

Abstract

La tesi affronta il tema del Land Grabbing, termine con il quale si è cominciato ad indicare quel fenomeno di accaparramento delle terre all'estero, definito spesso anche come la nuova e moderna forma di colonialismo, messa in atto da diversi paesi economicamente sviluppati ma bisognosi di supplire all'esaurimento delle risorse naturali interne e alle fluttuazioni del mercato mondiale del cibo. Il fenomeno ha interessato differenti ed estese aree geografiche, secondo un trend che può essere ricondotto ad una logica Nord- Sud. Le ricerche sono state tendenzialmente indirizzate, infatti, verso quelle regioni politicamente e socialmente più instabili, economicamente più povere ma particolarmente ricche di risorse naturali quali grandi quantità di terreni fertili ed acquisibili ad un costo particolarmente conveniente per gli investitori.

La tesi si suddivide in tre capitoli, con l'intento di analizzare le premesse del fenomeno, le sue caratteristiche e la sua estensione, ed infine le sue implicazioni più influenti.

Il primo capitolo affronta, dunque, le premesse socio-economiche sulla base delle quali è nato e si è sviluppato il fenomeno del Land Grabbing. A questo proposito si introduce il problema fondamentale della "food insecurity", termine con il quale si definisce una situazione in cui la disponibilità di sopperire alla domanda di cibo è messa in pericolo.

La letteratura sul tema riconosce come momento cruciale di sviluppo la crisi mondiale dei prezzi del cibo avvenuta tra il 2007 e il 2008. Questa crisi ha provocato un notevole incremento dei prezzi del cibo, ponendo diversi paesi, dipendenti dalle importazioni, di fronte all'incapacità di soddisfare la crescente domanda interna. Non solo l'incremento dei prezzi, ma anche ulteriori fattori risiedono alla base di quella che viene definita come una situazione di "food insecurity". Questi fattori derivano, principalmente, dall'andamento negativo dei due principali indicatori economici del mercato, la domanda e l'offerta. Dal punto di vista della

domanda di cibo, questa ha subito, negli ultimi decenni, un'ascesa significativa. Alla base di questo incremento vi è l'aumento della popolazione, in particolare in quei paesi in via di sviluppo che si trovano ancora nello stadio intermedio, per cui il tasso di natalità supera di gran lunga quello di mortalità. Questo e il cambiamento nei consumi e nelle diete hanno incrementato la domanda di beni in diversi paesi del mondo. Un altro fattore che ha portato alla necessità di un aumento nella produzione di alcuni prodotti agricoli è stata la domanda di biocarburante, cresciuta a seguito dell'adozione, da parte di diversi paesi occidentali, quali gli Stati Uniti e l'Unione Europea, di restrizioni politiche volte all'utilizzo di biocarburanti, come sostituti del petrolio. Le conseguenze sono state, non solo un aumento di alcune produzioni agricole, ma anche la trasformazione di zone adibite alla coltivazione di prodotti agricoli per il consumo alimentare, in produzioni interamente indirizzate al successivo utilizzo come biocarburanti. Per quanto riguarda l'offerta, invece, il trend è stato opposto e quindi controproducente. Il calo dell'offerta è stato determinato da ulteriori ed altrettanto ingenti fattori. Tra questi il cambiamento climatico e i suoi effetti distruttivi sulle risorse naturali, come l'aumento delle temperature e quindi la distruzione di numerosi raccolti, l'inquinamento atmosferico, l'essiccamento dei terreni e lo scioglimento dei ghiacciai. Inoltre, ad alimentare ulteriormente l'erosione dei suoli sono state le coltivazioni intensive, per le produzioni agricole, messe in atto da alcuni paesi, che hanno fatto sì che queste nazioni non potessero più autonomamente sopperire all'esigente domanda interna. Sono queste le principali ragioni che hanno portato al sempre più diffuso fenomeno di accaparramento delle terre in paesi maggiormente ricchi di risorse, in cui la negoziazione di contratti di acquisizione o di affitto di terreni a lungo termine appariva semplice e conveniente.

Nel secondo capitolo si affronta più nel dettaglio il tema del Land Grabbing, analizzandone le caratteristiche principali. Innanzitutto viene riportato quali sono le principali aree oggetto

degli investimenti e quali i settori di particolare interesse verso cui vengono indirizzate le produzioni. Le tre regioni che hanno visto maggiormente occupare le loro terre sono l'America Latina, il Sud-est Asiatico e l'Africa Subsahariana, tra le regioni e tra gli stati all'interno delle regioni stesse, i settori e le dimensioni delle acquisizioni variano. Successivamente si esaminano i paesi "Grabbers" più attivi negli investimenti. Infine, la trattazione si sofferma sull'analisi dei contratti stipulati, che vengono descritti nelle loro caratteristiche, generalmente contratti di affitto a lungo termine, e nel contesto nel quale avvengono le negoziazioni. Particolare attenzione viene data ai casi in cui la negoziazione dei contratti avviene in sedi non ufficiali, senza la possibilità per le popolazioni locali di intervenire e prendere posizione riguardo alle condizioni di locazione delle terre. Considerato che spesso è il governo l'unico proprietario della terra, legalmente riconosciuto, e che quindi è assente qualsiasi tipo di protezione formale nei confronti dei contadini che la lavorano da generazioni, l'espropriazione risulta ufficialmente legale.

Infine, il terzo capitolo affronta l'ampio e complesso tema delle implicazioni del Land Grabbing, sia sul piano interno, nei paesi le cui terre sono oggetto delle acquisizioni, che sul piano internazionale. In primo luogo vi è il problema della competizione per l'acquisizione di specifiche aree all'interno delle regioni, che diventano oggetto di richiesta per diversi tipi di produzione, da quella agricola per uso alimentare a quella agricola per produzione di biocarburanti fino all'estrazione di minerali. Viene poi discusso il complesso tema della violazione dei diritti umani dei locali, dal diritto alla terra che coltivano da generazioni fino alla violazione dei loro diritti politici, di libertà di espressione. Tra le implicazioni ve ne sono anche alcune strettamente ambientali, quali l'estensivo sfruttamento delle terre e delle risorse idriche, in paesi già in condizioni di grave stress idrico. Un'ulteriore implicazione negativa è quella dell'aumento della "food insecurity", non solo all'interno dei paesi oggetto dell'accaparramento, ma anche per i paesi "grabbers" ed in generale per la popolazione

mondiale, che si trova di fronte al problema sempre più irreversibile della scomparsa della biodiversità e dell'esaurimento delle risorse necessarie al suo sostentamento. Vengono anche analizzati i possibili impatti positivi di questi investimenti, in termini di sviluppo, dovuti all'importazione all'interno di questi paesi di tecnologie e know-how, e grazie alla costruzione di nuove infrastrutture, spesso esplicitamente richieste nei contratti. Inoltre viene creato nuovo lavoro per le popolazioni locali. Su questi aspetti però il dibattito è aperto, in quanto vi sono opinioni contrastanti su quanto questi interventi giovinno concretamente ai locali. Infine, si conclude il capitolo esaminando le possibili soluzioni in grado, nel lungo periodo e solo in parte, di arginare alcuni delle maggiori implicazioni negative. Si fa riferimento ad interventi sul piano nazionale, principalmente, e su quello internazionale, volti alla formalizzazione di forme di salvaguardia legali ed effettive in difesa dei diritti umani e di proprietà e volti a regolamentare questi processi con più restringenti clausole, per evitare le gravi implicazioni ambientali.

La tesi ha l'intento di presentare il fenomeno nelle sue caratteristiche e implicazioni, per darne una visione complessiva che ne possa rappresentare la portata e l'importanza.

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The phenomenon of Land Grabbing.
Analysis of its causes and implications

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Introduction

During the last decades, the world is facing the serious problems associated with the gradual transition from an era of food abundance to an era of food scarcity. This transition is due to several economic, social and environmental issues that I am going to analyse in this thesis. In particular, I am going to describe a widespread phenomenon, strictly connected with the problem of global food scarcity, which is the so-called “Land Grabbing”. This term refers to the process of land hoarding implemented by those countries that found themselves no longer capable of producing or importing the amount of food needed to satisfy the increasing national demand, respectively because of natural resources depletion and because of the latest food price spikes that occurred during the 2007-2008 global crisis.

