Turning Point

December 2010 Issue no. 1

Turning Point is published by the Pesticide Action Network Asia and the Pacific (PAN AP)

Global Land Grabbing, Eroding Food Sovereignty

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PAN AP Turning Point is an occasional publication of PAN AP that aims to raise awareness and provide critical analyses on food sovereignty issues.

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Executive Summary

Land grabbing in massive proportions is happening all over the world, threatening not only the survival of small farms but the very food sovereignty of nations. Prospective foreign buyers and speculators are justifying the land rush with the continuing global food crisis, rising energy demand and even climate change, and the need therefore for the efficiency of large-scale food and agricultural production. In exchange, land reform programs are being subverted worldwide while host countries give up chances for self-sufficiency as well as economic democracy to determine the sustainable use of their land and natural resources.

The World Bank has only recently said its piece on the issue. While seemingly recognising the horrendous scope of land grabs, the World Bank is actually saying that large-scale foreign investments in farmlands and the direct participation of transnational corporations and financial oligarchs in agricultural production are acceptable as long as they are done under the pretence of social responsibility. The World Bank has proposed guidelines towards this end.

Meanwhile, the CFS has proposed that the World Bank Guidelines and the FAO Voluntary Guidelines be developed in an inclusive process and that the two should be consistent. In the 36th session of the Committee on World Food Security (CFS) on October 11-14 and 16, however, civil society groups have called on the FAO not to endorse the World Bank's guidelines and to strengthen its own voluntary guidelines. Headway has been achieved in terms of stopping the looming threats of global land grabs, but much remains to be done especially by social movements.

Global land grabs have been an observable phenomenon since 2008. Existing research literature has focused on the extent and speed at which they are happening and the repercussions on several aspects of agrarian development. Researches have focused on Africa since the continent hosts the largest number and area of land grabs. This paper is a contribution to the articulation of the issue. It places the phenomenon in the context of the current global economic crisis to

trace the roots and impetus of global land grabs. It focuses on some initial cases in Asia to show the peculiarity of the issue in the Asian context and project what is in store for the region. Finally, this paper uses the principles and programmes of food sovereignty to analyze the implications of global land grabs on the aspirations of farming and marginalized communities.

Introduction

As predicted, the intensity of the recent explosion of the global capitalist crisis, manifesting in the collapse of financial oligarchs and the rising sovereign debt crisis, would lead to a clamour for intensified extraction of natural resources. Such has been the chronic and predictable behaviour of imperialism as it has reached the general stages of its recurring and worsening crisis. From colonisation to globalisation, the solution has been to go back to basics, i.e. to re-build the profit through the exploitation of natural resources for cheap raw materials, exploitation of cheap labour, and acquisition of vast tracts of lands.

Since 2008, massive foreign land transactions have taken place at a quite controversial scale and pace. According to the World Bank report just released on September 7 2010, there have been a total of 46.6 million hectares of land acquired between October 2008 and August 2009, almost double the size of the UK and a 10-fold increase in a decade. The figure, which the World Bank tallied only from www.framlandgrab.org managed by the non-government organisation (NGO) GRAIN, represents 464 projects. Meanwhile, the International Food Policy Research Institute (IFPRI) estimates that 15 to 20 million hectares, or around 20 per cent of the total farmland of the EU, have been negotiated or secured between 2006 and 2009. At least 180 land deals have been reported since mid-2008, according to GRAIN.

The rush is being justified by the prospective land buyers and speculators with the current steep increases in global food prices and the need therefore for the efficiency of large-scale food and agricultural production. Climate change is also being cited as having

irreversible effects on ecology particularly water shortages thus aggravating the food crisis. While the profit compulsion for the global land grab is quite obvious, the repercussions on farmers' rights and food sovereignty are yet to be imagined. As the global capitalist crisis enters a next phase, with mounting government debts just to save failing financial institutions, it is anticipated that the imperialist clamour for land and natural resources all over the world, especially in the Third World and former colonies, would be fiercer than 19th century colonialism.

Gaining impetus from the global crisis

The limits of debt- and speculation-driven growth have been reached. The global capitalist crisis can no longer be solved by the same financial excesses and parasitism. Since 2008, the solution of advanced capitalist countries has been counter-productive, that is to pour in huge amounts of bailout funds and stimulus packages reaching up to US$11.1 trillion, which has only led to a public debt crisis. Public deficits of the US and the EU have already reached unsustainable levels as against their economic outputs or gross domestic product (GDP) while the Group of Seven (G-7) debt-to-GDP ratios are nearing 100 per cent, a level so close to the level right after the Second World War. The recent bailout of Greece by the EU and the International Monetary Fund (IMF) amounting to €110 billion marks the world's entry into the next phase of the capitalist crisis.[1]

It is a choice now between the devil and the deep blue sea for global monopoly capitalism. Whether imperialist governments would institute austerity measures to be able to pay up their debts or continue inflating demand through stimulus packages, it would not lead to recovery and would only aggravate the already dire situation of the working people. Global unemployment has reached 210 million, a moderate yet unparalleled figure, while cutbacks in social services are unprecedented. Prices of food and other basic commodities have been dragged into the speculative game and have truly increased in the consumer markets.[2]

Without a doubt, the tested and reliable way for transnational corporations (TNCs) and financial oligarchs to get out of the crisis is the intensification of the offensive of globalisation in cheapening Third World wages, raw materials, exports, and interest and currency rates, and in relaxing domestic rules on trade and investments. This race-to-the-bottom approach translates to intensified foreign plunder and natural resources extraction and has pushed for massive land grabs across the globe.

Land deals, whether as direct purchases or long-term leases, are being brokered in poor countries by advanced capitalist countries and their TNCs as they command resources to produce crops either for food, feedstock or agrofuel in commercial and export quantities. They have been called land grabs, not as reference to their illegality however since many of the deals have passed government approvals, but as description of the unjust terms through which they have been transacted and the utter lack of consultation with the communities of farmers and indigenous peoples.

The Oakland Institute cites three trends that have provided the momentum for the phenomenon: the rush by "food-insecure" nations to secure food supply; the rising demand for agrofuels; and the increasing private investments in land and soft commodities. All these manifest all the more the higher level that the crisis of the global economy has reached and the effects of more ferocious globalisation as the capitalist knee-jerk reaction to the crisis. While it is valid that agro-ecological conditions have destabilised food supplies and that oil-dependent countries must seek alternative sources of energy, the food and energy crises have only been aggravated by the same globalisation policies that imperialist governments and international financial institutions (IFIs) have imposed. And profit motive has basically remained *the* impetus.

The food crisis has been largely aggravated by the policy of trade liberalisation where even food producing and sufficient countries have been dictated to import. This has ruined self-sufficiency, aggravated backward production, and intensified monopoly pricing. Food crops, considered soft commodities, have also been placed in the futures

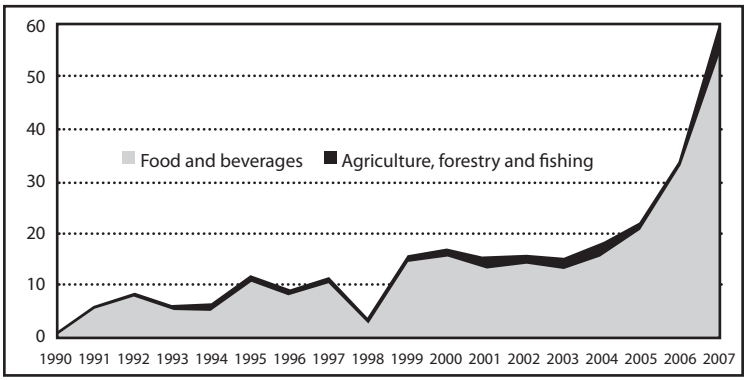
markets thus subjected to price speculation by market traders. In fact, the steep increases in food prices, which in 2008 and ever since have not gone back to previous levels, are largely due to speculation in food commodities. The volatility of corn and soybean in April 2008 for instance was only 30 and 40 per cent, respectively, of what market fundamentals could back up.[3]

The rush for agrofuels, on the other hand, is driven by the quest for cheaper manufacturing costs, especially since crude oil costs have skyrocketed also due to speculation. Agrofuels production is also relatively cheaper than crude oil production, especially if done in the underdeveloped countries, because of low labour and land costs and the higher availability of land.

