

## Regulating Corporate Land Purchases Will Reduce Food Insecurity

**Logan Cochrane**

*Logan Cochrane is founder of Working to Empower, a Canadian organization that empowers youth to become involved in HIV & AIDS education projects and supports a children's home that cares for orphans living with HIV/AIDS. He also works with community-based organizations in seven African nations.*

Food sovereignty—the right of people to own and manage local food systems—is closely connected to food security. Land grabs—the mass purchase of agricultural land by transnational companies—are displacing and disenfranchising local people, putting their food security at risk. These companies export most of the food harvested from land grabs to feed others, and locals must buy food rather than harvest it for themselves. Some claim that land grabs are a form of colonialism, but others add that local governments also contribute by encouraging land purchases. To protect the food security of vulnerable people, policymakers should regulate land grabs and support better local governance. To encourage these changes, communities must resist dispossession from their land.

The difference between food security and food sovereignty may seem like mere semantics, but in the hyper-globalized world wherein transnational companies may privately own

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significant portions of arable land in countries facing food insecurity, it is not just a matter of word play. . . .

### Unequal Access to Food

Disparity of wealth and land ownership is not a new phenomenon. However, the degree to which agricultural lands are owned within areas of food insecurity makes food sovereignty as vital a factor as food security. An analysis of these concepts and their global implications is pressing, as over 963 million people do not have enough to eat. Most of them live in developing countries, and sixty-five percent of them live in only seven countries: China, India, Bangladesh, the Democratic Republic of Congo, Indonesia, Pakistan and Ethiopia. Furthermore, each year more people die due to hunger and malnutrition than to AIDS, tuberculosis, and malaria combined.

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The World Food Summit, held in 1996, declared that ideal food security includes the global population, whereby all people have access to sufficient, safe and nutritious food, encompassing both the physical availability and the economic access. The United Nations Universal Declaration of Human Rights and the Convention on the Rights of the Child both stipulate that it is the intrinsic right of all people to have access to food. However, the responsibility to enact these rights rests mostly on the nation-state, not the international community. On the other hand, some argue that repeated affirmations of human rights within the international realm do imply some global responsibility. The theoretical ideal is, therefore, that food security exists when all people in all places have access to sufficient, safe and nutritious food. Clearly that theoretical aim has not been met. Furthermore, if current mecha-

nisms are not facilitating the aim it may require consideration of entirely new models of how countries engage with one another.

### Defining Food Security and Sovereignty

Typical measurement of food security is limited to a specific place, such as a nation, city or household. USAID uses the household as a measurement, whereas the Food and Agriculture Organization (FAO) programs are nationally operated, thus limiting the global goals and human rights to the nation-state. Food insecurity also exists in differing levels. One person maybe facing a temporary bout of food insecurity, called "transitory", while another maybe consistently facing it, known as "chronic" food insecurity. Chronic food insecurity leads to high levels of vulnerability to hunger and famine. The achievement of food security does not necessitate that a country produce sufficient food supplies; but rather that a country is able to provide sufficient safe and nutritious food for its population. Thus, arises the question of food sovereignty: in a world of great economic disparity, will the food supplies of one region be given to another, even in the case where the local population faces chronic food insecurity?

Food security means the availability and access to sufficient safe food, whereas food sovereignty involves both ownership and the rights of local people to define local food systems, without first being subject to international market concerns. An important distinction must be made between food sovereignty as a theoretical construct and food sovereignty as a movement. The food sovereignty movement considers that the practices of multi-national corporations are akin to colonization, as such companies buy up large tracts of land and turn local agricultural resources into export cash-crops. As a movement, food sovereignty lacks direction and involves a great diversity of opinion and idea. As a model to re-consider and re-evaluate food, it highlights important chal-



allenges and offers potential remedies to current challenges. Food sovereignty as a theoretical construct, which is the definition that will be used throughout this paper, relates to the ownership and rights of food growers and local communities.

### A Global Concern

Food security and food sovereignty are increasingly of global importance, with concerns not limited just to the developing world. In the 2008 price spike, consumers in Great Britain saw a fifteen-percent rise in average food items, while the BBC tracked some items increasing in cost by more than forty-percent. In the twelve month period before the price spike, the cost of wheat increased by 130% and rice by 74%. The pinch of paying more for food in developed countries was expressed differently in many developing countries, such as the mass rioting in Yemen, Somalia, Senegal, Pakistan, Mozambique, Indonesia, India, Egypt, Ivory Coast, Cameroon, Haiti, Burkina Faso, the Philippines and Bangladesh. At the same time, the World Resources Institute records sustainable and consistent increases in per capita food production over the last several decades.