This phenomenon of large- scale land acquisitions is a complex issue that I am going to examine in its three main dimensions: its premises, its size and characteristics and its implications.

In the first chapter, I will analyse the global scenario of the last decade, starting from the description of the global food crisis that occurred between 2007 and 2008. The increase in food demand, mainly due to population growth, changes in food consumption and the increase in biofuel request, is closely related with the gradual decrease in food supply, caused by climate change effects, soil depletion -because of overexploitation- and water shortages.

The interconnection of the negative trends of the two economic indexes (supply and demand) provokes alarming effects on a global scale. One of the consequences has been the phenomenon of Land Grabbing.

In the second chapter, I will describe how the phenomenon occurs. I will focus my attention on the places of destinations, which means the regions where foreign investors have mainly aimed their large-scale land acquisitions. Evidence shows that the three most affected regions are Latin America, Southeast Asia and Sub-Saharan Africa. I will then examine which are the

main drivers that led foreign investors to seek land abroad and which are the most diffused sectors in which the cultivations have been diverted. Finally I will describe the main characteristic of the deals, the duration of the contracts and the different contexts in which negotiations take place. I will focus the attention, in particular, on the lack of transparency and on the lack of the right for local people to intervene in the negotiation process.

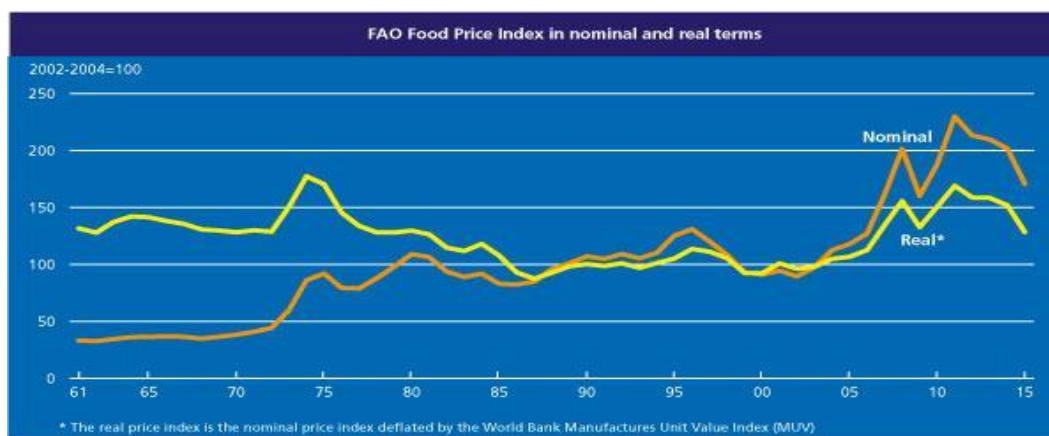
Lastly, in the third chapter I will analyse the implications of Land Grabbing, both for the recipient countries and for global food security in general. The most relevant negative effects are those that weigh on local peoples, as human rights violations (the right for food, the right for land and political rights as well), limitation on land use and water access, and the increasing competition for land in specific areas. However, also the possible positive effects for the host country will be analysed. Finally, I will report some of the possible solutions that could be undertaken in order to reduce the negative implications on local peoples, in particular all the measures that could be taken to strengthen legal safeguard on human rights and regulation systems.

Chapter one

Land Grabbing and its premises

1.1 The new geopolitics of food scarcity

Recent years represented the scenario of a global scale trend, which is the world transition from an era of food abundance to an era of food scarcity. The factors associated with this shift in the global food market are numerous, referring to both the economic indicators, the demand side and the supply side. What this transition represents is the redefinition of national food production and its impacts on the international scenario. The environmental analyst, Lester R. Brown, asserted that what currently defines the new geopolitics of food is this eradicated issue of global food scarcity, where food and its resources are the drivers of world politics¹. What Brown refers to, in order to explain this global transition, is foremost the global food crisis that occurred between 2007 and 2008. In 2008 the food price index, concerning all the basic food commodities, as rice, corn, wheat and soybean, and the energy price index experienced an alarming spike².



[Source : FAO, <http://www.fao.org/worldfoodsituation/foodpricesindex/en/>]

¹ “Full planet, empty plates”, Brown, 2012

² “The global social crises”, United Nations, 2011

This global crisis is the result of a complex interconnection of several causes, referring both to the demand side and to the supply side of the global market.

In the first place, what is directly connected with the last food price spikes is the substantial growth in demand, which in the long-term led to the impossibility for the production to cover it sufficiently. This growing demand derives from three main sources.

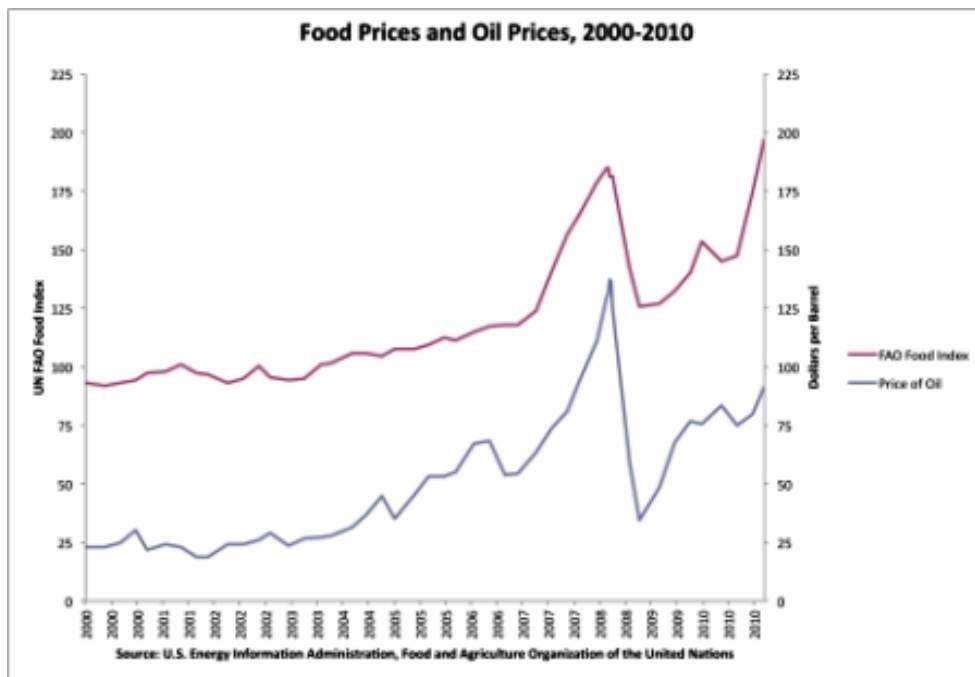
The most influential of these is population growth. From 1960, when world population had reached 3 billion, the pace of growth intensely accelerated, adding another billion every 13 years up to the seven billion people in 2011. While several developed countries have reached, or are in the process of reaching, population stability, because of gradual fertility declines, developing countries are still pressured by an uncontrolled population expansion. The consequences of overpopulation are several. One irreversible effect is the continuous exploitation of land and water resources, overcoming earth's natural capacity to regenerate itself. Besides, an excessive growth means worsening poverty in those countries that are not able to satisfy the increasing needs of its population, therefore diseases and civil conflicts exacerbate an already precarious situation.

A second factor of growth in demand, which largely concerns developed countries and emerging economies, is the progressive change in consumption. With at least 3 billion people moving up the food chain, therefore consuming more meat and other livestock products, the demand for food crops to feed livestock consequently increased. Total meat supply in 2007 is estimated to be four times higher than that in 1961, reaching 284 million tons, in order to respond to the increased demand of those new consumers capable of affording it³.

The third source of expanding demand is the use of grain for the production of biofuels for cars. This trend in addressing croplands to the cultivation of biodiesel sources, as jatropha or oil palm tree, is a response to both rising oil prices and to renewable energy laws. Between

³ "The global social crises", United Nations, 2011

January 2007 and July 2008 oil prices trebled, exceeding \$147 a barrel⁴, thus making grain prices always more dependent on oil prices.



