation of benefits in the investment agreement in favour of the investor, as demonstrated by the provisions of the agreement.

Additionally, despite the signing of the Comprehensive Peace Agreement (CAP) in 2005, Southern Sudan faces widespread problems of food insecurity and the very real risk of a return to war. A large-scale investment of this kind could have a profound impact on the future development of governance and the local economy in Southern Sudan at a time when the region is determining its very future and status as region.

Government policies regarding large-scale land investments should also better ensure compliance with the Eleven principles. In particular, future investments must involve participatory impact assessments prior to the finalization of such investments, a requirement that does not appear to have been met with respect to the TreeFarms investment. The Land Act calls for the collective registration of community land and a ceiling on land acquisitions above a certain size and is therefore in accordance with the Special Rapporteur's principle that government must enact legislation to safeguard the rights of host communities.

D. Pakistan

The report says that the third case study involves investments in Pakistan, where investors from Gulf States are in the process of acquiring agricultural land in order to export food to meet domestic demand. The

Pakistan case study, and its findings on the paucity of publicly available information on the character and size of the investments in question, highlights the inherent need for greater transparency in and reassessment of large-scale land investments.

The report further says that widespread and disastrous flooding that started in July2010 has exacerbated many of the concerns highlighted in the case study. Flooding in Pakistan has led to both short-term food shortage and increased concerns about long-term food security. Pakistan's food security was already tenuous at the time of flood, but this new threat to long-term food security is of particular concern because a great deal of the affected land was already targeted for development by outside investors prior to the flood. As a result, outside investors, and not the affected population, may develop and take control of the targeted land once the flooding recedes.

From the information that is publicly available, it is clear that the Pakistani government has taken an active role in attracting investors to the country by providing a range of different investment incentives, including the right to export all crops produced on the land. The scale of these proposed land acquisitions and their potential impacts are immense. In May, 2009, Pakistan's Ministry of Investment announced that it would make 2.43 million hectares of farmland available for sale or lease to foreign investors. According to media reports, UAE companies have already acquired 324,000 hectares of land in Pakistan's Punjab province, and a staggering number of more than 25,000 villages may be displaced by Qatar land deals.

The government of Pakistan claims that these large-scale land investments will lead to substantial benefits for the country. Yet the country faces a number of intractable problems - from water scarcity and food shortages, to the existing vulnerability of smallholder farmers and rural employees, and the added insecurity posed by the Taliban in the northern part of the country-and critics charge that these massive changes in land use patterns would only deepen these crisis. Indeed, there is a history of social unrest associated with forced changes in land use in Pakistan, and if the Pakistani government and Gulf State investors do not adopt a more transparent and participatory approach, the government may face serious social unrest.

E. Mali

The report says that fourth case study involves an investment in Mali, where a company named Mali Biocarburant SA (MBSA) is working with smallholder farmers to produce biodiesel from the jatropha plant.

The MBSA case study provides insight into best practices associated with agricultural investments. As a contrast, the case study also sheds light on a parallel trend in medium and large-scale land acquisitions that threaten the land rights of tens of thousands of rural landholders in the country. Between 2004 and 2009, 162,850 hectares-representing 0.6 percent of Mali's cultivable land--had been approved for large-scale foreign direct investment projects. Local conditions in Mali are characterised by particularly serious challenges of poverty, harsh environmental conditions, population growth, and the historical degradation of land resources. Eighty percent of the population relies on agriculture as a source of income, and yet only 14 percent of the land in Mali is fertile. The government can therefore not afford to move ahead with these large-scale land acquisitions until it can garner the support and active participation of those who depend on the land in question for natural resources that are indispensible to their livelihoods. Over the past several decades, Mali has been experiencing a troubling increase in medium size land acquisitions. These acquisitions are being driven by domestic investors, leading to the gradual concentration of land ownership in the hands of urban elites and government officials. The registration of customary land rights can help to protect rural populations from some of more speculative land deals, but the procedures in place are lengthy and expensive and outside the reach of most farmers.

However, the report points out that due to some innovative approaches, MBSA claims that it has not had to acquire any land to produce its biofuel, thus minimizing the impact of the investment on local land rights. Although large-scale jatropha projects in other context have given rise to a number of negative impacts on food security, MBSA's investment incorporates a number of innovations that help to reduce its negative impact. These innovations include the intercropping of jatropha with food crops to avoid direct competition with food production, and the use of the "presscake" residue left over from the oil extraction process as a low-cost fertilizer.

The MBSA has adopted labour-intensive production methods that favour smallholder farmers, thereby increasing the opportunity for employment creation. Furthermore, MBSA produces a local source of renewable energy, thereby reducing Mali's dependency on imported oil and improving energy security in rural areas.

III. Concluding Reflection

The report concludes that large-scale investments, which were previously hailed as founts of opportunity for alleviating such problems as food insecurity and unemployment, are now viewed more soberly as critics continue to point out their many attendant problems. As these case studies demonstrate, these investments must be regulated to ensure that governments respect, protect, and fulfil human rights obligations in any and all activities. This includes regulating the conduct of third parties. In other words, safeguards must be put in place to ensure that these obligations are realized regardless of the nature of the investments, its location, or whether the investor is local or foreign, private or governmental. Using the Eleven Principles and their underlying human rights obligations as a barometer for examination of the case studies, this report highlights the many concerns that must be addressed.

