

## THE GLOBAL LAND RUSH

### What's real and what are the myths? Rushing for solutions

Seminar and Launch of a Special Issue of *Development*  
Utrecht, 24 March 2011

#### Introduction

Reports about land acquisitions in developing countries – often labeled as land grabbing – are on the rise. The number of land-related conflicts seems to be growing, leading to concerns about increasing land inequality in societies where many people depend on access to land for their livelihoods. On 24 March, 2011, International Development Studies (IDS) of Utrecht University, in collaboration with LANDac<sup>1</sup> and the Society for International Development (SID), organised a seminar about the *global land rush*, referring to the increasing occurrence of land acquisitions by both domestic and international investors. This document gives a summary of the presentations and discussions during the seminar.<sup>2</sup>

Opening the seminar, Guus van Westen (Utrecht University) explains that IDS organized a first conference on this topic in 2009. Back then, reliable information about land acquisitions and their impact was still very scattered. Today there is much more information about the actual developments on the ground, and more research is underway, so new knowledge is pouring in. We now know that land acquisitions are real. And we know that they are driven by factors such as the rising food prices, increasing demand for biofuels and attempts of certain countries to secure their food supplies. At the same time it has become clear that a large portion of the announced land acquisitions have (so far) not materialized. This seminar is meant to share some of the empirical data that is available about land acquisitions and their implications for local people (based on LANDac-sponsored research), to identify the remaining knowledge gaps, and to translate this into options for policy and practice.

During the seminar's first session, chaired by Josine Stremmelaar (HIVOS), several researchers will provide an overview of developments on the ground and the remaining knowledge gaps, based on findings from Russia, Senegal, Cambodia, Vietnam, Indonesia, DRC and Benin, Burkina Faso, Mali and Niger. In the second part of the seminar, chaired by Annelies Zoomers (Utrecht University), researchers get a chance to present studies that are planned for the coming years. Finally, at the end of the seminar, there will be a panel discussion on the implications of current developments for policy and practice, followed by the launch of a special issue of the journal *Development*, entitled *Global land grabs*.

#### What's the rush?

Oane Visser (Radboud University) presents the case of land acquisitions in **Russia**. Discussions about land grabbing usually concern Africa, and sometimes Latin America and Asia, but what is happening with the vast land masses in the former Soviet Union? The area of the former Soviet Union is characterized by the enormous size of the farms – a legacy of the Soviet policies and the 'big is

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<sup>1</sup> The IS Academy on Land Governance for Equitable and Sustainable Development (LANDac) is a partnership between IDS Utrecht and the Netherlands Ministry of Foreign Affairs, African Studies Centre, Disaster Studies of Wageningen University, Royal Tropical Institute, Agriterro, HIVOS and Triodos Facet.

<sup>2</sup> Report by Koen Kusters, WiW – Global Research and Reporting.

efficient' discourse. The region is further characterized by the relative abundance of land (0.9 ha per person) which is even increasing, as the rural population is declining. For foreign investors interested in purchasing large tracts of land, this is an attractive situation.

Both domestic and foreign investors are active in the former Soviet Union, but the chains of investments are not always clear. Who are the brokers? What are the motivations of investors, and how do they change over time? Much uncertainty remains regarding the socio-economic dynamics. According to Oane Visser the benefits for local people are highly doubtful. To illustrate the questionable ways of land acquisition in Russia, he refers to Slolkovo, which is a main innovation centre, just outside of Moscow. To make place for this high-tech center, financed by one of Russia's oil oligarchs, a large number of peasants was simply forced off their lands. In the case of Slolkovo this resulted in significant resistance by local inhabitants. For Visser, such cases raise important questions for research, for example: What are the triggers for local resistance? What are the forms of protest? And, when is protest effective?

Mayke Kaag and Marieke Kruis (Utrecht University, African Studies Centre) present a LANDac sponsored case study from **Senegal**. In sharp contrast with Russia, Senegal is characterized by smallholder agriculture, with the majority of the population depending on agriculture. All land in Senegal is state owned, but with recognition of traditional land rights. Under this formal system, agricultural lands are not alienable, but in practice people do buy and sell lands. In this context, the government is currently preparing land reforms to formalize land purchases.