[Source: US Energy Information Administration and FAO]

Moreover, developed countries encourage biofuels production providing every year subsidies amounting to \$13 billion. With these endowments, 120 million tons of cereals have been diverted away from human consumption and have been converted to fuel⁵. For instance, European Union required 10 percent of its transport energy to come from renewable sources by 2020, which led agribusiness firms to invest in lands for biofuels production. Converting croplands for biofuels cultivation means depleting soil any longer available for food production⁶.

Behind the 2008 prices hike other long-term factors lie. These factors led to a slow but irreversible reduction of land's productivity. What consequently occurred is a significant decrease in food supply, or at least to the difficulty for supply to keep pace with the

⁴ "The global social crises", United Nations, 2011

⁵ "The global social crisis", UN Report, 2011

⁶ "Full planet, empty plates", Brown, 2012

increasing demand for food. At the base of this contraction, different phenomena can be observed and analysed.

First, the environmental impact of climate change has to be considered. According to the analysis from NASA's Goddard Institute for Space Studies, the global average temperature has risen about 0.8° Celsius since 1880, with the 10 warmest years occurred since 2000 (data is available on the web site Global Climate Change.org), mostly caused by the increasing emissions of greenhouse gases in the atmosphere. This global temperature increase is the cause of several damaging effects, some of these directly impacting lands' productivity, as desertification and water supply problems.

With yields starting to plateau, some of the more agriculturally advanced countries are experiencing losses in production, as Japan and South Korea for rice yields, or France, Germany and the United Kingdom for wheat yields. This relation between rising temperature and decline in grain yields is expressed by the so-called "rule of thumb", that is, for each 1-degree-Celsius rising temperature during the growing season a 10-percent decline in grain yields has to be expected. This proportion is subjected to significant increases due to climate catastrophic events, for instance, the heat wave that occurred in Russia in 2010 that reduced Russian grain harvest by nearly 40 percent ⁷.

Several countries are facing serious water supply problems, mostly caused by aquifers' depletion and the diversion of water to cities. Since 70 percent of the water is used for irrigation and considered that the drop in water tables is each year greater than the year before, it is likely for water shortages to be translated in food shortages at the global level.

Secondly, another phenomenon irreversibly affecting cultivation is soil erosion, which refers to the wearing away of a field's topsoil, by natural forces as wind or water, or by human

⁷ "Full planet, empty plates", Brown, 2012

activity for farming, as overplowing and intensive monocultures. As soil is a finite resource and considering the fact that 10 centimetres of soil are naturally created in 2000 years, its loss is evaluated as extremely costly for the entire world. Soil erosion costs each person 70\$ per year, which corresponds to a 490 billion dollars worldwide cost.

1.2 When food security can no longer be guaranteed

These factors combined define a context of food instability, in which both the global increasing demand and the obstacles on the production front undermine the possibility to guarantee food security, as the World Food Summit of 1996 defined as existing “when all people at all times have access to sufficient, safe, nutritious food to maintain a healthy and active life”. The World Health Organisation considers the concept of food security to be built on three pillars. These elements are food availability, as the presence of sufficient quantities of food available on consistent basis, food access, which means having the sufficient resources to obtain that food, and food appropriate use, based on the knowledge of basic nutrition and care and on sufficient water and sanitation assets.

Considering this official definition and the global dynamics previously analysed, little can the current global situation meet these prerequisites.

In a situation of global food insecurity, one of the most common and globally widespread implications is the attempt of some developed countries to secure land abroad in order to keep up with the national demand for food and to defend their food supply from the rising food prices. This phenomenon of buying or leasing lands in other countries, where to produce food for themselves, is going to be analysed in its deepest premises and implications.

Generally known as “Land Grabbing” this phenomenon is strictly connected to the last years food price crisis. Numerous countries were directly hit by the crisis, which has previously been described. Some of them, dependent from importations, suffered for the rising food prices in the global market, others have faced the total, or almost total, erosion of their soils, both because of the overexploitation of resources and for the climate change effect of rising temperatures.

Data given by the Land Matrix, an online database of large-scale land deals, shows that nearly half of these land deals were made in Africa, covering 52.6 million hectares, followed by Asia, with 17.7 million hectares, and Latin America, with 7 million hectares⁸. These FDI (Foreign Direct Investments) are more frequently long-term leases, instead of purchases, aimed at accessing natural resources –land and water – in those countries where making the deals is cheaper and more immediate because of the absence of locals’ property rights on the land that investors will cultivate.

⁸ “Trends and impacts of foreign investment in developing country agriculture”, FAO, 2013

Chapter two

Land Grabbing and its features

In order to understand deeply the phenomenon of Land Grabbing and its implications, both on the local side and on the global one, it is important to describe its original causes and trends of spreading.

As previously mentioned the term “Land Grabbing” emerged on the international stage during the 2007-2008 food price spike, and it refers to the global trend of seeking land and land-based goods in foreign developing countries, by those countries who could no longer rely on their national resources or their importations. The two main drivers of the beginning of this massive wave of land acquisitions were the abundance of resources existing in those host countries and the lack of adequate jurisdiction protecting locals’ property rights.

Even if other previous forms of land acquisitions took place in the past, this most recent one differs for the fact of being a complex phenomenon, linked with substantial global issues, as climate change, population growth, increasing demand for biofuels and rising incomes, all factors that drove the food price hike, which impacted the market globally. Because of these widespread causes, the expansion of this “land rush” was massive but difficult to estimate accurately.

Besides, this last wave of acquisitions is characterised by usually long- term leases or purchase and widespread on a global-scale.

2.1 Trends and destinations

A reliable estimate of the dimension of this phenomenon is extremely difficult to obtain, and the reasons for this are several. Firstly, there is a problem of lack of transparency due to the interest of keeping the deals secret. This concern refers both to government officials, who, for political reasons, prefer not to inform publicly about the terms and the size of the deals, and to the companies at the other side of the contract who benefit from the confidentiality of the deal. Another reason is that collecting accurate and reliable data is a hard task when the sources and the methodological approaches of the various cases of study differ. Finally, even if existing data are obtained by proper methods and sources, constant and regular updates should be necessary in order to keep up with the frequent cancellations and modifications of the deals.⁹ These obstacles in gathering correct and reliable information is the reason why accounting for the extension of land acquisitions is a hard issue and why, despite the published media reports, the phenomenon still remains little understood.

Despite this problem of data collection, a general estimate of global land acquisitions can be indicated. According to GRAIN, since 2006, there have been 416 land grabs in 66 countries covering nearly 35 million hectares¹⁰.

The countries where these acquisitions and deals have been mainly concluded are Latin America and the Caribbean, Southeast Asia and Sub-Saharan Africa¹¹.

What these countries have in common are the reasons why their land attracts foreign investors. The first reason is the availability of non-cultivated and non-protected areas, areas suitable for cropping because extremely productive¹².

⁹ “Addressing the human rights impacts of ‘Land Grabbing’”, Cotula, 2014

¹⁰ “Circle of Blue- Where Water Meets”, www.circleofblue.org

¹¹ “Rising global interest in farmland”, the World Bank, 2011

¹² “Rising global interest in farmland”, the World Bank, 2011

Table 2 Potential Availability of Uncultivated Land in Different Regions

	Total area (1,000 ha)	Share of land with travel time to market (%)	
		< 6 hours	> 6 hours
Sub-Saharan Africa	201,546	47	53
Latin America and the Caribbean	123,342	76	24
Eastern Europe and Central Asia	52,387	83	17
East and South Asia	14,341	23	77
Middle East and North Africa	3,043	87	13
Rest of world	50,971	48	52
Total	445,624	59	41

[Source: “Rising global interest in farmland”, the World Bank, 2011]

Secondly, another incentive in investing in these countries is the absence of formally recognized rural land tenures. Researchers have found a directly proportional relation between the existence of effective jurisdiction protecting land’s property rights and the size and nature of the acquisitions. For instance, between January 2004 and June 2009, less than 50.000 hectares have been granted in Tanzania, where villagers land rights are recognized, while in Mozambique 2.7 million hectares have been transferred¹³.