Additionally, the potential benefits for host populations of these investments would be far more pronounced if the land that is transferred to investors is marginal land that is not otherwise being used. Areas, that are targeted for investment are often mischaracterised as underutilized, despite the fact that local communities may depend on land for productive resources that are indispensible to their livelihoods. Host states should therefore guide investors towards abandoned land that is truly neglected, such that the investment can help to enhance the capacity of host communities to make productive use of the land in new ways.

India's Role in the New Global Farmland Grab

By:

Rick Rowden

August 2011

New Delhi

Bird's Eye View

This 42-page document, produced in collaboration with GRAIN and the Economic Research Foundation, examines the role of the Indian Government and Indian companies engaged in overseas agricultural land acquisitions in developing countries.

This document contains the following chapters:

1) Executive Summary, 2) The New Trend in "Land Grabbing", 3) Factors Driving the Indian Foreign Investment in Agriculture, 4) Developing Country Governments are Inviting Indian Firms to Invest, 5) The Support of the Indian Government, 6) The Support of the Indian Business Associations, 7) Financing for Indians Firms, 8) How Local People Are Being Impacted, 9) Activism Against the Trend.

The Executive Summary

The document here explores the role of Indian agricultural companies that have been involved in the recent trend in large-scale overseas acquisitions of farmland, criticised as 'land grabbing".

The document examines the various factors driving the "outsourcing" of domestic food production. Primary among these are Indian Government's growing strategic concerns about ensuring the country's long-term food security, and its concerns about diminishing ground water tables in Northern and Central India. Other factors include the allure for Indian foreign investors much cheaper land and more abundant water sources in overseas locations and the eager welcome of many developing country governments, many of which have courted Indian agricultural investors. In many cases, such countries have offered special incentives, including the offer to lease massive tracts of arable land at very generous terms, including access to water and the ability to fully repatriate profits generated.

The document also lists the major ways in which the Indian Government has been increasingly pro-active in taking steps to facilitate this trend for overseas agricultural investment by Indian companies, such as high-level trade diplomacy and lines of credit from the Export-Import Bank. India's outward foreign direct investment has been enabled by a series of reforms and modifications, over the last decade, to India's rules and regulations on Indian companies investing in overseas operations.

Also reviewed are the pro-active roles played by national Indian business associations such as the Confederation of Indian Industry (CII), the Associated Chambers of Commerce and Industry of India (ASSOCHAM), the Federation of Indian Chambers of Commerce and Industry (FICCI), as well as by sector-specific groups, such as the Consortium of Indian Farmers Association (CIFA) and Solvent Extractors Association (SEA) of India.

The document also explores the negative consequences of such trend. It looks at why critics have called the trend "land grabbing" and reviews the impacts on local people on the ground, who are often displaced in the process. It considers the negative ethical, political, human rights and environmental consequences for the people and the host countries involved in such investments by Indian companies.

The document further explores the details of 19 Indian companies, including five Indian companies operating in Ethiopia. Ethiopia has taken the centre stage in the story of "land grabbing": because it is one of the developing counties where some of the largest agricultural land acquisitions by foreign investors have occurred, including Indian firms.

Finally, the document gives voice to those Indian activists fighting for small farmers rights and against the "land grabbing" going on within India, and their call to create international linkages of solidarity with small farmers in other countries who are facing similar problems. They see a "common struggle" everywhere in the world and are calling on Indian citizens to take action to address the problem of land-grabbing by Indian companies operating.

The new trend in "Land Grabbing"

The document says that India's farms are spreading across the world. In Africa, South America and South East Asia, companies that are Indian or Indian-owned have in recent years bought or leased hundreds of thousands of hectares to grow food grains, pulses and edible oils. In many cases, these goods are meant to be shipped home to India for sale in the domestic market. These land acquisitions by Indian companies are being backed by the Indian Government as a key component of India's food security strategy.

The document further says that to be food secure, many countries decided they could not depend on global markets but must have more direct control over food production. If they do not have enough arable land within their national boundaries, they are simply acquiring this land elsewhere, producing the food there and shipping it home. This allows them to bypass the potential volatility of prices and supply of food in global markets. Consequently, in just the last few years, millions of hectares of land have been either purchased or leased or are currently being negotiated for lease by foreign investors for the purpose of growing food for their home markets (Sahai 2010). It is a trend in which food production is literally being increasingly "outsourced".

The United Nations Food and Agriculture Organization (FAO) have reported that rising agricultural commodity prices make the acquisition of land an attractive option. A recent World Bank report found that 45 million hectares of large-scale farmland deals were announced in the two-year period between 2008 and 2009. The majority of the foreign investments in agricultural land have taken place in Sub-Saharan Africa, including in such countries as Sudan, Ethiopia, Ghana, Nigeria, and with Mozambique alone covered 23 percent of the global land investment projects during 2002-2009 (World Bank 2010).