According to Kaag, land governance in Senegal is becoming increasingly complex, because land is getting scarcer, the commercial value of land is increasing, and a growing number of actors is interested in the land. These 'investors' are mostly elites from the country's capital, who are attracted by national policies aimed to promote large-scale agriculture through subsidies.

Research by Marieke Kruis in Ross Béthio in northwest Senegal illustrates how the entrance of these domestic investors changes the existing land-governance system. The existing system is largely informal; local people seldom follow the formal procedure to acquire land, which implies the granting of official user rights by the local government. In practice people buy and sell land (and solve land-related conflicts) through informal negotiations, with an important role for traditional leaders. With the entrance of outside investors, the social hierarchy changes and the informal procedures that govern access to land are disturbed. At the same time the role of the local government authorities increases because investors need to follow formal procedures, while these authorities are characterized by a lack of accountability and transparency.

Kaag and Kruis argue that, in order to curb the negative effects of land investments, local people's bargaining power and local authorities' accountability need to be increased. They also argue for more research into the potential positive sides of these developments, for example through tax revenues and employment creation.

Guus van Westen (Utrecht University) presents the case of indigenous people and external investors in Northeastern **Cambodia**; a typical thinly populated Southeast Asian forest frontier area with indigenous communities residing in the forest and ongoing colonization of forest land by migrants, accompanied by logging. The government of Cambodia issues Economic Land Concessions (ELC) to large-scale investors, usually government officials and businessmen, using the land for rubber estates. A study within the LANDac framework assessing how this system influences the livelihoods of indigenous people in the province of Ratanakiri, found a dominant negative perception among indigenous communities. According to them, the concessions limit the land they have available for shifting cultivation, and limit their access to forest products and forests with a spiritual value. Although the rubber estates were seen as having potential to generate employment, it was stressed that most jobs go to migrants.

Van Westen concludes that indigenous people's livelihood options narrowed down, food insecurity increased, and dependence on external forces increased. But, he emphasizes, these developments

are not solely depending on the granting of Economic Land Concessions, as the pressure on the forest lands used by indigenous communities is likely to continue, regardless of the concession policy that is in place. Ongoing globalization, population growth and commercialization are the structural drivers – the concession policy is merely an expression of these drivers.

### **Glocal realities: Is big or small beautiful?**

Paul Burgers (Utrecht University) presents his experiences from research on land grabs by national park authorities in **Vietnam** and large-scale oil palm companies in **Indonesia**. In Vietnam, *Bach Ma* national park is extending its boundaries in the name of biodiversity conservation and carbon sequestration. The extension of the park means that communities suddenly find themselves inside the boundaries of the park. They are no longer allowed to practice shifting cultivation and depend on the government's Forest Land Allocation policies, implying that the government demands them to plant, for example, fast growing acacia trees. The problem, according to Burgers, is that this does not make much economic sense from a households' point of view, as there are no roads that can be used to transport the logs. As a result, conflicts are on the rise.

In the Indonesian Berau area oil palm plantations are expanding, for which lands used by local communities (*adat* lands) are converted. For Burgers it is clear that the current developments in Berau lead to deteriorated livelihoods, increased greenhouse gas emissions and decreased biodiversity (including marine biodiversity through erosion). In addition, Burgers stresses that *large-scale* land grabbing leads to massive *small-scale* land grabbing. Not only because smallholders are displaced and forced to move elsewhere, but also because large-scale investments attract migrant workers, who may convert additional lands for small-scale agriculture. Another indirect consequence of oil palm plantation development may be the decrease of food security, as oil palm is replacing rice production. These indirect consequences of large-scale investments are less clear than the direct effects, but are likely to be even more significant.