Some distinctions have to be made in terms of quantity of hectares and destination of the cultivations among these countries.

¹³ “Rising global interest in farmland”, the World Bank, 2011

2.1.1 Latin America

In order to follow the global trade liberalization of 1980 some land-abundant countries in Latin America opened their trade frontiers, responding to the increasing global demand and gaining a high position in world markets. Therefore, during the last decade a significant increase in land foreign investment has occurred. Only considering investments that meet FAO official definition of “Land Grabbing”, which has to be necessarily linked with three dimensions: large-scale land acquisition, foreign governments involvement, negative impact on the host country food security¹⁴, ten countries in the region are experiencing “high level” of land acquisitions, as shown in the box below.

Presence of land grabbing (domestic & foreign capital) in Latin America and the Caribbean

High	Medium	Low to None
Argentina Bolivia Brazil Chile Colombia Ecuador Guatemala Paraguay Peru Uruguay	Panama Mexico Nicaragua	Costa Rica Dominican Republic Guyana Trinidad & Tobago

[Source: “Land grabbing in Latin America and the Caribbean viewed from broader international perspectives”, FAO, 2011]

¹⁴ “Land grabbing in Latin America and the Caribbean viewed from broader international perspectives”, FAO, 2011

The expansion of land acquisitions responded to the latest global food market demand. Therefore, the recent changes in the global food-energy regime has led to massive expansion of farms and plantations for “flex crops”- crops with multiple uses among food, feed, fuel- in Argentina, Bolivia, Brazil, Colombia, Ecuador, Paraguay, Peru, Uruguay and Guatemala, especially for soybean, sugarcane and oil palm.¹⁵

Moreover, in order to maintain a high level of meat supply (Brazil, for instance, is the world’s largest meat exporter) the conversion of forests into cattle breeding farms was made at the expense of tropical forests and Cerrado’s biodiversity. Pasture expansion, in effect, is the main cause of deforestation, accounting for two-thirds of the Amazon forest loss¹⁶.

2.1.2 Southeast Asia

As for the trends of land grabbing in Southeast Asia, what firstly as to be considered is the potential availability of land to be cultivated, which corresponds to a total amount of 73 million hectares where large-scale investments can be made, according to the World Bank indicators. The principal destinations of these cropping, in this region, are palm oil, sugarcane, wheat, soybean and maize.

One of the most intensive cultivation among these is palm tree cultivation, which has followed the increasing global demand for palm oil. The foreign countries, which constitute the greatest importers of palm oil from Southeast Asia, are China, India and the combined top 4 European countries, which are Germany, Netherlands, United Kingdom and Italy.

FAO’s official statistics reported data that demonstrate this increase in palm oil importations from Southeast Asia. The biggest buyer is China that increased its importation from 1.07

¹⁵ “Land grabbing in Latin America and the Caribbean viewed from broader international perspectives”, FAO, 2011

¹⁶ “Rising global interest in farmland”, The World Bank, 2011

million tonnes in 1996 to 5.2 million tonnes in 2007. The second country is India, whose importations grew more than three-fold in the same period, from 1.1 million tonnes to 3.5 million tonnes. A similar sharp increase interested the previously mentioned top 4 European importers. After 2007, this trend has not changed.

This phenomenon of palm oil exportation principally interested Indonesia and Malaysia that have registered, between 1997 and 2007, a nearly three-fold and two-fold increase, respectively. For this reason, their mono-cropping production of palm trees has dramatically expanded, as is similarly happening in Thailand, Philippines and Cambodia¹⁷.

Another important sector in which land grabbing arose is the production of biofuels. Due to the domestic biofuel production policies -as in Europe or the United States- different food crops have been converted into biofuel productions for export, as happened in many lands in the Philippines that were put to use to produce jatropha and ethanol from cassava.

Analysing Land Grabbing from a more general perspective, three dimensions of the phenomenon appear. First, there is the question of land use change, which entails the conversion of lands devoted to food crops into crops for biofuels, and of forests converted to biofuels or to food crops for export. Second, the question of crop use changes from an agricultural sector to another (e.g. from food to fuel) and changes in locations (e.g. from domestic use to export). Finally, the problem of land property relations change, which has led to dispossessions due to land grabbing¹⁸.

¹⁷ “Political Dynamics of Land-grabbing in Southeast Asia: Understanding Europe’s Role”, TNI, 2011

¹⁸ “Political Dynamics of Land-grabbing in Southeast Asia: Understanding Europe’s Role”, TNI, 2011

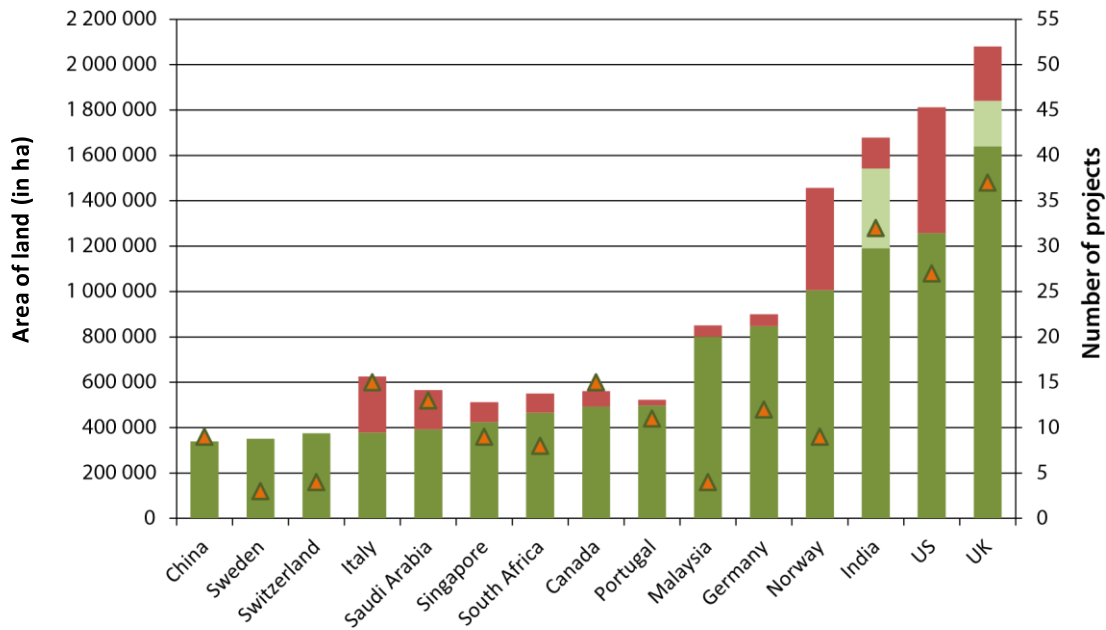
2.1.3 Sub-Saharan Africa

Due to the economic liberalization and globalization that occurred over the past decade and the increasing global demand for food, energy and commodities, a huge flow of foreign investments reached the African continent, in the sectors of extractive industries and agriculture for the production of food and fuel. Studies on the amount of foreign investments in Sub-Saharan Africa show how the flow of investments reached the records of about US\$ 22 billion in 2006. Precisely quantifying the total amount of large-scale land acquisitions is impossible, due to the difficulty in gathering correct information. As calculated by FAOSTAT the projects identified in Sub-Saharan Africa are 353, across 32 countries, covering an area of 18 104 896 hectares. It is important to consider the fact that the type and the size of these acquisitions vary significantly from country to country. Only seven countries, among the thirty-two, constitute 65.7% of the total area acquired, because of the more elevated size of the acquisitions. These countries are Ethiopia, Ghana, Liberia, Madagascar, Mozambique, South Sudan and Zambia, where from 1 million to 2 million hectares have been acquired¹⁹. Another relevant characteristic of these trends is that the amount of land acquired is not correlated neither to the country's surface area, nor to the availability of suitable land. For instance, countries as Ghana, the Republic of the Congo and Liberia have become recipients of farmland investments, despite their small surface areas and their relatively scarcity of agro-ecologically suitable land.