India's participation has so far been concentrated in African countries, but South America is seen as a growing new destination for its agricultural investment, while integrated Indian oilseeds firms already have operations in South East Asia from plantation cultivation to the processing of edible oils for export. According to statistics provided by government of various countries in East Africa in 2010, more that 80 Indian companies have invested about US$ 2.4 billion in buying or leasing plantations in countries in Africa, such as Ethiopia, Kenya, Madagascar, Senegal and Mozambique that will be used to grow foodgrains and other cash crops for the Indian market (Mihretie 2010).

The document further says that the trend has raised concerns among many research institutes, scholars, and environmental and human rights organizations such as GRAIN, the Oakland Institute, Friends of Earth, etc., as well as generated several critical media reports. Columbia University economist Jeffrey Sachs described the agricultural land acquisition as "power grab", in which "The rise in food price is leading to a land grab, as powerful politicians sell foreign investors massive tracts of farmland, brushing aside the traditional land rights of poor smallholders. Foreign investors hope to use large mechanised farms to produce output for export, leaving little or nothing for the local populations" (Sachs 2011). Serious concerns are being raised about the impact on local residents and small holders subsistence farmers who have been displaced by the creation of vast new corporate agricultural plantations. Report of human rights abuses and forceful involuntary displacement of small farmers in order to enable the land acquisitions by foreign investors has been referred to as s form of "accumulation by dispossession (Harvey 2006; Vadala 2011).

Others have referred to the new trend a "land grabbing' and a form of "new colonialism" which is merely a continuation of exploitative trends in previous centuries. This refers to the late 19th century, when many European colonial powers took over large tracts of farmland in Africa for coffee and cocoa plantations. In the 20th century, many US-based fruit growing conglomerates similarly appropriated farmland in South and Central America and in Southeast Asian countries like the Philippines to produce bananas, pineapples and other tropical fruits for world markets.

Pointing to the concerns raised by critics, FAO Director-General Jacques Diouf said the recent manner in which such foreign investments in agricultural land have unfolded could become a source of conflict and would be unlikely to be sustainable unless future deals were implemented more equitably. Specifically, Diouf said such investments should "recognise the rights of local stakeholders and domestic food security and rural development concerns, and safeguard the interests of all stakeholders".

In order to voluntarily improve the terms upon which the foreign investors engage in such investment, in 2009 the FAO joined with the World Bank, the International Fund for Agricultural Development (IFAD) and the United Nations Conference on Trade and Development (UNCTAD) to draft the Responsible Agricultural Investment (RAI) principles, a set of best practices and principles that foreign investors can pledge to adhere to. The FAO and its partners claim that adherence to the RAI principles can make such investment a "win-win" situation for all parties concerned.

However, the RAI principles have been widely criticised by activists and scholars as an insufficient response that can actually result in legitimising a process many feel is rife with exploitation and right abuses. The critics say the principles are only voluntary and fall far short of actual laws and strict regulations that could be enforced. This has led many small farmers' associations and community organizations to advocate against these principles on the grounds that they mask the short-sighted annexation by transnational corporations for quick profits.

According to an international statement by farmers' associations and NGOs, these principles will not accomplish their ostensible objectives. "They are rather a move to try to legitimise land grabbing. Facilitating the long-term corporate takeover of rural peoples' farmlands is completely unacceptable no matter which guidelines are followed".

The document states some important **factors driving the Indian foreign investment in agriculture**. These are:

A. India's food security concerns - The document says that in the last decade, national food grain production has been more or less stagnant while the population has increased by almost 90 million, thereby increasing the country's dependence on international food imports.

Some of the important factors that are likely to worsen India's import dependence in the future are: problems with access to water, which is exacerbated by climate change and increasingly erratic rainfalls; expansion of intensive livestock production, based on the use of commercial feeds (i.e. soya and corn); and other forms of land conversion, for industrialization and new housing.

The document says that other factors that have hampered domestic food production in India and increased its dependence on imports include a sustainable underinvestment in public agricultural support systems for small farmers. Social factors such as corruption, poverty, and lack of access to land also undermine the ability of small farmers in rural India to be more productive.

Despite its growing dependence on imports, India is wary of relying on global markets due to the volatility in supply and prices. The volatility of global food market prices is due in part to the increasing dominance of international grain and food markets by a handful of international corporations who use their position to extract windfall profits and by financial investors engaged in commodity price speculation. A new report from FAO on factors driving global food market volatility found overall food consumption has not risen considerably, nor are recent price hikes due to increased consumption in India and China. It found that diversion of agricultural land for biofuels production is a key factor, and a recent report by UNCTAD found that financial speculation in global markets by institutional investors has also become a major factor in global market price volatility.

Therefore, in an attempt to avoid the fluctuations of global market prices, India is planning to move forward with outsourcing its food production, particularly by investing heavily in Africa, Latin America and other parts of Asia as India's food security strategy.

B. Mounting water shortages in India - Speaking on " Agribusiness Opportunities in South America", at the India-Latin America and Caribbean (LAC) Conclave hosted by the Confederation of Indian Industry

(CII) in New Delhi on April 29 2010, Dave Ramaswamy of Allied Venture urged Indian companies to consider South America for agribusiness investment. He stressed that South America has a large amount of what India does not - water.