Lastly and as a matter of course, land markets have suddenly become attractive destinations of private investments especially by financial oligarchs such as Morgan Stanley with its 40,000-hectare purchase of farmland in the Ukraine, Goldman Sachs in its takeover of farmland rights in China's poultry and meat industries, and the New York-based BlackRock, Inc. that has set up a US$200-million agricultural hedge fund, US$30 million of which is specifically for land acquisition. The Oxfam points to some 120 hedge funds, retirement funds, agribusiness corporations, and private equity funds investing in agricultural lands in underdeveloped countries.[4] According to the World Investment Report (WIR) 2009 of the UNCTAD, foreign direct investment (FDI) in agriculture increased tremendously from only US$1 billion per year in the 1990s to US$3 billion per year in 2005-2007. **(See Figure 1)**

Obviously, the speed at which private investments in lands have increased is only partly explained by the food and energy demands. It was apparent as early as end-2007, according to the UK-based Bidwells Property Consultants, that the bull run in soft commodities such as land and food was more about commodity profitability rather than structural changes in food and agriculture. Throughout 2008, investors were increasingly aiming to gain direct exposure into soft commodities markets by investing in land and farming, and a lot of speculation was involved. As the head of alternatives at Insight Investment, Reza Vishkai said in July 2008 before the outbreak of the

Figure 1. FDI inflows in agriculture, forestry and fishing, and food and beverages, 1990-2007 (in billion US dollars)



Source: UNCTAD, FDI/TNC database.
Note: Agriculture, forestry and fishing include; food and beverages include tobacco. Figures are for the sum of countries for which data were available for each year. Therefore, the number may vary from year to year, covering an average of 45 countries accounting for about two thirds of world inflows.

global financial turmoil, "The single best recession hedge of the next 10 or 15 years is an investment in farmland."

How vast is it, really?

The attention to global land grabs was first drawn with the involvement of China and West Asian (Middle Eastern) countries. So-called food insecure countries – those that rely on imports or those that produce yet worry about tightening markets, but definitely with cash to throw around – have sought to outsource their local food production by gaining land control in other countries. China, Saudi Arabia, Egypt, Bahrain, Gulf countries, Jordan, Kuwait, Libya, Qatar, Untied Arab Emirates (UAE), India, Malaysia, Japan and South Korea have been on the road to Africa, South and Southeast Asia, South America, and Russia and Central Asia since March 2008.

The leading target countries, based on the scope of cases monitored by GRAIN in 2008, are Sudan, Pakistan, Philippines, Cambodia, Thailand, Brazil, Egypt, Indonesia, Burma, Laos, and Uganda. Australia is also target of more than one negotiation. Other countries include Russia, Ukraine, Turkey, Vietnam, Kazakhstan, and Mongolia, plus other countries in Africa, South America, Central Asia, and West Asia or the Middle East. Even India and China are target countries.

On January 24 this year, the World Bank presented a data on the top countries of origin and destination of investors in land deals between 2008 and 2009 to the Global Donor Platform for Rural Development, which corroborated media and NGO reports. When the World Bank released its final report on land grabs on September 7, however, it did not publish the data and left much for guesswork. **(See Table 1)**

Table 1. Top country destinations and origins of investments by region, 2008-2009

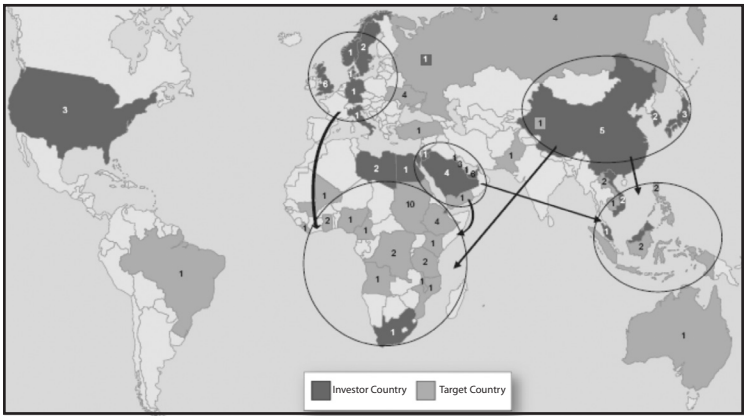
Top Countries							
Top 3 Destination countries by region						Origin	
Africa		Latin America		EAP			
Country	Total	Country		Country	Total	Country	Total
Sudan	6.4	Brazil	3.6	Indonesia	3.6	China	10.5
Ghana	4.1	Argentina	2.6		3.1	UK	10.5
Madagascar	4.1	Paraguay	0.8	Australia	2.8	Saudi Arabia	9.8

Source: Klaus Deininger, World Bank, "Large scale land acquisition: What is happening ang what we can do?", presentation to Land Day even hosted by the Global Donor Platform for Rural Development and FAO/SDC/IFAD in 24 January 2010, http://www.donorplatform.org/content/view/332/210/

The WIR 2009 of the UNCTAD maps 48 confirmed land deals, although not all have been implemented. The report excludes all signed deals that were rescinded before end-May 2009 and prospective deals that were reported in the media but did not progress. Although the figure is quite conservative, the report only confirms the previous

and more comprehensive monitoring done by GRAIN, that is, the huge investments in land acquisitions are being done by China, the Middle East, and South Korea. The leading target countries are Sudan, Ethiopia, and the United Republic of Tanzania. Others include Brazil, Cambodia, Burma, Philippines, Ukraine, Russia, Thailand, Cameroon, Madagascar, Pakistan, Kazakhstan, Laos, Malawi, Senegal, Nigeria, and Paraguay. **(See Figure 2)**

Figure 2. Investor and target regions and countries in overseas land investment for agricultural production, 2006-May 2009 (number of singed or implemented deals)



Source: UNCTAD

However, the UNCTAD has hinted that land acquisitions are happening only under South-South FDI inflow and indeed driven by food insecurity. It even argues that the availability of water resources for irrigation may be the crucial factor instead of the land, since many Middle Eastern countries have very little water and are making investments in water-abundant countries. **(See Table 2)**

But there is another and undisguised group of land grabbers aside from the “food-insecure” nations. These are the investment houses, private equity funds, fund managers, large agribusiness TNCs, and the entire

Table 2. Water resources in selected regions and countries, 2008 (in cubic meters)

	Region / country	Fresh water resources per capita
Selected West Asian Countries	Bahrain	
	Iran, Islamic Republic of	1860
	Iraq	
	Kuwait	
	Oman	399
	Qatar	126
	Saudi Arabia	104
	United Arab Emirates	49
	Yemen	194
Regions	Latin America and the Caribbean	24471
	Europe and Central Asia	5093
	Sub-Saharan Africa	5022
	East and South-East Asia and Oceania	
	South Asia	1230
	West Asia and North Africa	757
Major host countries for investors seeking to operate farms for food security	Australia	24118
	Brazil	29000
	Cambodia	8642
	Ethiopia	1623
	India	1152
	Kazakhstan	4978
	Kenya	581
	Myanmar	
	Pakistan	366
	Philippines	5664
	Sudan	813
	Thailand	3333
	Turkey	3150
	Ukraine	1127
	Viet Nam	4410

Source: UNCTAD, based on FAO data.