As for the foreign investors, data show that the leading countries in land acquisitions in the continent, whose investments have been registered, are United Kingdom, that is the largest investor, with 37 projects covering 2 079 823 ha; to follow we can find United States, India

¹⁹ "The anatomy of large-scale farmland acquisitions in sub-Saharan Africa", CIFOR, 2011

and Norway. If we consider the European countries from a regional perspective, investments from Europe dominate, with 120 projects covering 7 068 041 hectares²⁰.



[Source: “The anatomy of large-scale farmland acquisitions in sub-Saharan Africa”, CIFOR, 2011]

The main sectors that have resulted to be the drivers of these acquisitions are biofuels, whose feedstocks constitute about 63.0% of the total area of land acquired in sub-Saharan Africa.

We can also find projects exclusively targeted at food production, which constitute 24,8% of the total area of land acquired. Moreover there are the multi-use projects, targeted both at food and at biofuel markets, constituting the 20,1% of the total acquisitions. Finally, the other sectors of destination are those of wood products, fibre and others, which cover the remaining 12,2% of the land.

The key feedstocks for biofuel production are jatropha, oil palm, sugarcane and cassava. For these cultivations land has been acquired in 24 countries, and the largest areas are located in Ethiopia (18 projects, 807 390 hectares), Ghana (23 projects, 1 241 400 hectares) and

²⁰ “The anatomy of large-scale farmland acquisitions in sub-Saharan Africa”, CIFOR, 2011

Madagascar (19 projects, 1 329 600 hectares)²¹. The increasing demand for biofuel especially in North America and European Union drove their projects in acquiring land in Sub-Saharan Africa for biofuel production. Another key product is palm oil and in order to respond to its growing demand, from emerging economies as China and India, investors are increasingly seeking to gain access to land in the tropical rainforest areas, especially in Congo and in the coastal areas of West Africa²².

With respect to food crop production, the most significant cultivations are those of rice and sugarcane. In this sector, the role of North American and European investors is inferior compared to that of other chronically-food insecure countries as Saudi Arabia and India.

2.2 “Land Grabbers”

The main drivers that set in motion the last decade wave of land grabs were, firstly, the need for some developed countries to provide themselves the sufficient quantity of productive land and water, and to obtain it at the lower price possible, in order to safeguard their national economies from land and water scarcity and from global food market fluctuations. The term “Land Grabbing”, in effect, re-emerged in the context of global food prices hike that occurred in 2007-2008, and because of that, food-importing countries as the Gulf States and South Korea had the perception that they could no longer count on market-sourcing food²³.

Moreover, the new policies for mandatory agrofuel blending in petrol and diesel fuels, as US’s American Clean Energy and Security Act and the European Union’s Renewable Energy Directive, and the new emergence of “flex crops”, incited the grabs. Flex crops are those

²¹ “The anatomy of large-scale farmland acquisitions in sub-Saharan Africa”, CIFOR, 2011

²² “The anatomy of large-scale farmland acquisitions in sub-Saharan Africa”, CIFOR, 2011

²³ “The Global Land Grab”, TNI, 2013

crops that have multiple uses, such as food, fuel, feed and industrial material. Thanks to this characteristic they are flexible and can be easily inter-changed, for instance soybean or corn crops can be used both for food and for feed and biofuels employments. Therefore, it is possible to contain in these flex crops the multiple and heterogeneous drivers of land grabbing²⁴.

GRAIN analysed the size of land acquisitions made by countries, identifying the interested countries where land has been sought and the sector of the final use of the land grabbed. The deals covered by the research are only those initiated after 2006, that have not been cancelled, led by foreign investors, destined for the production of food crops and that involve large areas of land.

These data show that the land occupied by the most active grabber countries goes from 1 million to 5 million hectares. Among these countries, we can find United States, China, India, Saudi Arabia, United Kingdom, Egypt and South Africa.

2.3 The deals

It is important to analyse the contest in which these deals are negotiated and concluded, in order to understand their implications. The contest includes the kind of property right regimes that exist in the countries where the acquisitions are made and who are the parties that operate in the negotiations.

Evidence showed that local nationals are key players in land grabbing, leading the deals'

²⁴ "The Global Land Grab", TNI, 2013

negotiations. Among these, there can be figures from national elites as politicians, civil servants or entrepreneurs, or even parastatal agencies²⁵.

Even if two parties negotiate the contracts, a wider range of players is involved. The terms of the contract, in effect, affect local villagers and have repercussions on agriculture and food security in the recipient country²⁶. This aspect determines an unequal distribution of cost and benefits, with local people who internalize the costs in terms of social and environmental negative impacts.

The legal status of systems of customary tenures differs among countries, it means that customary rights of land property can be legally recognised or not. In Africa, for instance, in some countries as Ethiopia, Mauritania and Rwanda, no kind of land tenure exist, being all the land owned by the state²⁷. Although the land is formally owned by the State it is not empty or underutilized, because usually local people have used it for generations. Since the deals are usually long-term deals -the basic land transactions typically range from 30 to 50 or even 99 years at a time, often with the option to renew the contract²⁸- the possibility of exploiting land for their own sustenance is taken away from future generations too.

Moreover, even in the cases in which customary rights are legally recognised, a full tenure security is difficult to achieve. Sometimes the pre-existing legal frameworks are altered and reinterpreted in order to ensure the fulfillment of the contracts.

Usually negotiations are conducted in secret, local landholders have no say in the matter and only few of the contracts are publicly available, local people are therefore vulnerable to dispossession²⁹. In many African countries, the deals do not break any formal law, simply because laws in defence of private property rights on land do not exist. Because of this,

²⁵ “Addressin the Human Rights Impacts of ‘Land Grabbing’”, Cotula, 2014

²⁶ “Land deals in Africa: What is in the contracts?”, Cotula, 2011

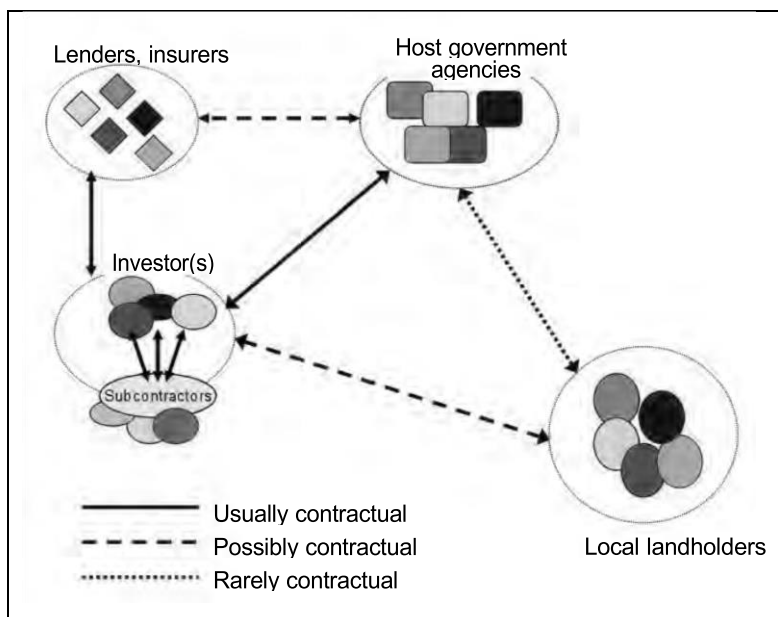
²⁷ “The anatomy of large-scale farmland acquisitions in sub-Saharan Africa”, CIFOR, 2011

²⁸ “The Global Land Grab”, TNI, 2013

²⁹ “Land deals in Africa: What is in the contracts?”, Cotula, 2011

means of dispossession or reallocations of lands that involve loss of access for local people are perfectly legal³⁰.

Land can be acquired by three different subjects: national individuals, foreign governments or companies controlled by foreign private operators. However, the distinction between the public and private sector is not perfectly clear. In some instances, even if a foreign government acquires land, private operators, who have indirectly received land rights as a third no signatory party, manage the actual implementation of the project³¹. The figure below shows the players usually involved in a land deal and the relations among them.



