C E L E P

Coalition of European Lobbies on Eastern African Pastoralism

“Land grabbing” in Africa: what is it all about?

Land is central to the livelihoods, culture and identity for millions of people across the developing world. But there is growing concern that people’s connection to their land is being undermined. Over the past few years, large-scale acquisitions of farmland in Africa have made headlines in media reports across the world. Lands that only a short time ago seemed of little outside interest are now being sought by international investors to the tune of hundreds of thousands of hectares (ha).

How much land has been acquired, and by whom?

Reviews of land acquisitions reported in the media over the past few years suggest that between 50 million ha (Deininger *et al* 2011) and 80 million ha (data from the International Land Coalition, reported in *The Economist* 2011) of land have been acquired worldwide, much of this in Africa. Systematic inventories of land acquisitions based on research in selected countries suggest that figures are lower than those emerging from media reports (see Table 1; the exception seems Liberia, but Deininger *et al* (2011) data includes renegotiations of pre-existing concessions). The size of single land acquisitions can be very large, including for instance a 100,000-ha project in Mali and a 170,000-ha project in Madagascar.

Table 1. Aggregate land areas acquired in selected countries (ha)

Source Country	Deininger *et al* (2011), 2004–09	Görgen *et al* (2009)	Cotula *et al* (2009), 2004–09	Friis & Reenberg (2010), 2008 onwards
Ethiopia	1,190,000		602,760	2,892,000–3,524,000
Ghana			452,000	89,000
Liberia	1,602,000			421,000
Madagascar		1,720,300	803,414	2,745,000
Mali		159,505	162,850	2,417,000
Mozambique	2,670,000			10,305,000
Sudan	3,965,000			3,171,000–4,899,000

Source: compiled by Cotula (2011)

While media reports appear to overestimate scale, the phenomenon is nevertheless massive and growing. Using World Bank data (Deininger *et al* 2011), more than 9 million ha have been acquired in four African countries alone (Ethiopia, Liberia, Mozambique and Sudan). The effects of these processes on competition for land are increased by two factors. First, despite much rhetoric on targeting “marginal” lands, investor interest often focuses on the best land in terms of irrigation potential, soil fertility, proximity to markets or availability of infrastructure. For example, land acquisitions in Mali are heavily concentrated in the irrigable areas of the Ségou Region (Cotula *et al* 2009, Görgen *et al* 2009). Second, while media attention has focused on agricultural investments, pressures on land are growing as a result of a wider set of factors –

both endogenous, such as strong demographic growth in many target countries, and exogenous, such as investments in mining, petroleum, timber plantations and tourism.

A careful analysis of this empirical evidence and of the more credible media reports points towards some European, North American, Gulf (Saudi Arabia, Qatar, United Arab Emirates (UAE)), South Asian (e.g. India) and East Asian (China, South Korea) countries as key sources of investment. While media reports have focused on acquisitions by Middle Eastern and East Asian investors, quantitative inventories of approved land allocations in Ethiopia, Ghana, Madagascar and Mali (Cotula *et al* 2009) suggest that key investor countries are in Europe and North America as well as the Gulf and South and East Asia. The important role player by European players was documented by a recent civil society study (Graham *et al* 2010). Land acquisitions by domestic investors are also significant, however, and account for the majority of allocated land areas in Ethiopia (Cotula *et al* 2009) and Cambodia (Görgen *et al* 2009), for example. Private agribusiness deals, many by Western companies, account for about 90% of the aggregate land area acquired in Ethiopia, Ghana, Madagascar and Mali (Cotula *et al* 2009).

What is driving land acquisitions?

Land acquisitions are a response to the growing global demand for food, fuel and commodities, linked to demographic growth, changing diets in large emerging economies and rapid urbanisation, as well as to factors constraining the global supply of agricultural commodities, including increasing land and water scarcity and climate change. The projected mismatch between global demand and supply in the longer term has created expectations of growing commercial returns from agriculture. It has also triggered policy change in key food-importing countries concerned about their long-term food security. For example, some Gulf countries have established mechanisms to support land acquisitions overseas. The biofuel boom, driven by policies that establish biofuel consumption targets, including in the EU, has also been a major driver of land acquisitions. This combination of policy and market forces has made land – particularly Africa's "abundant" and cheap land – a more attractive investment option.

What does this mean for recipient countries?