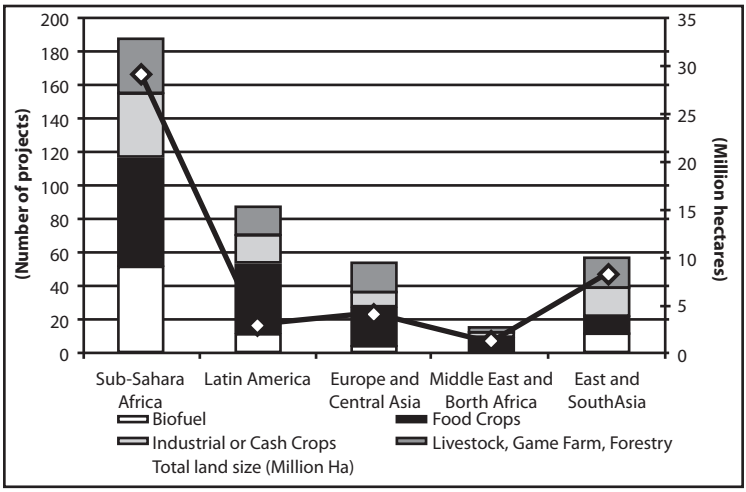
private sector, which have cashed in on land deals. They enter the picture either through local private partners, the host governments, or through their own governments seeking joint ventures with the target countries. They may be citing food and energy demands but are more concerned with crucial issues such as soil fertility, water availability and farm productivity. Their investment timeline may be up to 10 years and their projected annual rates of return are between 10 and 40 per cent in Europe or up to 400 per cent in Africa. Their target countries are all over Africa, Asia, and South America.

The latest and complete data on the number, scope, locations and statuses of foreign land deals are practically non-existent. Due to the high degree of speculation and level of secrecy in the negotiations, even those reported in the media cannot be ascertained whether or not they have actually taken place. On the other hand, the scope of some confirmed deals may even be larger than what has been reported. For example, a 2009 study done by the International Institute for Environment and Development (IIED) on land deals in five African countries documents an overall total of 2.5 million hectares excluding deals below 1,000 hectares and pending land applications. The IIED, which partners with the Food and Agriculture Organisation (FAO) on the study, considers this data incomplete and conservative.

It turns out that foreign companies and financial institutions and the host governments are reluctant in giving information on the investments they are making and getting, and state-level inventories are not being done. Even the World Bank cannot exert much effort and influence (as well as funds) to get the facts straight and can only credit GRAIN for being conscientious in providing information and being the “only source that can claim global coverage.”

Of the 464 projects covering 46.6 million hectares and targeting 81 countries as compiled from GRAIN, the World Bank interpolates that almost half of the projects covering 69 per cent of total land area (32 million hectares) are in Sub-Saharan Africa. There are 8 million hectares in East and South Asia, 4.3 million hectares in Europe and Central Asia, and 3.2 million hectares in Latin America. The median size is 40,000 hectares, and in fact, a quarter of all the projects involve

Figure 3. Frequency distribution of projects and total land area by destination region and commodity group



Note: The histogram fpr the frequency is drawn for the 405 projects for which the purpose and the destination are known. The total areas are computed based on the 202 projects for which the size is known.
Source: Media reports posted on the GRAIN website between 1 October 2008 and 31 August 200

more than 200,000 hectares. In total, 37 per cent of the projects focus on food crops, 21 per cent on industrial and cash crops, 21 per cent on biofuels, and the rest on conservation and game reserves, livestock, and plantation forestry. **(See Figure 3)**

The World Bank conducted its field validation and concludes that 70 per cent of the projects have been approved and 30 per cent are in exploratory stages. After recognizing the figures, however, the World Bank moves on to downplay the land rush by saying that of the approved projects, 43 per cent are still in initial development, one-third have started actual farming but on a scale much smaller than intended, and a quarter have not even started. The World Bank concludes that most of the projects have not acquired land or failed to use the land they have acquired as intended.

The World Bank statement is a unity of contradictions. It is revealing but at the same time an out-and-out spin. By saying that the land rush is slow after all, the World Bank only confirms further that the land rush may be more about investments and paper profits from soft commodities than actual production and land development. Yet, by saying that most of the projects have not actually acquired land, the World Bank has obscured the fact that whether land is prospected by governments seeking to secure their food supplies or by foreign investors seeking to secure profits, land is being grabbed from farming communities at an unprecedented scale.

In collusion

In reality, the food-securing states and the foreign investors are in collusion, which makes the land transactions seem legitimate and even more difficult to differentiate whether they are of the private or public sector. But one observation may be made if today's foreign land acquisitions are compared with those of the past two centuries. Aside from being much larger in scale, focused on food instead of cash crops, and concluded by agreements not wars, foreign land deals are driven more by government-led investment.

Source governments

There are cases where central government agencies are tasked to directly acquire land in foreign countries through high-level, bilateral deals. One verifiable example is the 2002 Special Agricultural Investment Agreement between Syria and Sudan, involving a 50-year lease by the government of Sudan to the government of Syria.

Sovereign wealth funds (SWFs), or surpluses from balance of payments, foreign currency transactions or national budgets or proceeds from privatisation, are also being placed as investments in subsidiaries, private corporations, state-owned enterprises (SOEs) or directly in foreign land assets. The Qatar Investment Authority (QIA) is one example of significant SWF involvement. Outside Africa, it has reportedly established one-billion dollar joint venture funds with the

governments of Indonesia and Vietnam and under negotiations with Malaysia and the Philippines.

Other governments get involved through investment sources other than SWFs, such as having SOEs or partnering with SOEs abroad. In September 2008, Dubai World, a government-controlled conglomerate, created a new subsidiary to target global investments in natural resources including a company to handle 'agrarian investments'. Chinese SOEs, on the other hand, are all over Africa. For instance, the power company Wuhan Kaidi is negotiating for land concession in Zambia for jathropa cultivation. The grain and oilseed trading SOE COFCO wants to grow rice and soybeans in Mozambique. Outside Africa, Chinese SOEs are also negotiating with Asian governments and corporations to grow agrofuels and food crops. Sinopec, for instance, is negotiating with an Indonesian company on growing agrofuels and setting up agrofuel plants to the tune of US$5 billion.

Meanwhile, some governments have established development funds such as subsidies, soft loans, guarantees and insurance as assistance to private sector companies or SOEs in their countries. One example is the Abu Dhabi Fund for Development. Similarly, the Abu Dhabi Investment House, Ithmaar Bank and Gulf Finance House created in August 2008 the US$1-billion investment vehicle AgriCapital with the purposes of purchasing land overseas, producing food for the region, and funding biotechnology research.

Governments have also created agencies such as export credit agencies in investor countries and investment promotion agencies in host countries, which also provide informational, technical and bureaucratic support to the private sector. Land deals are facilitated in 'one-stop-shops' where a specialized government agency keeps a land database. In Tanzania for example, the Tanzania Investment Centre (TIC) has a land bank of suitable areas for investments covering some 2.5 million hectares. In the Philippines, the Philippine Agribusiness Development Cooperation Centre (PADCC), created in 2007 under the office of the agriculture department also keeps

a land bank of supposedly 'idle lands' that may be considered for agribusiness deals.