C. The profit motive - The document says that food security is not the only factor driving the Indian outsourcing of food production. Indian companies are attracted to Africa because of the low cost of farming there. " The cost of agriculture production in Africa is almost half that in India. There is less need for fertiliser and pesticides, labour is cheap and overall output is higher", said S.N. Pandey, director of Agro Technology Division at Lucky Group.

D. Developing country governments are inviting Indian firms to invest - The document points out that in addition to the "push factor" driving Indian agricultural companies to go abroad, it is important to note that there are strong "pull factor" at work which are also driving this trend. Primary among these are the eager invitations to Indian companies by many governments in Africa and other developing regions.

The Department of Agriculture and Cooperation listed a "summary of major incentives being offered by various countries with regard to leasing of land":

- **Mongolia -** The Mongolian Government offered to lease agricultural land to Indian companies for commercial farming as an important part of its efforts to develop the agricultural sector in Mongolia.
- **Sudan -** South Sudan's new foreign investment policy, explained by Dr. Samson Kwaje, Minister of Agriculture and Forestry of the Government of Southern Sudan, involves leasing a minimum 60,000 acres of land to foreign companies fro 25 US cents/year/acre.
- **Senegal -** The government of Senegal indicated that land could be acquired under two different procedures namely (i) allocation of land for agricultural use and (ii) regularization through lease (long lease) up to 50 years.
- **Tunisia -** The Agency for the promotion of agricultural investment in Tunisia has offered about 3,000 hectares of land for commercial farming and for setting up agro-processing projects in Tunisia.
- **Afghanistan -** During a visit in 2010, Afghanistan's agriculture minister Mohd Asif Rahimi said his government would provide Indian companies land on 90-year leases, security, power and easy bank credit and simplified norms (IE 2010).
- **Tanzania -** Tanzania has offered lease to Indian companies for a period of 99 years (IANS 2009).
- **Uganda -** During a 2010 visit to India to discuss opportunities in her country's farm sector, Ugandan Minister for Agriculture, Animal Husbandry and Fisheries Hope Mwesigye said, "Uganda has huge tracts of farmland that could be leased or bought by foreign companies".
- **Kenya -** In May 2011, Kenya and India prepared to establish a Joint Business Council as a forum to expand trade and investment between two countries. The council was agreed upon during bilateral talks that were led by President Kibaki and Indian Prime Minister Dr. Manmohan Singh, who was visiting Kenya to attend Africa-India Forum Summit 2011.
- **Ethiopia -** The Ethiopian government provides land for lease, for less than US$ 10/ha in many areas. Officially the lease period is between 20 and 45 years (Weissleder 2009); but in practice, land leases to foreign investors can be for up to 99 years (Daniel and Mittal 2010).

India is the largest foreign investor in Ethiopia with approved investments of US$ 4.4 billion, out of which 40 percent investment is in the field of commercial agriculture. Already, more than 80 Indian companies have bought or leased land in Ethiopia (Sharma 2011).

In 2010, India's Confederation of Potato Seed Farmers led a delegation of 16 interested potato growers from Punjab to consider opportunities for farming in Ethiopia. "we will be inking a deal with the Ethiopian government next month for getting at least 50,000 hectares of area for growing crops like pulses and maize, which will be exported to India and Europe", said Confederation President Sukhjit Singh Bhatti. What encouraged these potato growers to try their hands at farming overseas was land availability "at almost throwaway rates", duty free imports of capital goods and zero duty on farm exports offered by Ethiopia. "unlike here (India), most of the agricultural land is with the Ethiopian government and it has offered us to acquire land on lease for a period ranging between 25 to 40 years at a nominal rate, which works out to Rs. 400 per acre per annum in Indian currency. More over we will not have to pay for the first five years of our operations", he said. Additionally, the Ethiopian government has also assured India that it will not levy any duty on the import of machinery like farm implements and export of agricultural commodities (PTI 2010a).

The support of the Indian government

In this context, the document points out that there are a number of ways the Indian government facilitates the process of outsourcing food production overseas by Indian firms. It says that the government has led many trade missions of its farmers to various countries and regions. The Indian government has supported a host of various initiatives to facilitate Indian agricultural companies in their overseas investments in Africa and elsewhere, including through support for conventional new Greenfield foreign direct investments, merger and acquisition (M&A) purchases of existing firms; public-private partnerships (PPPs); specific tariff reductions on agricultural goods imported to India; through the negotiation of regional bilateral trade and investment treaties (BITs); and double taxation (avoidance) agreements (DTAs).

Another major way the Indian government has financially facilitated the process is by giving concessional Lines of Credit (LoCs) to various developing country governments, banks, and financial institutions, as well as to regional financial institutions, through the Indian Export-Import Bank (Exim Bank). Often such line of credit are for the purpose of national development projects, and where these projects involve agricultural development, Indian foreign investors stand ready to win concessions and contracts for agricultural development in the form of their foreign direct investment. The Exim Bank also gives soft loans and lines of credit directly to Indian companies.

Finally, the Indian government has in recent years increasingly adopted a number of policy changes to liberalize its regulations on allowing outward foreign direct investment by Indian companies. Such changes have included increases on the size of overseas ventures and the amount of funding that can be used for such overseas investments and on how that financing is arranged. Following are some changes brought in the policy.