These processes have major implications for people in recipient countries. Overall, available evidence does not yet provide conclusive answers as to what the long-term implications will be, due to the recent nature of the phenomenon (many deals have not been fully implemented as yet), to the constrained access to information, and to the great diversity of contexts and of investment models. However, evidence does suggest that local people have more to lose than to gain from large land deals.

Agricultural investments may provide public revenues, develop infrastructure, create jobs in agriculture and/or processing, both directly and through supply chain relations, and improve livelihoods through links with local producers. However, a growing body of case studies carried out by the World Bank (Deininger *et al* 2011), by IIED (Sulle & Nelson 2009, Nhantumbo & Salomão 2010), by GIZ (Görgen *et al* 2009), by the International Land Coalition (over 30 reports published at http://www.commercialpressuresonland.org/), by CIRAD (German *et al* 2011), by civil society groups (e.g. FIAN 2010), by the Oakland Institute (http://media.oaklandinstitute.org/special-investigation-understanding-land-investment-deals-africa) and for an international conference hosted by IDS in Sussex (tens of papers available at http://www.future-agricultures.org/index.php?option=com_docman&task=cat_view&gid=1552&Itemid=971), among others, has raised real questions as to the extent to which these benefits will materialise. Overall, this body of evidence suggests that land fees are very low or even absent, that promises of jobs do not always materialise, and that the jobs created are often low paid, short-lived and do not necessarily go to the people that are most directly affected by the investment. A critical analysis of a number of contracts for land acquisitions (Cotula 2011) has also raised real concerns about the ability of current contractual practice to ensure that the promised benefits will materialise.

On the other hand, large land deals raise major risks. People may lose the land, water and other resources that have supported their livelihoods for generations. There is a perception that land is abundant in Africa, but most cultivable land is likely to be already used to varying degrees of intensity, or is at least claimed by local farmers, herders and gatherers. The problem is that the land rights of these people often have no proper legal recognition – and only a tiny percentage of local farmers in Africa have written documents for their land. In much of Africa, most land is formally owned or otherwise administered by the government. This situation exposes local groups to the risk of dispossession and investors to that of local contestation.

Access to water is also a key concern – particularly since a legal analysis of land deals found that some contracts grant investors "hard" priority rights over water, even in contexts where climate change is likely to place strain on water availability (Cotula 2011). Large-scale agricultural projects may impose further stress on the capacity of local ecosystems and on people's resilience to climate change, through a fall in groundwater and surface water supplies, losses to wild and domesticated biodiversity, and access to seasonal resources, for example. Impacts and conflicts might be local, or manifest themselves downstream and in the wider vicinity.

The growing body of literature mentioned above has documented adverse impacts on access to land and water – as the deals start to be implemented, people are losing their land and resources. In Ghana, for instance, Schoneveld *et al* (2010) discuss a biofuel project that involved the taking of 800 ha of land and the loss of land for 70 households from three villages. Affected households lost on average nearly 60% of their total landholding. Only about 20% of these households could obtain replacement lands, and most of these lands were seen as unsuitable for cultivation due to waterlogging or soil quality concerns (Schoneveld *et al* 2010). Similarly, a 30,000-ha biofuel project in Mozambique involved the taking of land used for grazing, of land identified by a local community and an NGO as having potential for game farming and tourism development, and of land promised to communities being resettled from a newly established natural park. It also involved tensions linked to competition for water resources from the Limpopo River and the Massingir dam reservoir (Nhantumbo & Salomão 2010). Where people depend on natural resources for their livelihood, loss of land may have direct impacts on local food security.

More generally, large land deals raise fundamental development issues beyond the communities that are most directly affected by them. They signal a shift away from family farming and towards the development of large-scale, mechanised agriculture that can marginalise local producers; and towards more export-oriented agriculture that exposes the local economy to uncertainties in international markets. The long-term nature of typical large-scale acquisitions, with some leases involving durations of up to 99 years, would effectively lock communities and smallholders out of land for several generations. This may bring about the end of cultivation and livestock rearing as the traditional activities in affected areas, and thus adversely affect the capacity and resilience of local communities to ensure their own food security.

Are there alternatives?