Finally, even in purely private investment projects, governments play a role by establishing framework agreements such as free trade agreements (FTAs) or bilateral investment treaties (BITs), even to the extent of changing national legislation to accommodate such. More than half of the concluded FTAs and BITs worldwide have comprehensive coverage of agricultural production. Recent economic summits are also meant to facilitate cooperation agreements, such as the Africa summits hosted by China in November 2006, the EU in December 2007, India in April 2008, Japan in May 2008, and South Korea in October 2008. The Gulf-Africa Strategy Forum in 2009 was also reflective of the growing interest of Gulf countries in African lands.

The investment strategies of the governments of the leading countries such as China, the Gulf states, Japan and South Korea differ depending on how serious their food insecurity is and how deep their pockets are. China is home to 40 per cent of the world's farmers but only 9 per cent of the world's farmlands, which makes food security a top government agenda. In recent years, China has sealed around 30 agricultural cooperation deals to access farmlands while peddling Chinese technologies, training and infrastructure development funds. From Kazakhstan to Queensland, Mozambique to the Philippines, Chinese SOEs as well as private companies lease up or buy land, establish large farms, bring in Chinese workers, and produce crops typically rice, soya beans and maize, as well as agrofuel crops like sugar cane, cassava or sorghum.

The Gulf states, rich in oil and money but importing food that has recently become too expensive, are seriously looking into outsourcing food production to provide affordable food and appease their poor, migrant population. Their strategy has been basically to strike deals with fellow Islamic countries like Sudan and Pakistan in order for their corporations to have access to farmlands, produce, and export the produce back home in exchange of capital and oil contracts. But oil-dependent Asian states such as Burma, Cambodia, Indonesia, Laos,

the Philippines, Thailand and Vietnam have also been targets by the Gulf states.

As with Japan and South Korea, both get around 60 per cent of their food from overseas (it is even 90 per cent if rice is excluded in the case of Korea), the governments facilitate the private sector as the main player. Korean corporations are the ones buying up land to produce food while Japanese corporations are the ones that organise food imports. In both cases, the governments have been quite aggressive, more especially in the case of Japan, in pursuing FTAs and BITs with other countries, which are heavy on agriculture.

TNCs and financial oligarchs

Government involvement thus cannot overshadow the primary role of the private sector in land grabs, whose major players at this point remain unnamed. One of the largest and most notorious deals is one that ultimately collapsed: the deal that would have given the South Korean TNC Daewoo a 99-year lease to grow corn and other crops on 1.3 million hectares in Madagascar, or half of the country's arable land. But other transactions have been inked since then, involving private corporations such as Trans4mation Agritech Ltd. (UK) securing 10,000 hectares in Nigeria; Jarch Capital (US) with 400,000 hectares in Sudan; Hyundai (South Korea) getting 10,000 hectares from the Russian company Khorol Zerno, to name a few.

The Japanese TNC Mitsui bought 100,000 hectares of land in Brazil for soybean production. The deal was made through Mitsui's 25 per cent stake in Multigrain SA, the Brazilian subsidiary of the Swiss grain trader, Multigrain AG. The other owners of Multigrain SA are the US energy and food company CHS Inc. and Brazil's PMG Trading. Mitsui also bought shares in another Switzerland-headquartered and Brazil-based grain trader, Xingu, and transferred the shares to Multigrain, bringing the total investment in Multigrain to US$95 million. It invested another US$76.25 million in Multigrain in October 2008 and got almost 40 per cent of the firm.

It must be emphasised that land grabbing by the TNCs in this sense is not typically what agribusiness TNCs such as Cargill have been doing throughout history, i.e. setting up large-scale plants and monopolising trade at the expense of the farmers. Present-day land grabs involve the acquisition of farmlands, where Japanese and Arab trading and processing corporations are prominent. Japanese TNCs such as Mitsui, Mitsubishi, Itochu, Marubeni and Sumitomo are capturing new markets and acquiring lands. They aim to be at par with the US's Archer Daniels Midland (ADM) or perhaps even Cargill and secure a foothold in China where ADM, Cargill and Bunge are not that strong.

This is not to say, however, that the usual suspects are not in for the kill. It is just that their strategy is to set up investment fund management and let it handle the farmland acquisitions. Bunge, for instance, is reportedly setting up an investment fund that will focus on farmlands, specifically in South America, to expand its sugar- and ethanol-related holdings. According to Philippe de Laperouse, managing director for HighQuest Partners, a strategic advisory and management consulting firm, around 35 to 40 per cent of fresh investment flowing into that sector is directed at Brazil.

The pension group within Dow Chemical, whose DowAgroSciences is a global agricultural input provider, is likewise adding farmland as a real asset investment. Its global director for alternative investments, Ken Van Heel, said that Dow is working to expand that rapidly through farm acquisitions in the US aimed at annual returns of 8 to 12 per cent. Dow particularly likes corn and soybean farms.

Even Cargill's subsidiary Black River Asset Management, which has US$6 billion in assets under management, primarily third-party capital, is increasing its private equity business focusing on food production and farmland investments, particularly dairy farming in Asia and aquaculture in Central America and South America. Its managing director and senior portfolio manager, Rich Gammill, said the fund is aiming for more than 25-per cent yearly return. Western-style dairy farms could require initial investments of US$35 million each with around 5,000 to 8,000 cows. "We're so used to efficient food production in the United States. But in China and India, a lot of it

depends on peasant farmers. It is not an optimized or efficient system and it is unsustainable to meet demand," Gammill said.

Based on a study done by Woodrow Wilson International Center for Scholars, private-sector investors are often investment or holding companies rather than agrofood specialists. This implies that expertise for managing complex large-scale agricultural investments is badly needed. Yet, financial oligarchs, after squeezing huge profits from debt and speculation, have scrambled for farmlands worldwide, and as GRAIN put it, taken the bigger bite. "It is about safety. Farmland is a great place to store our wealth," said Charles Allison, managing director of Prudential Agricultural Investments, which has US$3.2 billion in assets under management.

The aforementioned acquisitions made by Morgan Stanley, Goldman Sachs and BlackRock Inc. are one of the most controversial and outright examples that the land rush is really more about raking in huge profits than securing food. It is also quite remarkable that upon Morgan Stanley's land grab in Ukraine, as if on cue, other investment firms also made acquisitions in Ukraine and Russia, which even outdid Morgan Stanley: Russian investment house, Renaissance Capital, acquired 300,000 hectares of Ukrainian farmland; Black Earth Farming, a Swedish investment group, took control of 331,000 hectares of farmland in Russia; Alpcot-Agro, another Swedish investment firm, bought rights to 128,000 hectares in Russia; Landkom, the British investment group, has bought up 100,000 hectares of agricultural land in Ukraine and vows to expand this to 350,000 hectares by 2011.

US's Carlyle Group, which manages more than US$85 billion worldwide, has also made its stakes in foreign land deals. Harvest Capital and Warren Buffett's Berkshire Hathaway are all tucking in to the trend, the latter with a US$400 million (£260 million) Brazilian joint venture to farm sugar and soya. Recently, other fund managers have announced their diversification into farm management. Franklin Templeton Real Estate Advisors, a global real estate multi-manager, is focusing on securing professional farm management and believing that higher returns can be had from investing with managers directly

operating farm properties. Its new managing director, Joyce Shapiro, was quoted as saying, "There is going to be a very large marriage of professionalism and capital in the farm space."

Host governments

Finally, the blessings for such marriage shall come from the host governments. Laws, policies and even practices on land ownership are being altered to accommodate foreign land deals. In China, reforms are being introduced so that peasants may lease or trade their land rights. In Kazakhstan, the government has introduced land share policies and permanent land use rights. Ukraine is lifting its ban on the sale of farmland to foreigners. The government of Sudan, which owns most of the country's land, is issuing 99-year leases at cheap prices.