USAID argues that food insecurity is often a result of poverty, while ownership, land rights and sovereignty are not mentioned as causal factors. While it is true that a direct relationship can be found between those who face food insecurity and those who are impoverished, that does not exclude other causes; such as, a lack of sovereignty or oppressive external factors. However, USAID does not take poverty alleviation and/or human rights as its prime reasons for engagement; rather its prime interests are to protect America and to create opportunities for Americans.

The European Union community has sought the improvement of food security for the least-developed countries through a plethora of national and international development bodies, while also engaging in massive export-based land ac-

quisitions in those same regions. Ironically, the aim of reaching the Millennium Development Goals (MGDs) with funding and support from the European Union is countered by European Union businesses as they engage in activities that displace and dispossess locals of their land and livelihood. Increasing commercial production does not mean an increase of local or national food security, in particular when these foreign companies are exporting entire crops. This may in fact, lead to increased food insecurity and higher levels of malnutrition and poverty. Surprisingly, even Harvard University has used its investments in land-acquisition deals.

### The Problem of "Land Grabbing"

A "land grab" refers to those land acquisitions that have caused displacement, dispossession and disenfranchisement; or, according to the Institute of Development Studies, it may also more broadly refer to the mass purchasing of agricultural lands by transnational companies. Land grabbing is occurring on a scale and at a rate faster than ever known before. When over one-hundred papers were presented at the International Conference on Global Land Grabbing in 2011, not one positive outcome could be found for local communities; such as, food security, employment and environmental sustainability. When such acquisitions occur in places of conflict, post-conflict and/or weak governance there is less monitoring and control and even greater negative impacts. Furthermore, large-scale land deals increase local food insecurity, as arable land produce is exported rather than reaching the local market; and smallholder farmers must purchase foods as opposed to harvesting it on their lands.

Lester Brown (2011) argues that land purchasing is a part of the global struggle to ensure food security. Food-importing countries are securing overseas supplies by attempting to control the entire supply-chain of food-stuffs, and thus avoid any potential problems that may arise in the process. Furthermore,



he notes, that these deals are not only about food security but also water security. Countries such as Saudi Arabia used to produce much higher levels of wheat internally; however, due to declines in available fresh water these land deals have secured required sources of both food and water. [P.] Woodhouse and [A.S.] Ganho argue that the role played by water access in land grabs cannot be under-estimated, including the competition between local and investor in acquiring access to water resources and to sustainable water usage, as well as coping with the problems of creating pollution and chemical run-off. Case studies in Ethiopia demonstrate that access to, and rights of, water sources disproportionately favor investors over local smallholder farmers.

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The United Nations director of the Food and Agriculture Organization (FAO) called these land-lease deals 'neo-colonialist'. This statement was echoed by US Secretary of State Hillary Clinton, who warned of a new wave of colonialism. [English journalist] Madeleine Bunting envisions a "dystopian future in which millions of the hungry are excluded from the land of their forefathers by barbed wire fences and security guards as food is exported to feed the rich world." The wider view must, however, include the role of local/national government in facilitating, and in some cases encouraging, the sale of arable land and displacement of peoples. Other analysts have more cautiously labeled the vast selling of agricultural lands to investors as the third wave of outsourcing. The first wave consisted of investors looking for locations with cheaper labour. The second wave was the out-sourcing of middle-class jobs to places such as India because of its advances in information technology. This may be the third wave:

the out-sourcing of growing and harvesting of food supplies to locations where there is cheap fertile land. . . .

### Case Study: Ethiopia

In contrast to [the] rosy predictions [by Ethiopian Prime Minister Meles Zenawi], USAID, which is one of Ethiopia's largest donors (\$600 million of food aid in 2009-10), outlines that successful agricultural development and food security requires "100% ownership and buy-in by the Ethiopian people" (USAID, 2010, p. 5). And yet, the Ethiopian government and transnational corporations are doing exactly the opposite, in displacing and dispossessing Ethiopians and handing over control and ownership to non-local corporations and governments. *The Economist* (2009) highlighted an interesting parallel in the \$100-million Saudi investment to grow and export rice, wheat and barley on a 99-year land-lease in Ethiopia, while the United Nations World Food Program plans to spend \$116-million, over a five-year period, providing emergency food aid to Ethiopia. In 2008 the Ethiopian famine was compounded as food continued to be exported and did not reach the local market (Dominguez, 2010). Yet fertile Ethiopian agricultural land continues to be leased for as little as \$1 per acre (Bunting, 2011).