Trade diplomacy

The document says that in trade policy, a number of economic incentives such as duty-free tariff preference schemes have been put in place by the Indian government in order to encourage private companies to invest in land abroad. For example, Ethiopian farm produce entering Indian markets is now taxed less than produce from India, according to Anand Seth, the deputy director general of the Federation of Indian Export Organizations (McConnell and Overdorf 2010; Vadala 2011).

The Ministry of Agriculture, too, is eager to support Indian companies investing in overseas farming operations. At the sixth Agriwatch Global Pulses Summit in New Delhi in 2010, India's Food and Agriculture Minister Sharad Pawar asked the delegates to ponder over the "viability of Indians leasing land abroad for growing pulses and exporting it back to India". He praised the Indian Agricultural entrepreneurs who had already attempted growing lentils in Africa and South America, saying, "Such efforts need to be supported". The minister made it clear that while the government would not invest in directly buying land abroad, his ministry would act as a facilitator "If the private players show interest in this". (Pawar 2010).

Additionally, many recent trade and investment treaties signed by India include clauses that can further facilitate entry and legally safeguard Indian foreign investors.

In addition to private Indian companies signing deals, some state governments have also become involved in the trade. For example, Andhra Pradesh has signed a deal with Kenya and Uganda to send 500 farmers on a 99-year lease at very reasonable terms to cultivate land and form cooperative societies (Goswami 2010).

Exim Bank

The document says that India's Export-Import Bank (Exim Bank) offers credit and other forms of support to facilitate for trade with India. According to the Exim Bank website, as of May 25, 2011, there are 140 Lines of Credit currently being made available to foreign governments or financial entities, with nearly 100 in Africa. Ten of these list agriculture as the main purpose for the credit lines, all of which are to countries in Africa, although agriculture is also key part of many other LoCs for broader national development projects (Exim Bank 2010). Tanzania, for example, received a $40 LoC from the Exim bank, which the government used to buy 1,000 tractors, supplied by India's Agri-Machinery Group, a subsidiary of Escort Ltd (Doya 2011). A sector wise analysis of LoCs shows that financing for agriculture totalled $1.7 billion in 2009 and $941 million in 2011 (Modi 2011).

The Indian Exim Bank is due to set up a new representative office in Addis Abab, Ethiopia, to promote trade and investment flows between India and East Africa sub-region, marking its third office in Africa. The largest single Line of Credit approved by the Exim Bank so far has gone to Ethiopia (US$25 million) for its Tindaho Sugar Project, and it is also widely expected to facilitate Indian investments such as that by Karuturi Global Ltd. (Vadala 2011). The soft loans, with an annual interest rate of 1.75 percent, are to be repaid over 20 years.

Speaking at the 7th CII-Exim Bank Conclave, India's Commerce Minister, Anand Sharma,said, "While the current volume of India-Africa trade stands at $45 billion, we have set a target of $79 billion for 2015. The government of India has stated that it would facilitate this by extending the number of available LoCs, encouraging Public Sector Undertakings to enter Africa, and by giving grants and other such measures.

Indian Government's policy changes on outward FDI (Foreign Direct Investment)

Under this title, the document says that overseas investments by Indian companies have more than doubled in the past year, highlighting the rapid and widespread expansion outside of their home market. In June 2011, the Reserve Bank of India released data showing that outward foreign direct investment by Indian multinationals surged to $43.9 billion in the 2010-2011 fiscal year, compared with $18 billion in the previous year.

Since the early 1990 the rules regarding inward FDI have been liberalized by the Government of India, while the rules for outward FDI began to be liberalized in the 2000s. The most recent change came in May 2011, which further increased the limit within which Indian companies are allowed to invest abroad and allowed them to extend corporate guarantees to overseas subsidiaries (Narayanan and Gokhale 2011).

Still, many Indian corporations say it is not enough and would like to see additional reforms. While regulatory reforms have been undertaken in an ad hoc manner to date, business advocates would like to see a clarified national policy on transnational farming developed, supported by a structured legal and regulatory framework that reflects the nuances of overseas farmland acquisition and protects investors against associated risks. And while specific tariff duties have been lowered for imports into India from some countries like Ethiopia, business leaders would like to see a much more comprehensive programme of such trade and fiscal benefits and incentives (Kapoor 2010).

The support of Indian business associations

The document says that in 2010, the Associated Chambers of Commerce and Industry of India (ASSOCHAM), India's leading industry body, sent a proposal to the Ministry of External Affairs for Indian "farmers" investing in Africa.

The Confederation of Indian Industries (CII) and Federation of India Chambers of Commerce and Industries (FICCI) have organized several buyer-seller meets between African delegates and Indian businesses where agricultural investments are pushed. The most important initiative in this regard has been the annual CII-Exim Bank Conclave of India-Africa Project Partnership, where officials of African governments are invited to discuss possible business opportunities with members of the Indian business community, with the Government of India working as a catalyst. At the 7th India-Africa Conclave in March 2011, organised by the CII and Exim Bank with support from the Ministry of Commerce and the Ministry of External Affairs, 204 projects worth more than US$ 18 billion were discussed (Modi 2011).