Others are changing, diluting or delaying land reform laws to facilitate foreign ownership of land and skirt long-desired land distribution. Such has been the case of the Philippines whose land reform law has already spanned 23 years but has been extended recently for another five years just to allow further the re-concentration of land to commercial operators. The rest of the governments that are reluctant to open up and allow foreigners to take over their lands will have to deal with the pressure from the World Bank.

Here comes the World Bank

The World Bank and other IFIs and multilateral organizations are facilitating land purchases by the imposition of policy direction on host governments towards modification of land ownership structures in favour of foreigners. They are using the rhetoric of the food crisis to insist that expansion of land for food production is the way to go, and that to allow foreign governments and corporations is a "win-win situation".

The World Bank's US$1.2 billion package deal for the food crisis in Africa, for instance, has changing land laws as its integral aim.

Likewise, the European Bank for Reconstruction and Development (EBRD), in response to the food crisis in Europe and Central Asia, is putting pressure on big grain exporters such as Russia, Ukraine, Romania, Bulgaria and Kazakhstan on changing land laws.

The World Bank took a lead role with the formation of the Global Food Crisis Response Program (GFRP) in May 2008, which is part of the so-called New Deal on Global Food Policy. In 2009, World Bank loans, grants, equity investments, and guarantees increased by an unparalleled 54 per cent from the previous year, and most of the increases are directed to facilitating foreign land deals.

The financing arm of the World Bank, the International Finance Corporation (IFC), plays a principal role by increasing its lending by around 30 per cent in the next three years. The involvement of IFC in agribusiness is not unknown. Its supported projects in agribusiness increased from 17 in 2005 to 32 in 2008, and in 2009, the IFC established a US$625-million alliance with Altima Partners to get into land deals and direct farming operations. The IFC assists host governments in creating procedures that shall make land available for new investment and permissible for foreign ownership. On the other hand, the Foreign Investment Advisory Service (FIAS), which is under the IFC, enables host governments to improve the investment climate for investors to acquire and secure property rights at reasonable costs. These include reformed land use planning and construction laws.

According to the IFC and FIAS, lack of access to land in underdeveloped countries hinders investment and competition. Thus, through their technical assistance advisory services (TAAS), the IFC and FIAS hope to increase and simplify land access for the private sector. And since such aim is politically charged, the IFC often works with governments.

One way to grasp the role of the World Bank is to go into detail of the TAAS. In particular, the FIAS has created since 2008 specific products (technical assistance) that aim to increase investor access to land. The 'access to land product' focused on accessing, securing and developing land, was implemented in Vietnam and Benin, and was phased out at the end of 2009. The 'investing across borders product', although

similar to a product of the IFC that surveys investment climates and policies, expands the scope to include foreign ownership restrictions in 20 sectors, the process of establishing foreign companies, access to land, and the use of international arbitration.

Perhaps the most critical product so far, which by early 2010 had yet to be formally introduced, is the 'land market for investment product'. It aims to: a) design and implement effective policies and procedures for making serviced land available for new and expansion investment; b) develop simple and transparent procedures for investors to acquire and secure land property rights; and c) streamline government approvals for land development to reduce the time and cost for investors to comply with zoning, environment and building safety requirements.

One more aspect of the IFC and FIAS TAAS is the assistance given to governments in drafting national laws. The FIAS for instance helped Sudan modify six investment laws in 2008, and various land deals have occurred since then allocating over a million hectares of land. Another aspect is the promotion of leasing, wherein for example the IFC has financed 200 leasing projects in 50 countries amounting to US$1.4 billion, operated 30 leasing technical assistance projects, and set up or improved leasing laws in 60 countries. It has leasing facilities all over Africa, IFC's main regional focus, such as in Ghana, Tanzania, Rwanda, Madagascar, Senegal, Cameroon, DRC, Mali, and Ethiopia.

Another strategy of the IFC and FIAS is to declare the land for sale or lease as 'idle land'. Presumably thus the transaction will not hurt local farmers. This has been done by the Ethiopian government at a tremendous scale such that by 2013, three million hectares of 'idle lands' will have been allotted, which is equal to more than 20 per cent of the country's land under cultivation. But as feared, the identified lands are neither idle nor unproductive and are actually occupied by communities. The strategy is being replicated all over Africa and is threatening the communal concepts to land ownership of the entire continent. It is being employed as well by the Philippine government, as already mentioned, which is undermining whatever gains in land reform.

The Multilateral Investment Guarantee Agency (MIGA), like the IFC, is one of the five principal agencies of the World Bank Group. (The rest are the International Bank for Reconstruction and Development (IBRD), International Development Assistance (IDA), and International Centre for Settlement of Investment Disputes (ICSID). MIGA was established to promote FDI in underdeveloped countries by insuring investors against political risks. While the IFC and FIAS are responsible for buying up rights to farmlands, the MIGA is providing land grab projects with political risk insurance. For instance, it has put up US$50 million as cover for Chayton Capital's US$300 million business investments in Zambia and Botswana. As the chief investment officer of the British hedge fund SilverStreet Capital said in case problems arise, "you'll have the World Bank on your side." **(See Table 3)**

Table 3. Some involvement of the World Bank Group in farmland investments

Altima One World Agriculture Fund (US)	The Altima One World Agriculture Fund, registered in the Cayman Islands, was created by the hedge fund Altima Partners to invest in farmland in South America, Easter and Central Europe and sub-Saharan Africa. In 2009, the IFC made a US$75 million equity investment in the Fund. One senior Altima Executive says the Fund aims to create the "first Exxon Mobile of the farming sector".
Chayton Atlas Agriculture Company (UK)	Chayton is a UK-based private equity firm investing in farmland in southern Africa. In 2010, MIGA signed a contract with Chayton to provide it with up to US$50 million in political risk insurance for its development of farm projects in Zambia and Botswana. Its CEO, formerly with Goldman Sacs, says its "goal is to feed Africa."
Citadel Capital (Egypt)	In 2009, the IFC invested US$25 million in Citadel's Middle East North Africa fund, which is investing in agricultural projects. Citadel, one of Africa's largest private equity funds, is pursuing farmland investments in Egypt, Sudan, Tanzania, Kenya and Uganda.
Mriya Agro Holding (Ukraine)	Mriya, which is incorporated in Cyprus and listed on the Frankfurt Stock Exchange, is the 7th largest farmland operator in the Ukraine. In 2010, IFC provided US$75 million to Mriya in equity and loans for the company to increase its landholdings to 165,000 ha.

Sena Group (Mauritius) / Tereos (France)	In 2001, MIGA provided consortium of investors from Mauritius, known as the Sena Group, with US$65 million in political risk insurance to support their acquisition of a sugar plantation in Mozambique. The company also announced that it intended to expand its cattle operations from 1,800 head to 8,000. The Sena operation has since been taken over by the French multinational sugar company Tereos.
SLC Agricola (Brazil)	SLC, a publicly traded company partly owned by foreign investors such as Deutsche Bank, is one of the largest landowners in Brazil, with a land bank of 117,00 ha in 2008. In 2008, IFC provided a US$40 million long-term loan to SLC, enabling it to increase its holdings to over 200,000 ha.
Vision Brazil (Brazil)	Vision is a Brazilian investment company with over 300,000 ha in cropland and another 400,000 ha in "options". In 2008, IFC provided Vision with US$27 million in securities financing.

The World Bank has the backing of multilateral institutions such as the Food and Agriculture Organisation (FAO) of the United Nations (UN), the International Fund for Agricultural Development (IFAD), and donor governments. The FAO is having country consultations, which is intended to result in the Voluntary Guidelines on Responsible Governance of Tenure of Land and other Natural Resources. Despite its human rights rhetoric, the FAO aims to establish criteria in identifying land and other natural resources that can be privatised and the procedures for transfer of ownership. The FAO is also keen on identifying public land and resources that can be leased or opened for other arrangements and creating procedures for access to such lands.