[Source: “Land deals in Africa: What is in the contracts?”, Cotula, 2011]

The issue of lack of property rights has been analysed by Hernando De Soto in his book “The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else”. The theory sustained by the author is that the legal recognition of property rights is essential in order to promote prosperity in poor countries. According to his thesis, when legal rights of people on their properties are secured and formally-entitled it is possible for them to exploit

³⁰ “The Global Land Grab”, TNI, 2013

³¹ “Land deals in Africa: What is in the contracts?”, Cotula, 2011

their ownership, transforming it into capital to be invested. If this premise misses, the asset is, as defined by the author, “dead capital”. This issue lie at the base of economic development, and can explain why in developing countries, despite the abundance of resources, capitalism fails.

However, there are exceptions to the role of government in negotiating the deals, and there are cases in which the presumption of the state over untitled land has been abolished. This the case of Madagascar that formalized this principle with a national law, in 2006. A contract farming agreement, concluded in 2009 in Madagascar, was signed by an Asian private investor with the presidents of thirteen associations of local landholders³².

³² “Land deals in Africa: What is in the contracts?”, Cotula, 2011

Chapter three

Land Grabbing and its implications

After having analysed the premises and the characteristics of the widespread phenomenon of land grabbing, the further step is the examination of its implications, in order to gain a general picture of the whole subject. Negative and positive implications are involved, and some of them are relevant both in the local and in the international sphere.

An open debate emerged on the implications of foreign investments in low and middle-income countries in Asia, Africa and Latin America, in particularly on whether these investments have a positive or negative role in the host country. On the one hand, some have emphasized their positive role in modernizing and improving local agriculture and economy, thanks to the introduction of technologies and know-how, and by giving access to these economies into the global market. On the other hand, others denounce the negative implications of land deals, underlying how they threaten social and environmental principles and how they little contribute to the development of the recipient country³³.

Examining both the negative and the positive effects can give a clearer picture of the phenomenon.

³³ “Addressing the Human Rights Impacts of ‘Land Grabbing’”, Cotula, 2014

3.1 Competition for land

One of the most relevant effects that threaten host countries is the increasing competition for land, which constitute one of the essential resources in developing countries. Since the deals are often concentrated in specific regions, the competition for land in these areas is extremely high. Moreover, two main factors foster competition and increase pressure on these specific areas. First, investors often focus on the potential of land in terms of irrigation potential, soil fertility, proximity to markets and availability of infrastructures³⁴. Second, agribusiness investors may be interested in lands where demand is already increasing from other sources, as extractive industries³⁵, timber plantations or tourism, generating a conflict among all the possible land uses. For instance, in Ethiopia the documented acquisitions correspond to 42.9% of total area potentially available and suitable for agriculture, while in Ghana it is 61.6%, and most of the times farmland acquisition occur at the expense of small-scale subsistence agriculture. The risk of these acquisitions to displace other land uses and users, as local farmers, is high, and there are implications in the long term for food security and the environment as well³⁶.

3.2 Human rights violations

Among the most relevant implications of land grabbing, international debate has raised the matter of fundamental human rights violations, as an inevitable consequence of the means and methods in which land acquisitions are managed. The debate on the topic usually refers to two connected kinds of rights: land right and human right. Two concepts are connected but

³⁴ “Land deals in Africa: What is in the contracts?”, Cotula, 2014

³⁵ “Addressing the Human Rights Impacts of ‘Land Grabbing’”, Cotula, 2014

³⁶ “The anatomy of large-scale farmland acquisitions in sub-Saharan Africa”, CIFOR, 2011

distinct from a legal perspective. While human rights concern the protection of goods strictly inherent to human beings and are recognised to all human beings by international and national law, land rights are related to the right to hold, access, use and transact a particular piece of land and are recognised to specific legal or natural persons, only at national level. In effect, even if some aspects of land rights are indirectly protected by human rights recognition, international law does not recognize any human right to land as such³⁷ .

The issue on land right violations concerns the facts that acquisitions often entail the loss of access to land and natural resources for local people, in terms of dispossession of land that most of the times is owned by the state, but used by local people to satisfy their sustenance. This right is strictly related with other threatened rights. First, the right to food, which constitute an essential right for those people who totally depend on the available natural resources in order to protect their food security. Second, the right to housing, which entails protection against forced evictions. Third, the rights of indigenous peoples over their ancestral lands³⁸ .

It is extremely hard to quantify the scale of this impact and to determine how many people lost their land, because of large-scale acquisitions. Not all the deals, in effect, have received the sufficient public attention, remaining most of the times below the public radar. Another problem in quantifying the cases of dispossession is that often the recipient country's national law does not recognise that the land belongs to people, because the formal land ownership belongs to the state, while villagers have only conditional use rights. People do not have certificates for their land, in Africa, for instance, only 2-10% of land is estimated to be held under formal tenure³⁹ . It happens that often land that is not visibly used at the time of the acquisition, because used for grazing or kept for the future generations, is considered as

³⁷ “Addressing the Human Rights Impacts of ‘Land Grabbing’”, Cotula, 2014

³⁸ “Land deals in Africa: What is in the contracts?”, Cotula, 2014

³⁹ “Land deals in Africa: What is in the contracts?”, Cotula, 2014

‘empty’. Therefore, land is sold by the state, and even if no formal expropriation occurs, villagers lose hectares of land essential for their sustainment. If not effectively losing land, local people are limited in their activities. For instance, agribusiness developments may block livestock corridors important for herd’s access to water⁴⁰.

Different reports have documented instances of dispossessions and evictions associated with land grabbing. Examples of these cases were in Cambodia, Ethiopia, Ghana, Laos, Liberia, Mali, Mozambique, Uganda and Tanzania⁴¹. Considering the case of Sub-Saharan Africa, since around 77% of the land falls within the customary domain, it is presumable that the majority of the land sold or leased was previously under customary tenure. Moreover, in some countries all the customary rights to land are extinguished once the deal is signed and the leasehold title is allocated, therefore it is unlikely that land will revert back to its previous state. Even in the cases of failure of the project, land is later reallocated for other commercial aims⁴².

Virtually all governments are enabled to compulsory take rights if it is in the public interest to do so. In some deals, for example one concluded in Sudan between the national government and a foreign investor from the Middle East, the government commits itself to delivering the land “free from any right”, this means that any right belonging to local people is revoked and the only right recognised remains the government property right on the land. Sometimes the state has to pay a compensation in order to make up for the suspension of local people’s rights. Some types of private investments are legislatively deemed to be aimed at satisfying the interests of the society at large, as the construction of a school or an hospital, and in doing so creating a justification for the acquisition to be granted on a compulsory basis⁴³.

⁴⁰ “Addressing the Human Rights Impacts of ‘Land Grabbing’”, Cotula, 2014

⁴¹ “Addressing the Human Rights Impacts of ‘Land Grabbing’”, Cotula, 2014

⁴² “The anatomy of large-scale farmland acquisitions in sub-Saharan africa”, CIFOR, 2011

⁴³ “Land deals in Africa: What is in the contracts?”, Cotula, 2014

Legal protection is often subject to visible productive use, while some resource uses, as fallow, pastoralism, hunting and gathering, are not or are not considered visible, despite their importance to livelihoods⁴⁴. Moreover, compensation is neither paid for loss of land; hence, there are no adequate payments to compensate for rangelands or lands left for future generations, nor for loss of other resources, as water or forests.

In addition, the fact that the deals are often negotiated in contexts of lack of transparency does not guarantee sufficient forms of safeguard of the public interest and determines the violation of another type of people's rights, which are political rights. In particular, the rights of freedom of expression, assembly and association, which derives from political rights, are denied. Many recipient countries, in effect, lack democratic institutions that safeguard these liberties. Where governments are authoritarian, in some instances, they have ordered security forces to quell local resistance and to silence activists by the use of force. Several cases of repression, intimidation or harassment of land rights defenders have been documented. For instance, the Special Rapporteur on the Situation of Human Rights in Cambodia cited evidence of militarisation of land concessions. Therefore, even the rights to life and to physical integrity are at stake⁴⁵.