In 2010, The Solvent Extractors Association (SEA) of India, a body of over 800 edible oil-producing companies, formed a consortium of 18 of its members that will establish a "special purpose vehicle" to buy or lease land in South America, starting with a US$85 million fund to acquire 10,000 hectares in Paraguay and Uruguay (Goswami 2010). The SEA also been looking to buy tracts of agricultural land elsewhere in South America, Africa and Myammar (Ramesh 2009).

Financing for Indian farms

The document says that many of the Indian companies newly engaged in outward foreign direct investment, such as the Indian agricultural firms, will often take their investments out through offshore centres such as Mauritius or Singapore, which serve as tax havens because they have signed double-taxation avoidance treaties with India and provide other mechanisms for secrecy for investors. The publically available Indian government data on outward foreign direct investment is incomplete and in many cases does not identify the final destinations of such investments, making it appear on paper as though a high level of such investment is only going to these and other offshore centres.

As mentioned above, the recent liberalisation of regulations on outward foreign direct investment by Indian companies also has enabled the companies to secure larger amounts of financing on international capital markets, making it more difficult to identify the major financiers involved in backing such overseas investments.

According to the Singapore-Indian Chamber of Commerce and Industry (SICCI), an increasing number of Indian companies are expected to use Singapore as springboard for securing finance for their global operations.

How local people are being impacted

The document says that of all the land-grabbing deals in recent years, perhaps none has received as much attention as that of Karuturi Global's massive land leases in Ethiopia's Gambela region. In general, experts in the field say that there is no such thing as "idle land" in Ethiopia, or anywhere in Africa. Several studies have shown that local competition for grazing land and access to water bodies are two most important sources of inter-communal conflict in most parts of Ethiopia populated by pastoralists. Indeed, in almost every case of recent land leases involving foreign enterprises, complaints have been made by locals who say they lost access to grazing land and water.

The document further says that proponents of the new land rush also often claim that foreign investments in land will create jobs for locals, improve living conditions and increase national GDP. Yet the facts do not support such claims. For example, in Ethiopia, where over 600,000 hectares have been leased out to investors, the average landholding size is about two hectares. Thus over 300,000 families have been potentially displaced. But only about 20,000 people are expected to get jobs on the new highly mechanised farms (Bagchi 2009).

Even worse is the loss of land for local food consumption. In Ethiopia, some of the land now being used by foreign companies had formerly been used for the production of teff, the staple diet of most Ethiopians. Now the land is being used by an Indian company to produce such crops as maize for export. It is believed such shifts have contributed to the recent local price increase in teff, the supply of which has decreased as demand has increased (Mihretie 2010). The retail prices of pulses such as chickpeas, and cereals such as teff have been increasing in Ethiopia, making shiro wot with injera, the staple food of low-income households, more expensive to the point of becoming unaffordable to some who have begun replacing teff with maize to make injera.

Labour Issues

The document says that people in the Gambela region in Ethiopia now working at Karuturi's palm oil fields as daily labourers have already started complaining that they were much better of working in their own land. No sooner had companies started operating than complaints of inhuman treatment began to surface (Mihretie 2010). The Ethiopian Review reported, "Hundreds of Ethiopian workers, overseen by Indian supervisors, were bent over rows of corn stalks, cutting weeds tangles around them with small blades", and "many of the workers were children". The day rate paid is 8 birr, or about 70 cents. Ethiopians cannot own land, instead they hold 'use certificates' for their tiny plots, making it difficult to get loans, or to sell or increase holdings. A worker said that the company had refused to sign a wage contract and had failed to deliver promised water and power to nearby villages. Supervisors treat them cruelly, he said, and most workers were just biding time until they could go to work for a Chinese construction company rumoured to pay US$ 2-4 a day" (Goswami 2010).

The document further says that the National Confederation of Ethiopian Trade Unions (CETU) has received word that workers' rights are being infringed upon by foreign investors, such as banning the formation of labour unions, which is against labour law. About 400 people recently signed a petition saying they were evicted from their land with no compensation (Heinlein 2010).

Until last year, people in the Ethiopian settlement of Elliah earned a living by farming their land and fishing. Now, they are employees of Karuturi Global Ltd. Dozens of women and children pack dirt into bags for palm seedlings, whose oil will be exported to India and China.

One of the worker reported that the pay was not enough to adequately feed and clothe his family. "These Indians do not have any humanity", he said, speaking of his employers. "Just because we are poor it does not make us less human". In response to such criticisms, Karuturi Global Ltd, said it pays its workers at least Ethiopia's minimum wage of 8 birr, and abides by Ethiopia's labour and environmental laws.

In another case of Indian agricultural firms in Africa, a subsidiary of Mumbai-based Indian steel producer Varun International initiated an agri-business project in Madagascar in 2008 to grow rice, corn and pulses. Varun did not look only for uncultivated land, but made contracts with farmers to cultivate their land. The deal consisted of two contracts: one contract to be signed with Malagasy Government for about 60,996 hectares of state owned land for the production in the Sofia region; and another contract to be signed with 13 farmers' associations for about 170,914 hectares owned by 250,000 farmers to be used for rice production (GTZ 2009).The Company intended to have the farmers sign leases that would turn over control of their land to Varun for 50 years (with options to extend to 99 years).