Gemma van der Haar (Wageningen University) explains about a research in eastern **Congo (DRC)**, where they studied governance arrangements in mining regions. Most of the current mineral mining activities in DRC are small-scale, but the government recently started promoting large-scale industrial mining in the region, by giving concessions to large companies. The new law to promote large-scale investments implies that 'mining rights' are prioritized over 'land rights', which means that people lose their land whenever a mining company is interested in the land. It also means that the traditional land governance system (with an important role for local chiefs) is marginalized. The study found that people have been resettled to make place for large-scale mining operations, and that they are frustrated about compensation measures. It became clear that there is a lack of reliable and effective mechanisms that people can use in negotiations with a mining company. At the local level people have been trying to organize themselves in response to the large-scale investments, but these initiatives have so far not been very effective, as they lack legal backing. People are increasingly turning to the state, aiming to acquire formal land rights, but in doing so they often run into corruption. Moreover, the provincial government is highly instable, which makes it difficult to work out arrangements. According to Van der Haar, empowerment and capacity building of local people and local authorities are crucial.

In Francophone Africa most land acquisitions are done by domestic investors, says Joost Nelen from SNV. Based on experience in **Benin, Burkina Faso, Mali and Niger** he explains that these investments are generally medium-scale (somewhere between 50 and 1000 ha) and that the number and the size of the land acquisitions has been increasing since 2000. Although there is no such thing as massive land grabbing in these countries, land acquisitions do have serious consequences at the local level, with negative effects on local livelihoods, as people lose access to natural resources – most notably land for cattle grazing and collecting forest products.

Investments are sustained by a dominant policy discourse in the region, which is geared towards boosting agriculture through attracting so-called *agro-investors*. Nelen notes three categories of investors. Some are just interested in land for speculation purposes, others purchase land to practice conventional agriculture, and only a very small portion (those who look for lucrative niche markets close to urban areas) can be classified as innovators. Land acquisitions by the first two groups hardly generate employment and neither involve professionalization nor modernization – Nelen therefore does not consider these groups as *real* investors. He also highlights the environmental impacts of land acquisitions, not only due to the loss of forests and the destruction of top soils through the use of heavy equipment, but also as a result of the claims on water points by investors. New wells are being constructed, which leads to the over-use of water and, eventually, to degradation. According to Nelen family farms and livestock keepers are the real motors of agricultural change. It is therefore crucial to have farmer organizations at the negotiation table when deals about land acquisitions are being made. In the end, investing in farmers will be more profitable, both for the smallholders as well as for the investors.

After the presentations some participants in the audience highlight the principle of Free Prior and Informed Consent, which can play an important role in guiding international investments. Others argue that the presentations show that arrangements surrounding international investments will not be sufficient, as the phenomenon of land acquisitions is not just driven by international investors. It is also pointed out that, in addition to case studies, research should look into global processes driving the land acquisitions.

### **New research initiatives**

Sandra Evers of VU University presents an integrated program funded by WOTRO that involves an analysis of the global drivers and local impacts of large-scale mining in **Madagascar**, foreign food production in **Ethiopia**, REDD initiatives in Madagascar, and Chinese investments in **Uganda's** Lake Victoria Free Trade Zone. Land acquisitions in these four case studies will be analyzed using the theoretical concept of *zones of intermediality*, which are the physical and ontological grids where land claims are mediated, legitimized and/or defended by various stakeholders. The research program will also explore the *anatomy of heritage* (what factors substantiate various stakeholders' claims to land as heritage?) and the *rights to heritage* (why do some heritage claims override others, who determines this and on the basis of what criteria?). The main research questions are: (i) What are the global structures, interests and relationships driving foreign land acquisitions, and what are land dwellers' experiences and perceptions of these deals? (ii) How are diverse stakeholder claims to and values of land mediated by cultural paradigms within 'zones of intermediality', and how might these different conceptions create unforeseen sources of conflict? And (iii) How can negative impacts of land deals be mitigated by examining material and intangible dimensions of land use and stakeholder encounters within 'zones of intermediality'?

Aad Kessler from Wageningen University presents a proposed interdisciplinary research project on large-scale land acquisitions in **Uruguay, the Philippines and Uganda**. This research programme means to involve fact-finding studies dealing with the following issues: (i) How land deals are established and put in practice (governance); (ii) impact on sustainable land-use systems (agriculture); (iii) impact on food production, security and markets (local livelihoods); and (iv) short and long-term impacts. The program would also facilitate 'multi-stakeholder collaborative learning processes' aiming to engage and connect the various stakeholders and to identify smart land options.

