

# LAND AND POWER

The growing scandal surrounding the new wave of investments in land

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Miralvalle, Polochic Valley, Guatemala, 15 March 2011. The community was evicted, their houses and crops destroyed. Copyright photo: Archive Fundación Guillermo Toriello.

**The new wave of land deals is not the new investment in agriculture that millions had been waiting for. The poorest people are being hardest hit as competition for land intensifies. Oxfam's research has revealed that residents regularly lose 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. Companies and governments must take urgent steps to improve land rights outcomes for people living in poverty. Power relations between investors and local communities must also change if investment is to contribute to rather than undermine the food security and livelihoods of local communities.**

# Summary

International investment plays a vital role in development and poverty reduction. Investment can improve livelihoods and bring jobs, services, and infrastructure, when it is managed responsibly within the context of an effective regulatory framework. Oxfam sees this every day in its work and, in some cases, is working collaboratively with businesses to promote investments that directly benefit poor communities. 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. Without national and international measures to defend the rights of people living in poverty, this modern-day land-rush looks set to leave too many poor families worse off, often evicted from their land with little or no recourse to justice.

In developing countries, as many as 227 million hectares of land – an area the size of Western Europe – has been sold or leased since 2001, mostly to international investors. The bulk of these land acquisitions has taken place over the past two years, according to on-going research by the Land Matrix Partnership.<sup>1</sup>

The recent rise in land acquisitions can be explained by the 2007–08 food prices crisis, which led investors and governments to turn their attention towards agriculture after decades of neglect. But this interest in land is not something that will pass; it is a trend with strong drivers. The land deals are very often intended to produce for foreign food and biofuel markets. They can often rightly be called ‘land grabs’. 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;
- Ignore 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.<sup>2</sup>

This paper looks in detail at five land grabs: in Uganda, Indonesia, Guatemala, Honduras, and South Sudan. It seeks: to understand the impact of land grabs on poor people and their communities; to identify the underlying factors between companies, local communities, and host governments; and to examine the roles played by international investors and home-country governments.

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. Where evictions have already taken place, the picture is bleak: conflict and loss of food security, livelihoods, homes, and futures. Most of those affected have received little or no compensation and have struggled to piece their lives back together, often facing higher rents, few job opportunities, and risks to their health. The evidence is sadly consistent with many other recent studies on land grabbing.

It is development in reverse.

Where there is scarcity, there is opportunity. Many governments and elites in developing countries are offering up large swathes of land at rock bottom prices for large-scale mechanised farming. This is a shocking departure from commitments made at the intergovernmental level – from the L’Aquila Food Security Initiative to the Comprehensive Africa Agriculture Development Programme (CAADP) – which emphasised support for the crucial role of smallholder farmers, particularly women.<sup>3</sup> Rather than gaining desperately needed support, smallholder farmers risk being undermined by the kind of land deals considered in this briefing paper.

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.

National governments have a duty to protect the rights and interests of local communities and land rights-holders, but in the cases presented here, they have failed to do so. Instead, governments seem to have aligned themselves with investors, welcoming them with low land prices and other incentives, and even helping to clear people from the land.

Where international financiers or sourcing companies with responsible policies are involved, standards and rules appear not to have guided investments and sourcing decisions. While local communities may find recourse through one or another complaint mechanism, these seem to be underused. Other initiatives appear to reward land grabbing. Overall, the international community’s response to this devastating wave of land grabbing has been weak.

Home and host country 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.

## Recommendations:

### *Justice for the cases discussed here:*

- Grievances of communities affected by the cases discussed here must be resolved. The rights of the communities affected by these deals must be respected and their grievances addressed, and those who are profiting from the international deals must help to ensure this happens. Those financing and sourcing from land acquisition projects, and companies further down the value chain, must use their influence to ensure that this happens.

### *Governments:*

- The balance of power must be shifted in favour of local rights-holders and communities. Governments should adopt strong, internationally-applicable standards on good governance relating to land tenure and management of natural resources.

### *Governments hosting investments:*

- Host governments should respect and protect all existing land use rights, and ensure that the principle of free, prior, and informed consent is followed and that women have equal rights to access and control over land.

### *Investors:*

- Investors should respect all existing land use rights. They should make sure that the principle of free, prior, and informed consent is followed in all agreements, as well as seeking alternatives to the transfer of land rights from small-scale food producers. They should be guided by proper social and environmental impact assessments (including relating to water use), and address food security issues.

### *Financiers and buyers:*

- Financiers and buyers should accept full supply-chain responsibility. They should require all agricultural operations that they finance or use as suppliers to follow the principles set out above, and remedy existing problems.

### *Home country governments:*

- Home country governments should require companies investing overseas to fully disclose their activities, and ensure that standards and safeguards are implemented to protect small-scale food producers and local populations, including through development finance organisations like the World Bank's private sector lending arm, the International Finance Corporation. They should remove measures in national legislation that support reckless large-scale land acquisitions, including biofuels mandates, and avoid introducing new ones.

### *Citizens:*

- The public can hold investors and traders accountable through the ballot box, consumer choices, and their pension fund and other investments.
- Civil society organisations, along with media and research institutes, can use accountability mechanisms, expose bad practices, acknowledge good practices, and help build transparency.

# Note

- <sup>1</sup> ILC/CIRAD Forthcoming synthesis report on the Commercial Pressures on Land Research Project. The figures in this report are based on ongoing research by the Land Matrix Partnership . The partnership consists of the ILC, Centre de coopération international en recherche agronomique pour le développement (Cirad), Centre for Development and Environment (CDE) at University of Bern, GIGA at University of Hamburg, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), and Oxfam. Since 2009 they have been systematically collating information on large-scale land acquisitions worldwide. The dataset covers transactions that entail a transfer of rights to use, control or own land through concession, lease or sale, which generally imply a conversion from land used by smallholders or for ecosystem services to large-scale commercial use. It aims to shed light on six drivers that are contributing to a global rush for land, namely demand for food, fuel, timber, carbon sequestration, tourism and mineral exploitation. It now includes just over 2,000 deals from the year 2000 onwards. 1,100 to date are cross-checked with data derived from systematic national inventories of land deals based on in-country research that have been carried out by different institutions, alongside the increasing number of postgraduate and commissioned field-based research projects.
- <sup>2</sup> ILC (2011) 'Tirana Declaration: Securing land access for the poor in times of intensified natural resources competition', International Land Coalition, <http://www.landcoalition.org/about-us/aom2011/tirana-declaration>, (last accessed July 2011).
- <sup>3</sup> L'Aquila Food Security Initiative (2009) "'L'Aquila" Joint Statement on Global Food Security', G8 Summit 2009, L'Aquila: L'Aquila Food Security Initiative [http://www.g8italia2009.it/static/G8\\_Allegato/LAquila\\_Joint\\_Statement\\_on\\_Global\\_Food\\_Security%5B1%5D,0.pdf](http://www.g8italia2009.it/static/G8_Allegato/LAquila_Joint_Statement_on_Global_Food_Security%5B1%5D,0.pdf) (last accessed July 2011); The Comprehensive Africa Agriculture Development Programme (CAADP), <http://www.nepad-caadp.net> (last accessed July 2011).

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