It appears that for IFIs and multilateral institutions, land acquisitions by foreigners may be win-win deals as long as certain guidelines are followed in order to avoid 'risks'. The proposal to draft 'codes of conduct' in this regard was first put forward in the G8 Summit in July 2009 in Italy as donor countries started pledging support for big investments. Japan proposed "responsible investment in agriculture", which basically referred to the formulation of a code of

conduct. Japan's proposal, which was meant to promote rather than restrict private investment in agriculture, was endorsed by the G8. The guidelines remained vague, however, especially on the principles of informed consent, just compensation, food security, and rural livelihoods.

Then, the World Bank came up with its confused and confusing report in 2010. On one hand, it validated the extent and horrific tales of land grabbing in different parts of the world, but on the other hand, it endorsed the immense "opportunities" from the land deals. "Most of the report is smoke and mirrors," says GRAIN, as the World Bank succeeded in hiding the most important details – who are involved, how much is really about food and how much is about profits, how much is public and how much is private, and most of all, what can the World Bank say about its own deep involvement in farmland investments. Ironically still, the World Bank offers funding support now to countries allegedly not prepared for farmland investments after decades it has promoted market-based land reform, privatisation, and deregulation of agriculture.

So is the World Bank sounding the alarm against global land grabs? Or is it endorsing farmland investment? Interpretations in media reports vary, which are quite understandable because of the ambiguity of the World Bank report. Yet, in the end, the World Bank is actually proposing guidelines for host and investing governments, the private sector, civil society organisations, and even international institutions in how to maximise the gains from land grabs. It has put forward the "principles for responsible agro-investment", which are not a code of conduct and not meant to discipline TNCs and financiers but which are an outright endorsement of large-scale land acquisitions. The set of principles has the support of the IFAD, UNCTAD, and FAO.

Not too soon

It is quite ironic that as the FAO makes the world aware of a global food crisis, it is giving its support to the World Bank's practical endorsement of land grabs. It is also ironic that at the height of

the global crisis in food and agriculture that the FAO manifests its lack of interest to pursue its supposed global land reform campaign such as the International Conference on Agrarian Reform and Rural Development (ICARRD). Instead FAO is sending confusing signals by supporting the World Bank Guidelines which is endorsing land grabbing and is involved in a process of developing the Voluntary Guidelines on land and natural resources tenure that is seen as a follow-up of the ICARRD process.

But not too soon. In the 36th session of the Committee on World Food Security (CFS) on October 11-14 and 16, civil society organisations (CSOs) under the CSO Forum have given their support to the Voluntary Guidelines on Responsible Governance of Tenure of Land and other Natural Resources, conditional on the FAO's non-endorsement of the Principles for Responsible Agricultural Investment that Respects Rights, Livelihoods and Resources (RAI) of the World Bank. The CSOs have also urged the CFS to recall the commitments made under the ICARRD in relation to access to land and natural resources.

The CSOs are calling on the CFS to adopt a resolution placing a moratorium on large-scale land acquisitions by private companies as well as on all private investments that result in the expropriation of land and natural resources from local communities and food producers. When it comes to agricultural investments, the CSOs are putting on top priority agro-ecological food and agricultural production and the food producers.

Basically the 36th session of the CFS served as a damper to the World Bank and its RAI. If there was anything that the CSOs achieved resoundingly, it was placing land as a key agenda of the CFS. By doing so, they have succeeded in stopping the World Bank and the UN agencies from promoting the RAI and accordingly legitimizing land grabs. Their political achievement, on the other hand, was the CFS' approval to establish an intergovernmental working group to review the first draft of the Guidelines to be presented by the Land Tenure Team of the FAO in 2011.

The CSOs have placed their bet on a reformed FAO Guidelines as one of the viable instruments that would fight global land grabbing. There are however several issues that have to be guarded against, especially in dealing with the FAO. In particular, by starting an inclusive process of considering the RAI within the CFS, as the CFS had suggested, the CFS may only delay the RAI but not totally kill it. On the other hand, the call for national and international regulation of foreign land investments and TNC operations, which is not so novel, may also open discussion on what constitutes "responsible" and the possibilities for unwanted "codes of conduct".

Specifically troublesome is the explicit wording of the final report of the 36th session of the CFS, "The Committee urged governments and other stakeholders involved in the drafting process of both the VG *(the Voluntary Guidelines – ed.)* and the RAI to ensure consistency and complementarity between the two processes". In the end, efforts to stall the RAI may only lead to the harmonisation of the FAO Guidelines with what the World Bank wants, especially if the CSOs would blink. Indeed, much remains to be done to ensure that the started process would truly be rights-based and to strengthen CSO vigilance.

Asia as host

The focus on Asia as the second largest host of farmland investments and transactions is important in many respects. The world is looking at Asia as the most dynamic region where the recovery of monopoly capitalism is expected to emanate. As the global factory, Asia is providing the impetus for cheapening production costs further, increasing trade, and driving consumption. Trade is also cheaper in Asia as the region is favourable geographically and its infrastructure is developed. As a host, Asia is in close proximity with the largest country sources, namely China, Japan and South Korea, and under the influence of emerging India.

Current literature on land grabs is replete with cases on Africa, understandably so since the continent hosts the highest number and largest scope of land grabbing cases. This does not underestimate,

however, the significance of building up the cases on Asia. Unlike Africa, Asia's climate and hydrology are both favourable and threatened, and depending on who is looking, may be considered significant for large-scale land acquisitions. Beyond natural resources and more importantly, however, Asia is peculiar in at least two aspects, which facilitate foreigners' easy access to land. Unlike Africa, many countries in Asia had already implemented the Green Revolution which introduced TNCs' indirect control in agricultural production. Unlike in Africa, land reform struggles have been constantly subverted and landlordism remains acute and prevalent in different parts of Asia.

Recently, the Asia Society and the International Rice Research Institute (IRRI) released a report making a direct link between projects in Asia being stalled and increasing food prices. The IRRI is blaming disputes over land ownership, lack of capital, and concerns over environmental issues for Asia's failure to maximize investments in agriculture. The report refers largely to plans to develop so-called unused or underused lands to farming in the Philippines, Cambodia and Indonesia and to expand farm roads and grain-storage infrastructure in India. Indeed the report is an outright pressure for Asia to 'shape up' lest lose the investment opportunities and be responsible for the spikes in global food prices. But it also brings into sharp focus three country cases, the Philippines, Cambodia and Indonesia, which evidently show the extent of land grabs in the region.

The Cambodian government has signed a bilateral deal with Kuwait for the latter to have access to Khmer ricelands under lease arrangements to produce rice for export to Kuwait. Cambodia is promised technology and a US$546 million loan, yet US$486 million of which is for irrigation development and US$60 million is to build roads in the northwester rice-growing province, Battambang. Meanwhile, Qatar has also been reportedly eyeing a deal on access to Khmer farms, in exchange of "technical assistance" and a chance for the strongman Hun Sen to go on a trip in the Gulf States to promote Cambodia's rice exports. The Cambodian government hopes to become one of the world's top rice exporters by 2015.

Saudi Arabia, through the US$26-million investment vehicle, the Far East Agricultural Investment Company, has arranged leases in Cambodia, Vietnam, Pakistan and the Philippines for aromatic and long grain basmati rice to be exported to Saudi Arabia. Singaporean companies, some believed to be Indian springboards, are also investing in Cambodia.