Forms of international human rights instruments that could protect people affected by large-scale acquisitions from these violations exist, among these there are the work of UN Special Rapporteurs or other quasi-judicial bodies as the African Court on Human and Peoples' Rights. These instruments could provide the access to international processes or even to international redress, but in practice this rarely happens, because some governments have ignored the recommendations and because of practical and legal barriers that obstruct affected people's access to an adequate legal protection⁴⁶.

⁴⁴ "Land deals in Africa: What is in the contracts?", Cotula, 2014

⁴⁵ "Addressing the Human Rights Impacts of 'Land Grabbing'", Cotula, 2014

⁴⁶ "Addressing the Human Rights Impacts of 'Land Grabbing'", Cotula, 2014

Other fundamental rights are involved and threatened in large-scale acquisitions.

The demand for land and its intensive use by investors can increase pressure not only on land but also on the environment and on all the natural resources involved in the process. Most of the times the contracts include, in addition to land, the right to access to water sources. This and the possible water contamination, because of the use of agrochemicals, constitute the obstacles that undermine the possibility for small-scale producers to exploit water resources essential for agriculture. Therefore, acquisitions undermine another type of human right, which is human right to water, defined as the right of everyone ‘to sufficient, safe, acceptable, physically accessible and affordable water for personal and domestic uses’⁴⁷ . Moreover, environmental degradation caused by the intensive exploitation of land and resources threatens the enjoyment of other recognised human rights, as the right to a healthy environment, the right to health and the right to respect for private and family life⁴⁸.

Since local landholders will not receive any income from the production started by the investor in the land allocated, they internalize all the negative impacts, receiving little or no benefits, even when the projects is showed as beneficial for the whole country.

3.3 The threats to national and global food security

The public debate on the implications of foreign large-scale land acquisitions is controversial. On the one hand, some arguments support the idea that investments can bring yield increases that will bring benefits, in terms of food security, both for the recipient country and for the

⁴⁷ “Committee on Economic, Social and Cultural Rights, General Comment” No.15, 20 January 2003, UN Doc.E/C.12/2002/11, para. 2

⁴⁸ “Addressing the Human Rights Impacts of ‘Land Grabbing’”, Cotula, 2014

investor country. On the other hand, the counter-argument denies this perspective, basing its argument on the assumption that the investor's production is almost entirely shipped away from the host country, in order to be imported into the investor's country. The question is about the unequal distribution of the final production between the national market of the host country and the international market. Most of the times countries leading these investment projects abroad are food insecure countries, and they want to ensure the sufficient food supply demanded by their national market, hence the exportation of the goods produced is necessarily exported.

Sometimes the contracts are silent about the further distribution of the products, while others, instead, contain explicit formulations that leave the investor free to decide which will be the final destination of the production, whether it will be sold on the local market or exported. Therefore, most of the times the contracts do not contain any specific rule that guarantees food security safeguard. Even when the contracts determine export and domestic market quotas, there is doubt about the fact that the share of goods destined to remain in the host country is sufficient to guarantee food security. The lack of protection, in the contracts, of local people's access to what has been produced in the land acquired is in contrast with the justification, often stated by the host government while signing the deal, that the final aim of attracting foreign investors is to improve the country's food security⁴⁹.

Other arguments sustain the idea that these large-scale land acquisitions constitute a threat to local food security. First, intensive farming and use of chemical substances and pesticides seriously damage the soil and the future availability of natural resources, therefore the possibility for local producers to exploit for their own sustenance water and land potential productivity. Second, biofuel production, which is one of the most common destinations of

⁴⁹ "Land deals in Africa: What is in the contracts?", Cotula, 2011

foreign investments, undermines food security, converting land intended to produce food into biofuel feedstocks.

The matter of food security concerns not only host countries and their populations, but also other countries in the global scenario, all equally affected by the problem of food scarcity. Considering most of the land grabber countries, for instance, one of the main causes of their investments abroad is their impossibility of reaching self-sufficiency in producing some foods essential for their economies. This is the case of Saudi Arabia that was completely dependent on food importations, especially for some foods as wheat. Therefore, the country sought independence starting to produce its food abroad.

Another example is China that is dealing with several problems. First, the continuous disappearance of its agricultural lands, because of the high rate of industrial development. Furthermore, the increase in population growth is seriously harming the possibility of guaranteeing the adequate food supply, with water supplies under serious stress too. The Chinese government's solution to the problem was found in the availability of capital - China has more than \$1.8 trillion in foreign exchange reserves - to be invested in lands acquisitions abroad. This is the so-called "Go Abroad" investment strategy, which led to the signing of 30 agricultural cooperation deals in recent years. These deals establish a form of exchange, under which China has access to 'friendly country' farmland in exchange for Chinese technology and infrastructures development funds. The concern of probable future world shortages of food led also other countries to find other more reliable food sources outside, for all or, at least, part of their food supply. Among these countries, there are South Korea, Egypt, Libya, Kuwait, India and Japan⁵⁰.

However these solutions do not definitively solve the problems, since the possibility of a future depletion of global food resources is more than only a possibility, and that moment

⁵⁰ "The Great Global Land Grab", Branford, 2009

could come even faster than the world might expect. The problem of famine has been mostly linked with a problem of social inequality, in particular of the unequal distribution of financial resources in the world. On account of this, nowadays, more than a billion people are going hungry, not because they do not have the adequate resources of food, but because they do not have money to afford the minimum necessary quantity. One of the most dangerous phenomena harming food production is climate change, which is arriving more quickly than scientist could expect. Scientists believed, in effect, that even though there was an increase in carbon dioxide in the atmosphere, this increase and its damages would have been compensated by, what they called, carbon fertilisation, which is the push in plant growth, due to the great availability of carbon dioxide in the atmosphere. However, evidence showed that this is not likely to happen, or at least it will happen far less than was once believed.

Previsions are alarming. William R Cline, in 2007, carried out a comprehensive model of the future impacts of climate change. The model predicts serious and irreversible damages, such as the drastic crop productivity decline in developing world, amounting to 21% over the next 80 years. Moreover, other factors intervene, the so-called “positive feedbacks” of climate change. These “positive feedbacks”, such as the melting of the glaciers and of the ice sheets in the Arctic and the Antarctic, the more frequent forest fires, the growing water shortages, cannot perfectly be calculated, therefore scientists’ predictions on climate change negative effects can be underestimated⁵¹ .

The global situation is a troublesome vicious circle. These intensive and massive investments abroad are destroying the pre-existing ecosystems, because of the creation of huge areas of monoculture crops, cultivated by using chemical fertilisers and pesticides. Therefore, these external interventions destroy the ecosystems and deprive of their lands traditional communities of farmers and herders, the only people that have a profound knowledge of the

⁵¹ “The Great Global Land Grab”, Branford, 2009

local biodiversity. By destroying biodiversity also the availability of varied natural and agricultural ecosystems, on which the world depends, is destroyed⁵².

Another aspect has to be taken into consideration. If on the one hand possible actions can be taken by the host country to improve social and environmental safeguards, on the other hand these same actions can affect the economic equilibrium of the investment project. Affecting the equilibrium of the project means that the deal no longer seems sufficiently convenient for the investor, because stricter regulations, on the use of certain chemicals or on the protection of local people's land rights, may increase project costs or delay implementation. This is the reason why some investors, when negotiating the contract, demand the addition of further provisions to defend the investment from adverse impacts caused by regulatory changes.

Therefore, these clauses in defence of the equilibrium of the investments restrict the ability of the host state to take action in the public interest, with improvements in social and environmental standards⁵³.

In addition, international investment law, as bilateral investment treaties (BITs) signed both by the host government and by the investor's home government, protect foreign investments. Some of the contracts, in effect, explicitly authorise the investor to bring the disputes in front of international arbitrators. Sometimes the treaties may also strengthen the legal value of the contract, for example by requiring the state to further secure the investor from other state parties (these are the so-called "umbrella clauses")⁵⁴.