The document says that due to lack of transparency involved in the contracting process, local farmers were reportedly unaware that the land would be cultivated by Varun with highly mechanised machinery which would require far fewer workers and lead to a large problem of unemployment for displaced farmers. Today there are 250,000 farmers earning a living on 171,000 hectares targeted in the lease, but the vast majority of these farmers would not be employed by Varun (GTZ 2009).

Weak governance and a lack of democracy

In Ethiopia, the document says that, due to lack of effective governance and democracy, in 2010, local population has reportedly suffered evictions with no recourse. For example, in 2010, in some of the areas where land had been taken over by Karuturi Global Ltd, the clearing and cultivation was still in the beginning stages. Yet some people had been told that they can move themselves now or later be taken to a resettlement village. Local district and village leaders have received a similar mandate to be resettled elsewhere by officials sent from the regional and federal government. Most of the people in the villages are refusing to cooperate and saying they will never leave their homes and land. There have been reports of people arrested in Abobo because government officials assumed they were advising the elders not to leave their homes and land. Similarly, there have allegedly been a number of arrests and killings of local people who opposed the recent land investments. In the Gambela region, the administrator of a kebele was also officially suspended from his duties because he opposed the planned destruction of forests by foreign agricultural investors who wanted to clear the land and start a large-scale tea plantation in his locality (Ethiopian review).

Another highly sensitive issue is the fact that Karuturi Global Ltd has cleared an Anuak burial ground in areas they have leased, causing simmering anger among locals. People cannot openly express their outrage due to fear of punitive actions on the part of the government. Often local people have no information on what is going on, even though it greatly impacts their lives and futures. Although Karuturi has commented about providing some kind of compensation to the people, no compensation has been given or even discussed with them. Karituri has also promised to bring health clinics, clean water and other benefits to the people but according to the SMNE (Solidarity Movement for a New Ethiopia), so far there is no sign or mention of any of this according to reports from the local people.

The document says that the governance in the case of another Indian company titled Varun International in Madagascar was also very problematic. During late 2008 through early 2009, Varun created a domestic Malagasy "study office" named Sodhai to set up the farming contracts in the West part of Madagascar. Investigations on the ground later found that Sodhai was succeeded in setting up the 13 farmers associations in just 15 days, offering them 50-year lease contract (written in English, which was not understood by locals) and getting them to sign it. The lease included a confidentiality clause which proscribed the associations or members from speaking about the contract. As mentioned above, the lease contract provided farmers rent in the form of keeping 30 percent of their produce, while 70 percent had to be sold to Varun at the price decided by Varun. Subsequent reporting by Le Courrier found that the Varun's announcements of job-creation, new housing and public infrastructure have not been fulfilled.

Environmental concerns

The document says that one of the most significant concerns about the trend of Indian overseas agricultural investors relates to the environmental impacts of establishing increasing numbers of large-scale, mechanised mono-cropping farms that are dependent on high levels of water usage, involve heavy doses of pesticides and herbicides that can pollute nearby groundwater, and which can rapidly deplete soil quality.

The need to subsidise monocultures requires increases in the use of pesticides and fertilises, but the efficiency of the use of applied inputs is decreasing and crop yields in most key crops are levelling off. In some places, yields are actually in decline. Some believe that yields are levelling off because the maximum yield potential of current varieties is being approached, and therefore genetic engineering must be applied to the task of redesigning crop.

According to Worldwatch Institute, the trend of international land grabbing can have serious environmental and social consequences. Deals that focus only on financial profit can leave rural population more vulnerable and without land, employment opportunities, or food security. "Investors claim that land grabs can help alleviate the world food crisis by tapping into country's 'unused' agricultural potential," said Danielle Nierenberg, Director of Worldwatch Institute's Nourishing the Planet Project. "But such investments often do more harm than good, disrupting traditional land-use patterns and leaving small-scale farmers vulnerable to exploitation" (Worldwatch 2011).

The ecological sustainability of land and water resources used in the deals is another important concern. Large-scale intensive agricultural production can threaten biodiversity, carbon stocks, and the availability of land and water resources. Land that is perceived as 'unused' is often in long-fallow cultivation cycles because its tropical soils are unsuitable for intensive cultivation (Von Braun and Meinzen-Dick 2009). If the land is already marginal, more cultivation may lead to further degradation (Cotula, Dyer, and Vermeulen 2008). Moreover, irrigating these large plantations may divert water from local users or from environmental flows (Haralambous, Liversage, and Romano 2009).

Technology spillovers to domestic farmers

In this context, the document says that ensuring that benefits are afforded to the host country are another major concern. It says that benefits should, in theory, arise from capital inflows, technology transfers leading to innovation and productivity increases, infrastructural provisions, the upgrading of domestic production, quality improvement, income and employment creation (including local input and service suppliers), export earnings, and possibly an increase in food supplies for the domestic market and for export. Indeed, investments in agriculture in a "dualistic system" with traditional small-holder agriculture, particularly if the small-holders cannot attain this advanced agriculture. Studies on the effects of FDI in agriculture show that such benefits do not always come about (Hallam 2009).