Rosanne Rutten and colleagues from the University of Amsterdam are starting an integrated program funded by WOTRO on **Gulf-State** Concessions in **Indonesia** and the **Philippines**. The research focuses at various levels of scale. In the international arena there are the Gulf-State

investors (state and private), multilateral development organizations, transnational farmers' movements and the bilateral ties between investor- and recipient countries. In the national arena (Jakarta and Manila) there are the national government and state agencies, politicians, business organizations, national level advocacy groups and the media. And in the provincial/local arena (Papua and Mindanao) there are rural communities, investors and local partners, local governments and civil society organizations. For each of these arenas, the study will investigate: (i) Who are the main actors involved in (or affected by) the land deals?; (ii) what are their interests and what is at stake, and what threats and opportunities do they perceive?; (iii) which economic and political resources and legitimizing discourses can these actors draw upon to negotiate, shape, or confront the land deals?; and (iv) what are the legal frameworks underlying the land deals and what are the legal spaces that offer opportunities for influencing, legitimizing, or contesting the land deals concerned?

The African Studies Centre, in collaboration with Cordaid, Moi University (Kenya) and the World Initiative for Sustainable Pastoralism of the International Union for Conservation of Nature, is starting a (COCOON) research project entitled 'Land grab and dwindling water resources: Reconciling competing claims and conflicts over natural resources in Africa, specifically Kenya'. In various regions in Kenya conflicts between investors (e.g. hydropower projects, large-scale flower production) and communities are rising, often related to water scarcity. The research project has the following three main themes: (i) Conflicts, land rights and land-use change; (ii) water resources, conflict and cooperation; and (iii) resource exploitation, global trade and conflict. The project focuses explicitly on the Lake Turkana Basin in north-western Kenya, the Ewaso Ny'iro North Basin in northern Kenya, the Tana Delta in south-eastern Kenya and the Athi Catchment in southern Kenya.

IDS (Utrecht University) is currently involved in various LANDac related PhD projects on large-scale land acquisitions in Africa, the consequences of large-scale soya cultivation in Argentina, residential tourism in Central America and South Africa, as well as population displacement as a consequence of dam construction and urban expansion in Vietnam, Cambodia and Indonesia. In addition, in the context of the NWO 'Agriculture beyond Food program' IDS research focuses on the environmental and socio-economic consequences of oil palm expansion in Indonesia.

### **Roundtable: Policy responses**

What are the urgent issues for policymakers and practitioners? That is the core question for a panel discussion with René Grotenhuis (SID NL and Cordaid), Wendy Harcourt (SID), Joost Nelen (SNV), Duncan Pruett (Oxfam Novib) and Frits van der Wal (Ministry of Foreign Affairs), chaired by Annelies Zoomers (Utrecht University).

Duncan Pruett mentions four things that he thinks need to be done. First, at the local level, space must be created to challenge the worst forms of land grabbing, i.e., providing the opportunity for people to protest in a legal and effective manner. A successful example is the local protest against the Wilmar company in Indonesia which led the World Bank to freeze all investments in the palm oil sector. Second, political pressure needs to be kept up, for example by exposing the inadequacy of certain policy responses (such as the World Bank standards for 'responsible agricultural investments'). Third, land grabbing should be made more risky for companies, for example through campaigns exposing land grab practices related to the business of multinationals, forcing them to improve their supply chains. And fourth, more knowledge is needed about what is going on. There is not only need for a transparent database (a crowd-sourced international register of land deals), but also for more information about the kinds of investments that may contribute positively to food security and poverty alleviation.

‘Maybe we don’t know enough, but we know enough to act’, says Joost Nelen of SNV. He, too, stresses that we should look for the potential, rather than merely highlighting the problems. Doing so, we should focus first on domestic and local developments. ‘Local and regional dynamics are crucial’, according to Nelen. ‘In Africa, regional markets are now emerging, and we should support local farmers to serve these markets.’ He adds that the improvement of local tenure security is more important than intervening in processes of land acquisitions. After all, the conditions for land acquisitions are determined by the level of land tenure security of local people.