According to Ethiopian government sources, over thirty-six countries have leased land within its borders (Vidal, 2011). Although estimates vary, it is thought that 60–80% of food production in Ethiopia is completed by women. Thus the role of gender is revealed by analysis of those affected by land sales and dispossessions (USAID, 2010). Of those who face the brunt of food shortages and insecurity in Ethiopia, most are women and children (USAID, 2010). Furthermore, areas of large-scale plantations are more likely to be poverty-affected than prosperous in respect to the local populations (Da Via, E. 2011). As a parallel example, case studies from Cambodia show that land grabs do not benefit local residents, and over



time resulted in collective action by the local population against political and commercial interests (Schneider, 2011).

The massive land-lease deals are not without their supporters, however. The technology transfer, increase in number of jobs and foreign investment are usually cited as having positive effects for the overall benefit of Ethiopia and its citizens. Ethiopian Ambassador to the UK, Berhanu Kabebe (2011), published a response [in 2011] arguing that land-leases assist Ethiopia to move towards mechanized agriculture to increase production capability, and as such the government has set aside 7.4 million acres of agricultural land for land-lease deals. The Ambassador further notes that this is only a portion of Ethiopia's arable land (*ibid*). The Ambassador highlights some of the positive environmental changes the Ethiopian government has made in recent years, including the planting of 1-billion trees, re-forestry 15-million hectares of land and a national plan to become carbon neutral by 2025 (*ibid*).

Ambassador Kabebe did not mention some of the negative impacts the vast land sales will have; such as, displacement of local farmers, uncompensated dispossession of their land, continued food scarcity as investors export what is grown, unsustainable resource use, and environmental damage to lands, atmosphere and water. Furthermore, the majority of the world's poor are rural dwellers who engage in some small-scale farming. As a result of the dispossession of land and displacement of people, poverty levels will increase and more people will be forced to migrate away from agricultural areas to city-centers. World Bank studies (Riddell, 2007) confirm that the push for macro-economic development via liberalization of markets has detrimental effects on particular groups of society, particularly the poor.

Guillozet and Bliss (2011) found that, although investment in the forestry sector is low in Ethiopia, the agricultural investments affect natural forests by mass clearing and burning.

As a result, there are long-term negative impacts. Biodiversity is currently being reduced by the cutting and burning of hundreds of hectares of forest, as well as by the draining of swamps and marshlands (Vidal, 2011). Pesticides have also been shown, in Ethiopian cases, to kill bees and other unintended flora and fauna. Beyond the investment land itself the clearing of natural forests is affecting livelihoods on a much larger scale, by negatively affecting the wider ecosystems (Guillozet and Bliss, 2011).

Such deals are neither agricultural development nor rural development, but simply agribusiness development, according to GRAIN (2008). An unpublished report that interviewed 150 local farm households in Ethiopia found that there is weak monitoring of investor activities from regional and national government. It also found that accelerated forest degradation resulted in loss of livelihood security for community members. Furthermore, in Cameroon, cases of land grabs demonstrate that the transnational investment in agriculture is a major obstacle to local livelihoods, traditional resource ownership and land rights, as well as to sustainable development (Simo, 2011). In yet another example, Rwandan land grabs have shown the move from traditionally owned and operated farms into large-scale corporate mono-crop cultivation has negatively affected livelihoods through loss of land as well as means of financial security, resulting in increased poverty levels and food insecurity despite overall macro-economic gains (Ansom, 2011). . . .

[L]and-lease deals are becoming more commonplace, with large sales in Sudan, Egypt, Congo, Zambia, Mali, Sierra Leone, Tanzania, Kenya, Madagascar, Liberia, Ghana, and Mozambique. Although there are land deals taking place outside of Africa, over 50% of the estimated 60–80 million hectares of such deals in the last three years took place there, approximately an area the size of France. The largest land buyers include China, India, South Korea, the United Arab Emirates



and Saudi Arabia; yet some of the largest deals are done with Western funding. Cases from Sierra Leone show that a lack of knowledge-sharing with locals, along with a plethora of false promises, has led to social, environmental and economic loss. Addax Bioenergy received the use of 40,000 hectares to grow ethanol for export to the European Union (EU). Local villagers were in turn promised two-thousand jobs and environmental protection of the swamps. However, three years into the project only fifty jobs materialized, while some of the swamps have been drained and others damaged by irrigation. Those jobs that did exist paid USD \$2.50 per day on a casual basis. Clearly these are not isolated cases and action is required to stem the tsunami of sales of land in food-insecure areas.

### Making Recommendations

*Re-evaluate the system:* Up to twenty-five percent of crops are lost due to pests and diseases and the developing world loses up to an additional thirty-seven percent of harvested foods due to problems in storage and transportation. Every day 4.4 million apples, 5.1 million potatoes, 2.8 million tomatoes and 1.6 million bananas are thrown in the garbage. Systematic shifts that address this loss may focus upon local sustainability and buy local movements, rather than relying upon export commodities and global transport for the sale and supply of food stuffs. This requires participation that includes local ownership and collective decision making.