These studies catalogue concerns over highly mechanised production technologies with limited employment-creation effects; a dependence on imported inputs and hence limited domestic multiplier effects; the adverse environmental impacts of production practices such as chemical contamination, land degradation, and depletion of water resources; and limited labour rights and poor working conditions. There has been very little evidence to date that Indian companies are bringing in technological improvements that are being shared with small farmers.

The contracts

The document says that amid growing controversy around Indian investments in Ethiopia, the Ethiopian Minister of Agriculture and Rural Development recently publicly disclosed 12 "Land Rent Contractual Agreements" for land leases between the Federal Democratic Republic of Ethiopia (FDRE) and 24 companies and individuals.

Of the 12 contracts with foreign investors disclosed, five of the contracts are with Indian companies, including those for Karuturi Agro Products Plc (100,000 hectare with option for 200,000 additional hectares), BHO Bio Products (27,000 hectares), Ruchi Agri Plc. (25,000 hectares), Sannati Agro Farm Enterprise Pvt. Ltd. (10,000 hectares) and Verdanta Harvests Plc. (3,012 hectares), all ranged for terms between 25 and 50 years, with option for renewal.

The document further says that all five contracts stated that the Indian companies have the "right" to provide power, health clinics, schools, etc. However, these were not listed under "obligations" of the investors. Nor did the contracts specify for whom these services might be provided - the local population or for those of company workers. The fact that this was not listed as an enforceable obligation of the investors, but merely a non-enforceable right, suggests that the companies may choose to not act on this and provide no improved infrastructure for their workers or the local communities. Yet, the provision of such improvements had been a high-profile claim made earlier by the government as to why the investors should be allowed to undertake these investments.

Furthermore, in one of the most disturbing aspects of the contract for Karuturi, it suggests the Government will evict any local people who are in the way of the commercial project, by force if necessary. Although this land has been or still is home to thousands of Ethiopian citizens, Article 6.1 of the contract states: "The lessor (Government of Ethiopia) shall be obliged to deliver and hand over the vacant possession of leased land free of impediments." Arguably local people who are unwilling to leave their land could be construed as "impediments" and the lessor is now contractually obliged to ensure they are not a problem for the company. Article 6.6 seems to suggest the Government will provide police or military action against any resistance.

These five contracts suggest that the Indian companies are being given everything and being asked for very little in return that would benefit Ethiopian small farmers and workers or safeguard the environment.

Activism against the trend

The document says that national and international coalitions of smaller farmers' associations and advocacy organisations are stepping up their critique of the global corporate monoculture model of large-scale production that Indian companies have adopted and are advocating, instead, for the implementation of alternative smaller-scale agro-ecological approaches. Many scientists who have studied the issue as well as farmers' and indigenous peoples' organisations, social movements and civil society groups largely agree that what is needed are policies and regulations to stop the land grabbing and ensure that following steps are taken to protect and enhance the efficiency of small farmers:

- Keep land in the hand of local communities and implement genuine agrarian reform in order to ensure equitable access to land and natural resources;
- Heavily support agro-ecological peasant, small-holder farming, fishing and pastoralism, including participatory research and training programmes so that small-scale food providers can produce ample, healthy and safe food for everybody;
- Overhaul farm and trade liberalisation policies to embrace food sovereignty and support local and regional markets that people can participate in and benefit from;
- Promote community-oriented food and farming systems hinged on local people's control over land, water and biodiversity;
- Enforce strict mandatory regulations that curb the access of corporations and other powerful actors (state and private) to agricultural, coastal and grazing lands, forests, and wetlands (NGOs 2010)

The document further says that it is not so much about the science as it is about politics and who has the political power to push their model. The vast body of research in favour of smaller-scale agro-ecological approaches has been roundly ignored by many of the global corporate agricultural investors and their institutional supporters, such as the Bill and Melinda Gates Foundation's Alliance for a Green Revolution in Africa (AGRA). Given that the current financial and political power of the international agriculture industry and its financial institutional investors are increasingly pitted against growing local and international civil society resistance.

There is now a need for local Indian activists fighting for the rights of small farmers to link internationally with small farmers and advocates around the world to stop the trend in corporate land-grabbing.

Pan-Africanist and scholar Dr. Ama Biney pointed out that it was ironic that while Indian farmers commit suicide, the Indian government is seeking to purchase land for growing food in Ethiopia and Sudan.

The Oakland Institute's Anuradha Mittal says that in its new avatar as an economic superpower, India has also joined the neo-colonial race to take over land in poor African nations to outsource food and energy production. Through direct and indirect facilitation, including financial assistance to make agricultural products for export to India, and schemes like 'Duty Free Tariff Preference Scheme', the Indian government is encouraging its corporations to turn into 21st century versions of the British East India Company, that enabled the British empire to occupy India for nearly two centuries. Yesterday's colonised has become today's coloniser.

On the need to build cross-border advocacy linkages, she said that given the devastating impact of such deals on local communities and the environment, and accompanying egregious human rights abuses in places like Ethiopia, it is urgent that we use our political voice and forge alliances with grassroots activists, organisations, and movements within India who are challenging this ruthless takeover of land and resources both in India and Africa.

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