⁵² "The Great Global Land Grab", Branford, 2009

⁵³ "Land deals in Africa: What is in the contracts?", Cotula, 2011

⁵⁴ "Land deals in Africa: What is in the contracts?", Cotula, 2011

3.4 Water access

An important aspect concerns the tight bond between land acquisitions and water reserves' acquisitions. Land leases, in effect, would be useless if they did not ensure access to sufficient water sources for agricultural use. Therefore, most of the contracts contain guarantees for the investor to have the right to use the necessary quantity of water. In some cases, the clauses are even more constraining. For example, an investment for agricultural purposes, concluded in Mali in 2008, specified in the contract that the investor had granted access to all the "quantity of water necessary for the project without restrictions" during the wet season and to the quantity necessary for less- water intensive crops during the dry season⁵⁵ .

These legal obligations for the host government to guarantee water access, establish priority rights for access to water, which means that if water shortages occur the contractual commitments have priority over other land uses.

The negative impacts in the host country are several. First, the lack of a proper water pricing and of adequate limitations to investors' water access promote inefficient water use, depriving both local people of water resources and the government of an important source of revenue. In addition, measures taken to increase seasonal water availability (as the construction of dams), in order to meet water demand during the dry season, are likely to provoke serious effects of seasonal flooding in the area. In some cases, new irrigation infrastructures need to be built on the leased land. Even if is the investor who covers the running costs, other upstream costs, associated with delivery of water, weigh on the host government⁵⁶ .

⁵⁵ "Land deals in Africa: What is in the contracts?", Cotula, 2011

⁵⁶ "Land deals in Africa: What is in the contracts?", Cotula, 2011

3.5 Possible benefits for the host country

Foreign investments and commitments on employment and infrastructures can represent an important opportunity for the economic development of the recipient country, by importing capital and know-how, creating employment and developing infrastructures. Sometimes the host government itself poses the development of pre-existent infrastructures as an essential condition for the lease⁵⁷. Capital and infrastructures brought by the investors can potentially sustain agriculture and improve local livelihoods. There are different examples that prove it. For example, a lease concluded in 2008 in Sudan, by a private European company, guaranteed a contribution of \$3 million over five years, in addition to the provision of training and infrastructure. In Mali's Office du Niger area, which is a semi-autonomous government agency in the Ségou Region in Mali, long-term leasers have to commit to developing irrigation infrastructures. In other instances, contracts can also require the investor to develop infrastructures outside the specific area of the project. All these formal provisions can improve a more efficient water sources exploitation, especially when the government lacks the resources to manage it by itself⁵⁸.

A further source of revenue for the host country is general taxation of profits, activities or assets. However, different limits exist. Income tax, indeed, can be paid only once the project starts - the beginning process of the projects can last long- and only if it generates profits. For this reason, the government will have to wait a long time before collecting income taxes⁵⁹.

Another positive aspect is the creation of jobs for local people, in agriculture or processing.

There are sometimes in the contracts references to investor commitments on employment creation, but information about job numbers and characteristics are not always detailed.

⁵⁷ "Land grab or development opportunity? Agricultural investment and international land deals in Africa", FAO, 2009

⁵⁸ "Land deals in Africa: What is in the contracts?", Cotula, 2011

⁵⁹ "Land deals in Africa: What is in the contracts?", Cotula, 2011

Furthermore, evidence suggests that in practice jobs are often few, low-paid and short lasting, since the job only concerns the planting phase and when it ends further mechanized phases follow. The fact that jobs are few means that it is very unlikely that they will take on all those local people who previously worked that land. In addition, not all the contracts contain clauses that bind the investors to give preference to local workers⁶⁰.

3.6 Possible remedies for negative implications

Since the major costs of land grabbing are internalised by the host countries and by local people, the trends of this phenomenon and the legal procedures behind the negotiation of the contracts should be reconsidered. Only by introducing limitations on the acquisition deals and guarantees of local people's right safeguard, can the costs of global resource scarcity be more equally distributed.

First of all, local rights and social and environmental safeguard must be strengthened. Radical and effective reforms in national legislation can empower local landholders' right and their control over decisions affecting them. Not only land rights have to be formally recognised in the recipient country, but the chance to exercise them in practice has to be guaranteed as well.

Governments, indeed, should promote a transparent circulation of information about the present state of agriculture and should foster a vigorous public debate on the matter.

Producers' organizations and local landholders must be at the centre of this debate, incentivizing civil society scrutiny⁶¹.

At the international level, the principle of free, prior informed consent (FPIC) exists, formalized in the 2007 Declaration on the Rights of Indigenous People. According to this

⁶⁰ "Land deals in Africa: What is in the contracts?", Cotula, 2011

⁶¹ "Land deals in Africa: What is in the contracts?", Cotula, 2011

principle, indigenous people have the right to accept or to reject proposed developments on their land. Moreover, government have to ensure that effective systems for grievance, redress and mitigation are in place. Several countries, as the Philippines and Australia, are incorporating the principle in national legislations, and some companies are beginning to adopt it as well⁶². Even though foreign investment can potentially modernise local agriculture and give a boost to the inner development, studies and researches on the topic proved the opposite. Most of the times, in effect, investments have negative effects both in terms of social impacts and with regard to economic progress and commercial viability. Moreover, evidence show that small-scale production, by family farmers, can be highly competitive on the global market, and that working with local farmers can lead to commercial profitability and poverty reduction⁶³. It is important to revitalise family and small-scale farming in order to protect local people and rural environments and to reverse the trends of global food scarcity. That means restoring all the forms of public sector support, as rural budgets, minimum price guarantees and credit. Moreover, land reforms have to be made in order to redistribute land from export elites to local food producers and farmers. “La Via Campesina”, which is an international organization where family farmers and rural workers from all over the world have joined together, proposed an alternative policy paradigm called “food sovereignty”. This food sovereignty coincides with the concept of economic and social human rights, including not only the right to food but also a right to land and a right to produce for rural peoples. The concept goes beyond the one of food security, because it entails that food has to be produced from local rural peoples, who have the right on those lands, based on the idea of the recreation of local circuits of production and consumption⁶⁴.

⁶² “Land grab or development opportunity? Agricultural investment and international land deals in Africa”, FAO, 2009

⁶³ “Land deals in Africa: What is in the contracts?”, Cotula, 2011

⁶⁴ “Food Sovereignty and Alternative Paradigms to Confront Land Grabbing and the Food and Climate Crises”, Rosset, 2011

Conclusion

The phenomenon of Land Grabbing that I have analysed in its dimension, trends features and implications is, as demonstrated by data and evidence, an extremely complex and widespread phenomenon, which is impacting both the countries object of the acquisitions and the global food security. The food market crisis that occurred between 2007 and 2007 is only the beginning of a wide and prolonged global matter, which is undermining the capability of several countries to satisfy the increasing demand for food and resources.

The phenomenon is complex because it is linked with several connected causes, among which there are global and local food insecurity, natural resources shortages and climate change. The implications are numerous as well, concerning social, political, economic and environmental issues. Moreover, what makes the matter more problematic is the fact that, despite the researches and data officially recorded, reliable and definitive information lacks.

Taking all these aspects into consideration, it is undeniable how the Land Grabbing issue is still far from a solution. As mentioned in the third chapter, possible positive effects are likely to come, but, at the same time, negative and irreversible implications are involved as well.

At the base of it the problem of food security lies. As the world is transitioning from an era of food abundance to an era of food scarcity, it is difficult to arrest developed countries' attempt to seek low-cost and easily accessible resources abroad. It is even harder to avoid that this trend will occur in a way that continuously harms local peoples' rights and natural resources availability. As I have previously analysed, in effect, this is a vicious circle that will not easily come to an end in the short term.

If a future win-win situation can be reached, it can probably happen in the long-term, but the process is slow and complex, because it is based foremost on a social and political stabilisation. In order to avoid the two main negative implications, which are natural

resources depletion and human rights violations, effective and legal forms of regulation must be undertaken. Some forms of customary land tenure's protection have been reached, but only in limited and circumscribed instances. The adequate legal measures have to be taken at a national level, since all the possible international guarantees and protections are slightly effective. However, a constant update of information is a small but relevant part of the process. Information has to be diffused both among the local peoples affected by the incoming waves of investments, in order to help their consciousness raising of their rights and the process of effective legal acquisition of those rights. Also developed countries public opinion has to become aware of the phenomenon, its features, and its impacts, which cause losses for them too.

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