Conflicts arise due to increased pressure on local communities, driven by external factors, and enhanced by globalization. This is the type of process that René Grotenhuis sees occurring in many corners of the globe. For him this raises important questions: How do these processes relate to our paradigm of development? Are these processes of land concentration really unavoidable? And, what can we learn from the history in Europe, and the land reforms in Asian countries? Grotenhuis explains that Cordaid has long been working on issues related to land conflicts, trying to facilitate multi-stakeholder processes, but without pretending to be neutral. It means that Cordaid remains committed to the overall goal of justice, while at the same functioning as a broker between actors. Grotenhuis also stresses that, rather than focusing on static procedural rule-based governance, land governance should be perceived as a dynamic process, based on the dynamics of society.

Wendy Harcourt, the editor of *Development*, agrees with Grotenhuis about the need to rethink the dominant development models. What type of development do we want? And, who makes the decisions? Annelies Zoomers adds that land acquisitions can not be seen outside of the context of neoliberal policies. The west has been promoting a development model that is based on the liberalization of markets (including land and water markets), commoditization of natural resources, and attracting foreign investments. Consequently, western donors have been pushing such processes in developing countries, regarding them as conditions for pro-poor growth. But, ‘shouldn’t we be much more critical on these policies and the underlying development model?’

The question ‘who or what is to blame?’ triggers some discussion in the panel and the audience. Some argue that western scientists, policymakers and practitioners have a blind spot, as they tend point at the Chinese and the Gulf States, without acknowledging the role of their own multinationals. Wendy Harcourt agrees that we should put ourselves in the equation; we should not forget that we are part of the problem. This does not only relate to the role of western multinationals but also to the general lifestyle in western societies, which will need to change. Others add that it is about coherence of policies, which is currently still lacking. Frits van der Wal primarily blames the lack of good policy processes at local and national levels and thinks that the improvement of domestic accountability is going to be the main driver of change. According to him, the objective should thus be to contribute to transparent and accountable local policies and implementation of those policies. Cora van Oosten from the audience mentions that the government’s plans for development cooperation, as set out in the recent letter presented to Parliament by the Minister for European Affairs and International Cooperation, emphasize the need to focus on certain sectors, like water and food, and the need to involve the private sector. The letter, however, hardly mentions issues like civic education and NGO support, while these are crucial to improve the accountability of governments and supporting and empowering local people. Van der Wal responds that many Dutch embassies are, and will remain, partnering with organizations that are active in empowering local people and improving local policy processes. According to him, the choice of the Dutch government to focus on food and water implies that these sectors are supported through mobilizing a broad group of actors; not only supporting businesses but also supporting farmer organizations and NGOs.

Annelies Zoomers reiterates that land acquisitions, and their local consequences, are *real*. There is consensus that the main actors are not just the large-scale investors from the Gulf States and China, but that Western investors and medium and small-scale domestic actors play important roles as well. There also is consensus about the fact that land grabbing should not be considered in isolation, but should be seen within the context of the larger processes related to neoliberal policies, resource scarcity, and globalization.

### **Launch of the special issue of *Development* and closure of the seminar**

At the end of the seminar Wendy Harcourt presents the special issue of *Development* on global land grabs with various contributions of Dutch scholars. The journal is published by the Society for International Development (SID) and aims to facilitate a dialogue between academics, practitioners and policymakers from different parts of the world. In addition to this special issue on land grabs, there will be three more special issues in 2011 entitled 'challenges to sustainability', 'sustainable cities' and 'cosmovisions', respectively.

Annelies Zoomers closes the seminar. She mentions that the sharing of knowledge about on-the-ground developments based on case studies of land acquisitions and their impacts for local people is crucial. But she also warns that there is a risk of losing sight of the bigger picture. Climate change, resource scarcity, food security and land grabbing are all too often discussed in isolation, in parallel debates. Each debate yields a different set of recommendations, and these recommendations may very well be contradicting with each other (biofuels are a case in point). And then there are additional debates, for example about nature conservation, and urbanization. Clearly, the bigger picture is extremely complex, and the IS Academy on Land Governance for Equitable and Sustainable Development (LANDac) may be perfectly suited to provide the framework in which this bigger picture can be explored.