Family farming has long provided the backbone of the agricultural sector in much of Africa – and when given a chance, family farmers have proved to be highly dynamic and responsive to market forces. The global demand for food and agricultural commodities creates new opportunities for agriculture in Africa, and public policies and infrastructure to support family farming are needed today more than ever. Where outside investment is needed to sustain agriculture and livelihoods, productivity gains can be achieved through business models that involve supporting local farmers. Some of these models are well tested, such as contract farming, where local farmers cultivate land with support from the company, which then purchases produce at a guaranteed price. There is also growing experimentation with a wider range of models, such as joint ventures or land leases with local communities. In Mali, for example, a biofuel company buys jatropha nuts from the local farmers it supports. The farmers own 20% of the business and sit on the company's board – a strong incentive for them to provide reliable supplies of good-quality nuts (Cotula *et al* 2010).

None of these models are perfect. Most involve partnerships between players with different negotiating power, resources, information and skills. Also, the transaction costs of organising farmers' meetings and developing joint negotiating positions can be major. And investors may be concerned about the reliability or quality of supplies. Therefore, sustained support to strengthen the capacity of farmer groups is key to making these models work.

For even the most enlightened business models, the specific terms matter a great deal. Depending on its terms, contract farming may be a vehicle for supporting farmers and improving their market access, or an exploitative relationship where farmers effectively provide cheap labour and carry production risks.

Similarly, joint ventures with farmers can enable greater local control of the business. But, if inappropriately designed, they can deliver only nominal influence over key decisions, and little or no dividend as profits are siphoned off through transfer pricing.

What should happen next?

Decisions taken now will have major repercussions for the livelihoods and food security of many people for decades to come. Yet many land deal negotiations are unfolding fast and behind closed doors. Rather than rushing into land deals, there is a need for inclusive debate about the desirable model of agricultural development. Much discussion about large-scale land acquisitions has so far been led by players and processes based in the global North. The debate must now move to recipient countries, so the people who are most directly concerned can have their say. Recipient country governments should promote transparent, vigorous public debate about the future of agriculture in their country. Producer organisations must be central to that debate, and scrutiny from civil society can help make the renewed interest in agriculture work for broad-based sustainable development.

In many recipient countries, there is also a need for radical reform in policy and legislation, especially where local land rights are insecure or social and environmental safeguards are weak, so that people have more secure rights to their land and greater control over decisions affecting it. Because legal rights alone are not enough, adequate capacity is needed to exercise them in practice, and collective action can help give real leverage to legal rights.

Internationally, guidance has been provided by the UN Special Rapporteur on the Right to Food, who elaborated 11 principles that must be complied with for agricultural investments to respect the human right to food (De Schutter 2009). A set of Voluntary Guidelines on the governance of land and related resources are being discussed at FAO, and are likely to be adopted by the Committee on Food Security in autumn 2011. While the Guidelines are not focused on land-based investments, a draft for consultation does contain provisions in this. There is also ongoing discussion about proposed Principles on Responsible Agricultural Investment, which have been developed by the World Bank, FAO, IFAD and UNCTAD; these principles have been criticised by some civil society and farmer groups for their content and process. The former UN Special Representative on Business and Human Rights, John Ruggie, has also developed Guiding Principles on the human rights responsibilities of business, which would be relevant to land acquisitions.

Much can also be done in the investors' home countries. As discussed, many companies involved in land acquisitions are from the EU. It is therefore important to promote public debate about these issues, particularly with regard to the (indirect but important) role of EU policies in creating incentives for land acquisitions (particularly with regard to biofuels) and to possible ways in which development aid can be used strategically to address the challenges raised by land acquisitions.

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Some additional web resources

Comité Technique Foncier et Développement http://www.foncier-developpement.fr/

EU Land Policy Guidelines 2004 http://landportal.info/resource/policies-and-guidelines/eu-land-policy-guidelines

FAO Voluntary Guidelines on the Governance of Land, Forest and Fisheries http://www.fao.org/nr/tenure/voluntary-guidelines/en/

GRAIN farmlandgrab blog http://farmlandgrab.org/

IIED publications on “land grabbing” and its alternatives http://www.iied.org/natural-resources/key-issues/empowerment-and-land-rights/land-grab-or-development-opportunity

Institute for Development Studies / Journal of Peasant Studies International Conference on Global Land Grabbing http://www.future-agricultures.org/index.php?option=com_docman&Itemid=971

International Land Coalition’s “Commercial Pressures on Land” project http://www.commercialpressuresonland.org/

Oakland Institute http://media.oaklandinstitute.org/special-investigation-understanding-land-investment-deals-africa

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