Yet, recently, especially in the wake of growing farmers' protests against land grabbing, investors have complained of unclear land ownership laws that hinder them from developing farms or launching new mills. Cambodia's revised 2001 land law states that farmers are entitled to own the land if they can prove that they have tilled it for five years, yet 90 per cent of the country's 14.5 million population do not have land titles. In addition, recent executive sub-decrees have re-classified fertile, forested public land as state property, and thousands have been affected by evictions. It seems that private investors want the Cambodian government to be clearer that indeed the lands may be opened up for private investments.

In Indonesia, the most controversial at the moment is the US$6 billion food estate project in the Marauke region of West Papua, which was launched on January 17 by Indonesian President Susilo Bambang Yudhoyono. Only the first of seven such food-producing estates being planned for West Papua, it will span 1.6 million hectares and involves the leasing of land for up to 90 years. It is expected to begin harvesting rice, wheat and palm oil by 2012.

Foreigners are allowed to have maximum ownership of 49 per cent in the plantations. It may be recalled that in August 2008, the Saudi based BinLaden Group signed an agreement to invest at least US$4.3 billion on behalf of a consortium of 15 Saudi investors to develop 500,000 hectares of ricelands in Indonesia. But it fizzled out because the Indonesian government was giving a limit of 10,000 hectares to each investor. Thirty two companies have already expressed interest in investing in the project, and six of these have already been granted licenses.

But a farm area as big as Connecticut, imposed on the map of Papua, spells the inclusion of not just agricultural land and the residential areas of migrants but also virgin forests and peatlands, water catchment areas, and the settlements of the indigenous peoples, the Malind people. Thus, protests are coming from all fronts: from the affected farmers and indigenous peoples who have not even been consulted on the project and not promised anything except modern technology; from activists who are anticipating widescale marginalisation because of the entry of non-Papuan migrant workers; and from environmentalists who foresee the conversion of forests and peatlands into commercial farms.

The Aliansi Masyarakat Adat Nusantara (AMAN) delivered a statement to the UN Permanent Forum on Indigenous Peoples, signed by 26 Indonesian and international non-government organisations (NGOs), partly quoted "This kind of large-scale business in Indigenous Territories, without their Free, Prior and Informed Consent (FPIC) will only exacerbate the human rights situation, leading to forced evictions and other human rights violations."

Even the government of Indonesia projects that the local population in the project in Marauke could grow from the current figure of 175,000 to 800,000 while NGOs estimate that over a million non-Papuan migrant workers can overwhelm the total Papuan population of two million. The forestry ministry, on the other hand, when it received recently a proposal to allocate 500,000 hectares for food out of the planned 1.6 million hectares (which by the way is also partly allocated for energy), expressed that half of the proposed 500,000 hectares could be planted directly but the other half are still being assessed "to ensure whether they are located in peatland or natural forest areas." Yet, earlier, the forestry ministry was assuring the public that the project would utilize "idle forestlands".

In the Philippines, the unfamiliar interest of the Middle Eastern countries in Philippine agriculture and food production was facilitated by the road show made by the previous Arroyo administration. As a result, a US$300-million 10,000-hectare banana export project in Davao del Norte has been finalized between NEH of Bahrain and the

local private corporation AMA Group, facilitated by the aforementioned government agency PADCC. In 2009, Bahrain committed to invest in crop technology, vegetable and fruit preservation, biotechnology, post-harvest technology, livestock and fisheries, organic agriculture, aquaculture, coastal and deep-sea fishing management, irrigation and water resources.

Meanwhile the Philippine government is also waiting for the follow-up visits from Saudi Arabia to finalise the US$238.6 million fresh investments committed by Saudi Arabia for cash crop plantations like banana, mango and pineapple, as well as aquaculture and halal food processing. Saudi Arabia is also interested in basmati rice, corn, cassava, sugar, animal fodder, and red meat. It may be recalled that since March 2008, delegations from Saudi Arabia, UAE and Bahrain have been flying in and out of the country, raising eyebrows. Former president Arroyo packaged a US$50-million deal with the UAE to set up banana plantation in Mindanao, Southern part of the Philippines; fish and cereals farms in Luzon island, the northern part; and a pineapple cannery in Camarines Norte in Southern Luzon, under a government-funded program, the new halal industrial policy.

The governments of the Philippines and Saudi Arabia have been discussing the possibility of Saudi food production in Mindanao and other parts of the Philippines for a lease of 50 years or so. “That’s an entire lifetime actually,” Ambassador Antonio P. Villamor told Arab News in an exclusive interview. The Arab News reported that it all started when Ambassador Villamor and Consul Romulo Victor M. Israel, Jr. heard that Saudi Arabia was encouraging Thailand to open up its land for Saudi food production. So, they went to the Riyadh Chamber of Commerce and Industry (RCCI) to ask if Saudi Arabia needed land for food production, and the RCCI said yes and asked therefore if the Philippines had 100,000 hectares. The Philippine officials said yes and promised to give the data on soil fertility and rainfall in the Philippines. Subsequently, former president Arroyo made three consecutive visits to Saudi Arabia.

According to Saudi investors, investments may be done by buying crop land, obtaining long-term land leases of 30 years or more, taking

equity stakes in major food companies, or contracting directly with farmers to grow crops. They are also eyeing partnership with the US for raising the capital.

Despite lack of definite 'closure' yet between the two governments, private local corporations nevertheless have been signing agreements here and there with Saudi investors to utilise the groundbreaking done by both governments. For instance recently the AgriNurture, Inc. (ANI) has signed a memorandum of agreement with FEAICO for 50,000-hectare food crop plantations and processing plants in the Philippines, involving pineapples, bananas, rice and corn, as well as processing facilities. They plan to establish demo plantations and gradually through contract growing. They will immediately set up a Philippine corporation with an initial capitalization of US$1 million under a 60 per cent Filipino and 40 per cent foreign equity ownership and profit-sharing scheme respectively.

China of course is not to be outdone. The Philippine government signed 18 deals with China in 2007 for Chinese companies to access 1.24 million hectares of land, including projects on aquaculture as well as the controversial deal with the telecommunications giant ZTE, which up to this day is a pending corruption case filed against Arroyo, her husband and family. Social protests stalled the Chinese land deals but Chinese companies continue to work with local companies like the SL Agritech for hybrid rice production.

The Philippine government has allocated 6 million hectares of 'idle lands' for the production of sugarcane, coconut, cassava, jathropa, oil palm, and sweet sorghum. In addition, it has allocated 2 million hectares for agribusiness development. In total, these are even bigger than the current cereals farms.

There are numerous other cases in Asia, many of them in grander scale, such as the ones in Pakistan and Thailand, and it remains a challenge to monitor and compile these cases for the purpose of advocacy. But it is enough at the moment to draw some generalizations based on what is happening in Cambodia, Indonesia and the Philippines. Obviously, there is a conscious host government bid and willingness

to allow foreign investors to occupy farmlands for food and energy crop production. The governments are most likely to clear land laws in favour of foreigners soon if they have not yet done so to relieve the social tension that is mounting. All governments have recently re-oriented their land reform laws towards the land markets and privatisation, with the Philippine government even creating an agency tasked to take care of land deals with private corporations.

The role of the IFIs has been quite visible in Cambodia, Indonesia and the Philippines. In Cambodia, the FIAS started investment-promotion and capacity-building in 2009 and established the Cambodian Investment Board to develop an after-care unit to retain investors. In Indonesia, the FIAS helped the government in 2008 in drafting its regional investment law. In the Philippines, it worked with the government's board of investment (BOI) in launching a strategic investor after-care program (SIAP). Since then, the BOI has been working closely with 50 of the country's largest investors and identified potential investments worth around US$1 billion. Since the SIAP, the FIAS has helped the Philippines identify 200 new opportunities for expanding investment. It is not far-off that with the growing farmers and communities' protests in those countries, that the World Bank Group would be active as well in helping governments in drafting investment-friendly land laws.

