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Massive Theft of Developing World's Farmland

By Julio Godoy



BERLIN , Apr 23, 2012 (IPS) - The mass acquisition or lease of arable land in developing countries, especially in Africa, by foreign investors – a practice aggravated by the outbreak of the financial crisis in 2007 – has reached record highs, according to several new studies.

A [study](#) by the Spain-based group Genetic Resources Action International (GRAIN), released late February, estimates that some 35 million hectares of land have been sold or leased in 416 recent, large-scale land grabbing deals in 66 countries, mostly in Africa.

Another [analysis](#) of land grabs, carried out by the International Land Coalition (ILC), released last January, found that between 2000 and 2010 some 203 million hectares were leased or sold in developing countries, mainly in Africa, but also in Latin America, Asia, and even Eastern Europe, to foreign investors.

"This land area is equivalent to over eight times the size of the United Kingdom," the ILC said in its report 'Land Rights and the Rush for Land - Findings of the Global Commercial Pressures on Land Research Project.'

Most land is used to produce inputs for so called [biofuels](#), ILC pointed out.

In his new book on the subject, award-winning Italian journalist Stefano Liberti says that this massive global land grab is the direct consequence of the privatisation and liberalisation policies imposed for years upon developing countries by [international financial institutions](#) such as the World Bank (WB) and the International Monetary Fund (IMF), and investment in [agricultural policies](#) promoted by United Nations agencies such as the Food and Agricultural Organisation (FAO).

The book, published originally in Italian under the title 'Land Grabbing: How the market for land is creating a new colonialism', was released in German on Apr 18, with English and Spanish editions under way.

Liberti told IPS that most governments in developing countries affected by land grabbing are also accomplices in the process.

"In many African countries in particular, land belongs to the state," Liberti said. "Governments are dealing secretly with investors, to lease or sell enormous areas of the best arable land. Local farmers who don't own the land they work are informed of these deals at the very last moment, when they are told to leave," Liberti said.

During the preparation of his book, Liberti travelled across Africa, and attended numerous seminars and sessions of international institutions, such as the FAO and the WB, and participated in workshops organized by [small farmers' organisations](#) around the world.

Liberti said that the most spectacular cases of land grabbing he came across were in Ethiopia. "This country has been suffering from famine for decades, due to armed conflicts and droughts. And yet, it has been leasing or selling its best land to foreign investors for almost nothing at all to produce food or inputs for biofuels to be consumed abroad," Liberti said.

In his book, Liberti illustrates the case of an Indian company, which leases 300,000 hectares of Ethiopia's best arable land for one dollar per year per hectare, to produce wheat, palm oil, and sugar for mostly Indian consumption.

"Ethiopians have almost nothing from this deal," Liberti said. "The company pays extreme low salaries to its Ethiopian workers, almost nothing for the land, enjoys tax breaks for the import of technology, and on top of that uses the country's water for free."

Indeed, the Ethiopian Investment Agency, the state office administering foreign direct investment (FDI), praises the country's labour costs as "relatively low compared to the African average." According to Liberti, foreign agricultural industries in Ethiopia pay their workers less than a dollar a day.

The Ethiopian case is typical of the land grabbing phenomenon across the developing world.

In a recent case in Algeria, the Abu Dhabi-based Al Qudra Holding obtained concessions for 31,000 hectares of agricultural land, on which it intends to produce potatoes, olives and dairy products, all for export.

The company is also planning similar land leasing investments in Morocco, Pakistan, Syria, Vietnam, Sudan and India to increase its land holdings to 400,000 hectares.

Liberti said that holdings such as Al Qudra, and investment funds, including pension funds, are the main actors in the global land grab. "The international financial sector discovered some five years ago that it can earn substantial amounts of money by speculating with food stuffs," he said.

Holdings and sovereign wealth funds, which manage the currency reserves of many Arab and other strong, emerging economies also invest massively in land grabbing, to guarantee food supply in their home markets.

According to estimations by GRAIN, "Pension funds currently juggle 23 trillion dollars in assets, of which some 100 billion are believed to be invested in commodities."