

Conference Summary

International Workshop on Large-Scale Land Acquisitions

May 11, 2012

*GIGA German Institute of Global and Area Studies, Hamburg,
Germany*

The **International Workshop on Large-Scale Land Acquisitions** was held on May 11, 2012 in Hamburg, Germany at the German Institute of Global and Area Studies (GIGA) premises. Funding for this workshop was provided by the Federal Ministry for Economic Cooperation and Development (BMZ).

The overall objectives of the conference were to strengthen the dialogue between researchers and practitioners as well as to foster continued research on the nature and consequences of large-scale agricultural investments. The workshop provided a platform for participants to discuss latest research and exchange ideas. The conference was attended by approximately 75 participants from various universities, research institutes and development agencies, and included participants from Africa, Asia, Europe, and North America.

The workshop, opened by Maren Kneller (BMZ) and Jann Lay (GIGA), featured a keynote speech, several parallel sessions, a roundtable discussion and a wrap-up presentation. It was complemented by a guided poster session, which was held in an unconventional format as 'Place of Ideas' that provided young researchers the opportunity to present key aspects of their research projects dealing with legal, socio-economic and historical aspects of large-scale land acquisitions.

The opening keynote address by Stein Holden (Department of Economics and Resource Management at Norwegian University of Life Sciences, Ås, Norway), entitled "Uncertainty about the Future Impacts of Large Land Acquisitions by International Investors in Africa, with Ethiopia as a Case" focused on large- and small-scale agricultural production, land rights and related welfare impacts in Ethiopia. Before he focused on the Ethiopian experience, he provided a general overview of the problems, challenges and opportunities with regard to large-scale agricultural investments. In particular, Ethiopia has made strong progress in the registration and certification of land in the past decade. As involved registration costs remain low for the rural community as well as for foreign investors, 10 million households have received land certificates in the past 12 years. Such development was accompanied by higher domestic investment in agriculture, increased tenure security, productivity gains and increased welfare especially for female-headed households. However, difficulties remain: foreign investors' land is located in regions where land registration and certification has not yet been implemented and where the local population was forced to resettle.

In the parallel sessions, a broad variety of countries of the 'Global South' and of Eastern Europe were studied. Case studies were provided, among others, from Cambodia, Ethiopia, Ghana, Indonesia, Kenya, Laos, Tanzania, Uganda, and Zambia. They illustrated the heterogeneous characteristics and motives of investors as well as target countries with important implications for the population in affected areas. For example, three Cambodian case studies suggested that adverse impacts on rural livelihoods prevail: the demarcation of land concessions granted to foreign investors included farmers' land and forest. As investors cleared the forest and farmland inside this demarcated concession area, food security concerns emerge because the local community depends on these two resources.

While negative environmental and social impacts were highlighted in the Cambodian cases, presentations in the sessions on **Impacts** and **Drivers** identify both, positive and negative elements of large-scale land acquisitions for Zambia and the post-Soviet economies. Although Zambian rural communities benefited from increased employment, infrastructure development and farming opportunities through outgrower schemes, displacement of those who hold land under customary tenure was observed. Large-scale investments in agriculture that took place in the past decade in countries of the Former Soviet Union were often driven by the rise of super-large firms. These so-called "agroholdings" usually control hundreds or thousands of hectares of land. Related investments typically induced a higher inflow of capital and technology, which led to higher yields, increased labor productivity and generated homogenous products that comply with international standards and drive exports. Yet, employment generation is limited, as these farms use only little unskilled labor. Hence, the problems of rural unemployment as well as out-migration from rural areas are not resolved by these investments.

It had been shown before that natural endowments, in particular the availability of uncultivated land, are a key driver of the recent investment surge. As discussed in the session of **Drivers**, forests unfortunately fall into this category. South-East Asia is particularly affected. In the workshop, evidence for deforestation was presented for Cambodia and Indonesia. In Indonesia, forested areas, targeted for investments with the aim to generate state tax revenues, are still converted into oil palm and industrial timber plantations. Furthermore, a number of presentations pointed to the availability of water resources as another important condition for land acquisitions. This mirrors that investments often originate in water scarce countries. For example in Ethiopia, being at the centre of the global land rush, all water resources of the country are common property of the Ethiopian people and the state. Legal frameworks that regulate water consumption are only poorly implemented and as lease agreements allow investors to use surface water, customary water rights are not respected and the rights shifted to foreign users. Some observers argue that the potential additional water use by foreign investors constitutes a significant portion of Ethiopia's water resources. Two further case studies on Malawi and Namibia within the **Lessons learnt?** session also reveal that large-scale investments are likely to worsen the competition for water resources in these countries.

Land rights and land governance were central issues in the **processes and land governance session** and were readdressed in the **roundtable** discussion. The comparative study about

Ghana and Kenya show that both countries, as many further Sub-Saharan countries, exhibit dual land tenure systems, i.e. systems, which customary and formal tenure systems co-exist. Their present land governance systems, though currently under reform, are insufficient to cope with the increasing land pressure. Weak formal rules together with informal processes that guide land allocation provide the ground for internal conflicts, corruption and very little land tenure security for smallholder farms. In similar vein, Liz Alden Wily (independent consultant, Nairobi, Kenya) expressed skepticism as she compared current large-scale land acquisitions with land rushes that have taken place in the last century. She argued that the rule of law is a casualty of poor governance and rural Africans have only little tenure security even in case of reformed land laws.

Researchers in the **lessons learnt?** session shared insights on their experiences from the field research with a particular focus on policy implications and provided customized recommendations: while a close land and water policy coordination is strongly needed in Malawi and Namibia, Ethiopia's mismatch of demand for skilled workers and local supply may be addressed with education and training. In Ghana, the lack of adequate compensation was stressed, as current law neglects compensation for the land. Here, a fair and transparent compensation mechanism that draws special attention to the restoration of rural livelihoods is urgently needed.

The workshop also addressed the international dimension of large-scale land acquisitions. At the global level, simulation results presented by Rolf Kappel (ETH Zürich) in the **roundtable** discussion show some potential positive impacts that may arise from agricultural foreign direct investments and the subsequent expansion of cultivated land. According to his results food prices may decrease in response to agricultural FDI, which, in turn, will help to improve food security for the rural poor, as they may often be net buyers, particular in times of food shortages.

Yet, such possible positive effects should not come at the expense of threatening the livelihoods of poor rural populations in target countries. International guidelines for responsible agricultural investment might have a role to play in this regard. Conference participants, however, pointed at the proliferation of such guidelines, which may be harmful to the effectiveness of such measures. With or without guidelines, more transparency on land deals was stressed as a key problem. Increased transparency would allow a better understanding of those investments and would also enable local populations to better protect their interests. New data on land acquisitions is being collected by the LAND Matrix, a project that was presented by Mike Taylor (International Land Coalition) and Mirjam Harteisen (GIGA). The Land Matrix is an interactive and online public database (www.landportal.info/landmatrix) that displays detailed information about large-scale land deals, target and investor countries and the time horizon. Moreover, it allows users to add and update data.

More detailed information, the program, press release, power point presentations and associated papers of the workshop can be obtained from the website <http://www.landgrab.de/>.