Finally, one observable feature is that, unlike the classic FDI where benefits such as employment generation and technology transfer are only assumed, the land deals take the form of bilateral deals that are agreed upon with negotiated, presumably mutual benefits. Like the colonial deals, however, the concessions are grossly unfair and reflect so much of the uneven development stages of the source and host governments. Take the example of Saudi Arabia and the Philippines. Saudi Arabia is one of the top destinations of overseas Filipino workers (OFWs). When Arroyo made her visits, she brought up the criminal cases filed against some OFWs and negotiated for the release of the jailed OFWs, practically demanding these as the 'concessions' for the land grab deals. But this is simply the microcosm of how global land grabs are being done and allowed in exchange

of not just the freedoms of some OFWs (many of them are unjustly tried) but the sovereignty of nations.

In exchange of food sovereignty

The World Bank has given seven principles that should be the guidelines for "responsible agro-investment", according to the IFI, as if it should have the last say on the issue of land grabs. These are: respecting land and resource rights; ensuring food security; ensuring transparency, good governance and a proper enabling environment; consultation and participation; responsible agro-enterprise investing; social sustainability; and environmental sustainability. Reading between the lines of these principles, the World Bank is actually saying only one thing: that large-scale foreign investments in farmlands and direct participation in agricultural production by TNCs and financial oligarchs are acceptable as long they are done under the pretence of social responsibility.

But that is dousing water on fire. There are still many aspects of the issue including its Asian context that need further study and articulation for the benefit of policy advocacy. But one thing is clear at this point. The global context and features of the land grabs that are happening at unprecedented scale and speed worldwide are an arrogation of food sovereignty.

One of the promised benefits of farmland investments is affordable food for all. But this will not happen due to three obvious reasons. It must be emphasised that land deals are happening in two unrelated markets – the products (food and energy) market and the land market, the latter is operating on too much speculation. In this regard, the prices of food will continue to be affected not by the supply-demand equations and production ratios but simply by the amount of capital invested in the commodity exchanges. The 2008 steep increases in food prices were largely due to the activities of financial investors and capitalists in the commodity exchanges.

The other reason why food prices will not stabilise by allowing foreigners to own land and outsource food production is that the produce will eventually be exported back to the source countries at the prevailing global market prices. This is actually one sure-fire way for imperialist governments, food-securing states and agribusiness TNCs to earn tremendous amounts of profits (plus political acceptance in their own countries in the case of Middle Eastern states) – to make use of cheap land and labour in the host countries yet sell back at speculative-driven prices. The host governments, on the other hand, are expected to lift local price controls in accordance with the market.

The third reason is the marginalisation and displacement of farming communities and indigenous peoples from their land, which will undermine further their capacity to buy food. Meanwhile, their governments are obliged to take away food distribution subsidies as part of the land deals, which eventually aggravates poverty.

In the end, because of the foreign land deals, communities immediately and outright lose the rights to be consulted on and participate in food distribution programs. Host governments likewise lose (if they haven't already, because of globalisation policies) the chance to build stocks, implement centralised procurement, and develop local markets.

The other promise of farmland investments is agricultural development for the host countries in terms of modern technologies and increased sufficiency and productivity in food production. On the contrary, however, the host countries practically surrender one single chance to really catapult agrarian development, which is to implement genuine agrarian reform, and default from their central role of providing all the necessary capital and technology support, only in favour of foreign governments and corporations.

The use of migrant labour to till the acquired lands also poses problems on the rights of the farmers and agricultural workers as well as the migrant workers. Likewise, the inclusion of marine and freshwater resources as well as ancestral lands in land deals exposes fisherfolk and the indigenous peoples to large-scale rights violations.

The entry of corporate control in agricultural production undermines and ruins small-scale and backyard farming that is otherwise built on local, indigenous and gender-based knowledge, oftentimes employing biodiversity-based techniques. Small farms are bound to lose and be lost in the foreign land deals as well as the national capacity to produce its own food rather than allow foreign corporations and investors to produce food for others while the local market relies on imports. Foreign land deals will definitely increase the import bills of food-producing nations. What more, host governments will lose the leverage to direct and regulate the investments in key food crops since this authority has already been given to the foreign land owners.

In the end, instead of the promised agricultural development, host countries have essentially given up their rights to be self-reliant and self-sufficient in food production as well as their economic democracy to determine the sustainable use of their seeds, genetic resources, water resources, livestock, and other natural resources. Host governments have defaulted on promoting their peoples' rights to decide on their own what, when, where, how, and how much food should be produced. Even their choice for biodiversity-based and ecological agriculture is denied. The World Bank is mouthing 'participation' as a guiding principle, but the nature of the land deals basically marginalises the already marginalised sectors from food policy decisions.

There is an undeniable need to further monitor and build up the cases on global land grabs and expose the nature of the phenomenon. A focus on Asia and a deeper analysis on the role of China as well as the bids of the US and EU in the region are equally urgent. An expose and rejection of the World Bank's attempt to direct the discourse towards what it really wants to achieve, which is to facilitate massive land deals, must be in order. A monitoring and analysis should also be done on the growing people's protests and struggles against land grabbing and how these are strengthened. All these are urgent tasks and a lot of things remain undone in line of advocacy, but it must be emphasised that these are urgent because they are essential in building food sovereignty and economic democracy.

The roles of host governments and the UN agencies especially the FAO cannot be overemphasised at this point. National governments are responsible for upholding people's rights to food, access to food, to produce, and access to resources in order to produce. At the very least, governments have the obligation to be transparent in their foreign deals on land and natural resources, which directly affect people's lives and livelihood. At most, they should place food sovereignty on top of the agenda for any pursuit of national and human development. The FAO, on the other hand, must present its unequivocal support for genuine land reform and people's aspirations for rural development and social justice. Otherwise, it should be exposed and opposed as it is poised to promote another policy for the exploitation of cheap land and labour worldwide. In the end, however, the most effective, head-on response that shall equal and overcome the onslaught of land grabbing shall come from the strong social movements and peasant struggles. The role of the farming communities shall make the difference.

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4 "Proposed Global Land Guidelines, Peddling "Acceptable" Land Grabbing", EDM, March-April 2010, Ibon International,

Land deals, whether as direct purchases or long-term leases, are being brokered in poor countries by advanced capitalist countries and their TNCs as they command resources to produce crops either for food, feedstock or agrofuel in commercial and export quantities. They have been called land grabs, not as reference to their illegality however since many of the deals have passed government approvals, but as description of the unjust terms through which they have been transacted and the utter lack of consultation with the communities of farmers and indigenous peoples.

Pesticide Action Network Asia and the Pacific (PAN AP) is one of the five regional centres of PAN, a global network working to eliminate the human and environmental harm caused by pesticides, and to promote biodiversity-based ecological agriculture. PAN AP while linked to the international network, has evolved with a strong Asian perspective, linked with the movements of peasants, agricultural workers and rural women and guided by the strong leadership of grassroots and advocacy groups. Our vision is a society that is truly democratic, equal, just, culturally diverse, and based on food sovereignty, gender justice and environmental sustainability.

PAN AP's work areas are focused on advancing and asserting food sovereignty and biodiversity based ecological agriculture; strengthening rural women's empowerment and protecting people's health and the environment from highly hazardous pesticides and campaigns on protecting the rice heritage of Asia as well as genetic engineering in food and agriculture. Currently, PAN AP has 108 partner groups in Asia and the Pacific region, and it outreaches to more than 390 CSOs and grassroots organisations in Asia and globally.

EMPOWERING PEOPLE FOR CHANGE

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