*Provide Sustainable Solutions:* Much of modern agriculture is mechanized, using oil-based chemical fertilizers, pesticides and herbicides. This system of agriculture is not sustainable. It needs to be remedied with a more sustainable approach to agriculture—which can be just as agriculturally productive. One example of how sustainable initiatives can be promoted and supported is the Equator Initiative, which provides finan-

cial prizes and knowledge sharing for community-driven efforts that reduce poverty through sustainable use of biodiversity. . . .

*Regulate Land Grabbing:* The World Bank has proposed guidelines, but does not have the means or authority to enforce them. In order for guidelines to be enforced, such as those developed by the World Bank, national governments must be involved, for this to take place greater coordination on the international level and advocacy from the NGO [non-governmental organization] and public sectors is required. Madagascar demonstrates the power of collective action, as does Sudan and Cambodia, yet long-term and effective change will require governmental enforced regulation.

*Establish Good Governance:* The purchasing of land and forced displacement of peoples occurs not solely due to transnational pressure, but with government approval. Citizens and the international community must encourage, and work towards, better governance decisions. An international framework for responsible investing could be created. However, such a framework would remain weak and ineffective unless adopted and enforced by national governments. In order to ensure that investments are beneficial for both the investor and the community, this framework must ensure food security and livelihood protection for the local communities. Further encouragement can be levied on governance in tying good governance to official development assistance; such systems have been developed and enacted by the World Bank and others.

*Monitor and Penalize Environmental Damage:* Companies must be more strictly monitored with regard to environmental damage, both by the public and private sectors. Monitoring and evaluation of investments ought to be strengthened with regulation and policy by the relevant national government and by international bodies. NGOs and communities can take inspiration from others who have taken transnational compa-

nies to court, and won. National government need to recognize the short-term benefits do not out-weigh the long-term environmental damage, and seek compensation to rectify violations. The scale of land acquisitions demonstrate that such regulations will likely not significantly deter investments and investors, as efforts to do so in Tanzania demonstrate.

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**Develop Rural Agriculture:** Currently less than one percent of smallholder farmers use irrigation techniques in Ethiopia. An improvement in this regard will allow for increased productivity as well as year-round water availability. Facilitation of loans for the purchase of pumps (as smallholder farmers often lack financial resources to make such investments), as well as access to internal markets with infrastructural developments can improve community-driven and locally-owned productivity.

**Undertake Land Reform:** Changes on the national level will require land reforms, ownership reforms and recognition of traditional land rights. Such land reforms and rights have been evolving in Madagascar, following the rejection of the Daewoo land-grab deal and the installation of a new government. Tanzania has also enacted progressive rights for recognizing traditional land title. . . .

As highlighted by the Ethiopian case study, it becomes readily apparent that the forced relocation of rural farmers will likely increase the numbers of people living in poverty. Consequently, there will be an increase in the numbers of people in need of emergency food aid. Aggregate data on food security will not measure the importance of food sovereignty, nor do the data take into account unjust practices and environmental damage. The majority of Ethiopians are subsistence

farmers, and depriving them of their land, rights and livelihood neglects the importance of human rights and environmental protection. One means to achieve the goal of national food security, as well as a reduction of required emergency food aid, is to increase effectiveness of rural farms.

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### Engaging in Community Resistance

Communities themselves must engage and be active in resisting forced relocation and dispossession of their land and rights. Examples of such resistance include that of Madagascar and the Southern Sudanese movement, which advocates land belongs to the community and requires its involvement, as well as active community resistance to land grabs in Cambodia. Communities must seek to be participants in the discussion, to be involved in the process and to voice their concerns. Food security of the wealthy at the expense of the impoverished will not work and requires new approaches. The prospect of attaining sovereignty over land and the food grown on it encourages smallholder farmers to continue their livelihood while seeking to increase overall food security.

[According to D. Vhugen, in a 2011 article in *The Economist*], "In most poor nations, there are large gaps between actual and potential agricultural yields. But the best route to closing this gap usually is not super-sized farms. In most labour-intensive agricultural settings, small farms are more productive than large farms. They could become even more productive—and as a result likely minimise unrest—if developing country governments provide these family farms with secure land rights that allow farmers to invest in their own land and improve their harvests."



The World Bank's 2010 report found that land grabs ignored proper legal procedures, displaced local peoples without compensation, encroached on areas beyond the agreement, had negative impacts on gender disparity, were environmentally destructive, provided far fewer jobs than promised, leased land below market value and routinely excluded pastoralists and displaced peoples from consultations. Furthermore, the World Bank concludes: "many investments . . . failed to live up to expectations and, instead of generating sustainable benefits, contributed to asset loss and left local people worse off than they would have been without the investment." . . .