

Great African land grab

African politicians and local traditional leaders are signing away their peoples' rights to land to outside nations and corporations. As a result, family farming land is being exploited to produce food and profit for elsewhere

by Joan Baxter

Potential investors in Sierra Leone gathered in the Queen Elizabeth II Conference Centre in London in November for an event organised by the African Governance Initiative, a charity sponsored by Tony Blair, Britain's former prime minister. He was there, encouraging the participants to invest agriculturally in Sierra Leone, which "has millions of hectares of arable land" (1). He seems not to have noticed that a few million Sierra Leoneans live and depend on much of that land.

A new scramble for Africa is on, and those wanting to take control are foreign banks, investment funds, corporations, countries and billionaires who want to set up gargantuan industrial farms to produce crops for food and agrofuel - for export, and for profit. Foreign direct investment in agriculture is the boardroom euphemism for the new land grab, and those promoting the grab spin it as a win-win situation.

Among these promoters are the World Bank's International Finance Corporation (IFC) (2) and the International Fund for Agricultural Development (IFAD), institutions which fall under the UN. Even the UN Food and Agriculture Organisation (FAO) now backs this approach, despite an initial blip when its director, Jacques Diouf, let slip that he saw the land grab as a form of neo-colonialism.

There are many examples of the horse-trading that operates in Africa. China is said to have leased 2.8m hectares in the Democratic Republic of Congo (DRC) for the world's largest oil palm plantation. Philippe Heilberg, CEO of the New York-based investment fund Jarch Capital and former commodities trader for the giant American Insurance Group, has leased between 400,000 and 1m hectares in southern Sudan from the warlord Paulino Matip (3). The DRC's president has offered South African commercial farmers 10m hectares in his small country with its precious, threatened rainforest.

Last November 50 large Saudi companies, led by an Ethiopian-born Saudi, Mohammed Ali al-Amoudi, held a forum in Ethiopia looking at land in east Africa for export agriculture (4). The Indian Sai Ramakrishna Karuturi, striving to outdo agribusiness behemoth Cargill, claims to be the world's largest land bank owner, with much of its holdings in Ethiopia (5). And just as Ethiopia is begging the world for food aid for 6.2 million people whose crops have failed because of drought, the country has already leased over 600,000 hectares of its land, and is offering three million more to investors for large-scale plantation and for-export agriculture.

Enabling climate for business

Acquiescent African leaders are falling over each other to woo disaster capitalists. Many are starry-eyed with the idea that by transforming their countries into giant agribusinesses they will solve food and unemployment problems. The IFC supports them in this endeavour. To help them create an enabling climate for business it has set up One Stop Shops across Africa, investment promotion agencies that are there to protect investors from taxes and from legislation that might protect workers, human rights, the environment and African sovereignty.

The investors and African governments often claim that the land being acquired is unused, under-used or just fallow. Such justifications are oblivious to the importance of fallow systems that replenish soils and protect landscapes and waterways. These unused woodlands and bush provide local people with a wealth of resources (food, fibre, spices, oils, condiments and medicinal products).

The International Food Policy Research Institute estimates that in the past two years at least 20m hectares of land, mostly in Africa, have been purchased or leased, for between 30 and 100 years, in 30 countries. The international NGO Grain tries to catalogue the deals, but notes they are often secret and happen so fast that it is difficult to monitor them.

Many are hammered out behind closed doors at the highest levels, often with the connivance of traditional rulers and chiefs. These figures, who are supposed to be custodians of the land, can often be persuaded to sign off on a deal in exchange for a small gift or a low-paying job as a labourer on the investors' plantation.

Some grabs, particularly by land-strapped or cash-rich Gulf states and Asian countries, are intended as offshore farms to ensure food security. Others are for agrofuel production, from food crops (sugarcane, palm oil, cassava and maize) or non-food crops such as jatropha, a plant called green gold because of the diesel-like oil it produces. And all this is happening in African countries struggling for food security in the face of dwindling water supplies and land degradation caused by climate change.

The land grab may help drive climate change itself. Smallholder systems that produce most of the continent's food are extremely bio-diverse, usually with tree crops that can help protect against climate change. But these are under threat from the giant industrial agribusinesses and the monocultures they promote.

Like gold, only better

The land rush is also being impelled by the global food crisis. However, the world's one billion hungry are not victims of a shortage of food but of affordable food, since prices spiralled in 2008. This spiral was driven partly by wild speculation caused by European and North American interest in the use of agrofuels in vehicles. The mania for agrofuels, perhaps not a realistic way to combat climate change, is also behind some of the mania for African land on which to produce the agrofuels. The global financial crisis is also behind the mania for farmland, as the financiers, investment houses and banks that brought about the crash of September 2008 now seek secure places to get great returns on their capital. Land, said an analyst, is an asset "like gold, only better" (6).

The UN special rapporteur on the Right to Food, Olivier De Schutter, has expressed his regret that African presidents and governments are signing deals without bringing them before parliament. He notes that they are competing with each other rather than working together to establish regional criteria that would require investors to commit to developing local infrastructure and to leave at least half of any food produced in that country. "When food becomes scarce, the investor needs a weak state that does not force him to abide by any rules," says Heilberg (7).

African civil society groups continue to try to make their voices heard. Copagen, a coalition of African coalitions of scientists and farmer associations working to defend seed and food sovereignty, now views land grabbing as its priority issue. On 17 October 2009, 27 civil society groups in Africa signed a letter calling on African leaders to stop supporting land grabs and other elements of industrial farming they view as a threat to Africa's family farmers. So far, there is no sign that the leaders have heeded any of these calls.

A number of agricultural land-grabbing operations are still only at the project phase. But projects are meant to be completed. And unchecked land grabbing carries with it the seeds of conflict, environmental disaster, political and social chaos, and hunger on an unprecedented scale. At the World Summit on Food Security in Rome last November, the FAO issued a paper stating that, together with Unctad (the United Nations Conference on Trade and Development), IFAD and the World Bank, they are working on a "voluntary code of conduct" for these "international investment agreements". They suggest that international guidelines might promote responsible agriculture investments to the benefit of all.

But the last things Africa needs are voluntary codes and guidelines that might promote corporate social responsibility. Solutions do exist. There are microcredits for local processing and value adding; construction of roads to allow smallholder family farmers to get their produce to markets; training to rejuvenate their agro-biodiverse farming systems; an end to dumped produce that undermines their work; food storage and processing that would assure them local markets for their produce. Such genuine investment in Africa's farmers and its own food chain would lead to genuine sustainable development.

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- (1) "Sierra Leone open for business", *Awoko Newspaper*, 23 November 2009.
- (2) In 2009 IFC reported that it invested a record \$2bn across the agribusiness supply chain, up 42% over the previous year. IFC. July 2009.
- (3) Daniel Shepard and Anuradha Mittal, *The Great Land Grab: Rush for world's farmland threatens food security for the poor*, The Oakland Institute, Oakland Ca, 2009.
- (4) Wudineh Zenebe, "Al-Amoudi's efforts to initiate Saudi agro investment", *Addis Fortune*, 29 November 2009.
- (5) Asha Rai, "The constant gardener", *The Times of India*, 26 September 2009.
- (6) Chris Mayer, "This asset is like gold, only better", *DailyWealth*, 4 October 2009.
- (7) Knaup, Horand and von Mittselstaedt, "Foreign investors snap up African farmland", *Der Spiegel*, 31 July 2009.