



# Large-Scale Land Acquisitions

## An International Overview

Conference on Forests and Common  
Lands: Rights, Conflicts, FRA , and  
PESA Act

*Arvind Khare*

*18 December 2012*

*New Delhi*



- Introduction
- Drivers of LSLAs
- Spatial and Human Scale
- Land Grabs and Tenure Risks
- India's Position in the World
- Rights-Based Development Logic

## Large-Scale Land Acquisitions (LSLAs)

- Primarily long-term leases (25-99 years), occasionally ownership rights
- Generally over 1,000 ha\*

## Not “new” challenge for rural poor and Indigenous communities

- However, since 2000, the transfer and sale of rights to forests, marshes, rangelands, and agricultural lands to companies and elites has accelerated

## New sense of urgency for investors amidst crisis to **mitigate risk**

- Climate Change, Global Economic Crisis, Food Price Shocks, Demographic Growth, Political Instability, etc...

## Peak in 2009 following food shocks in 2008 – est. 60 Mha of deals announced

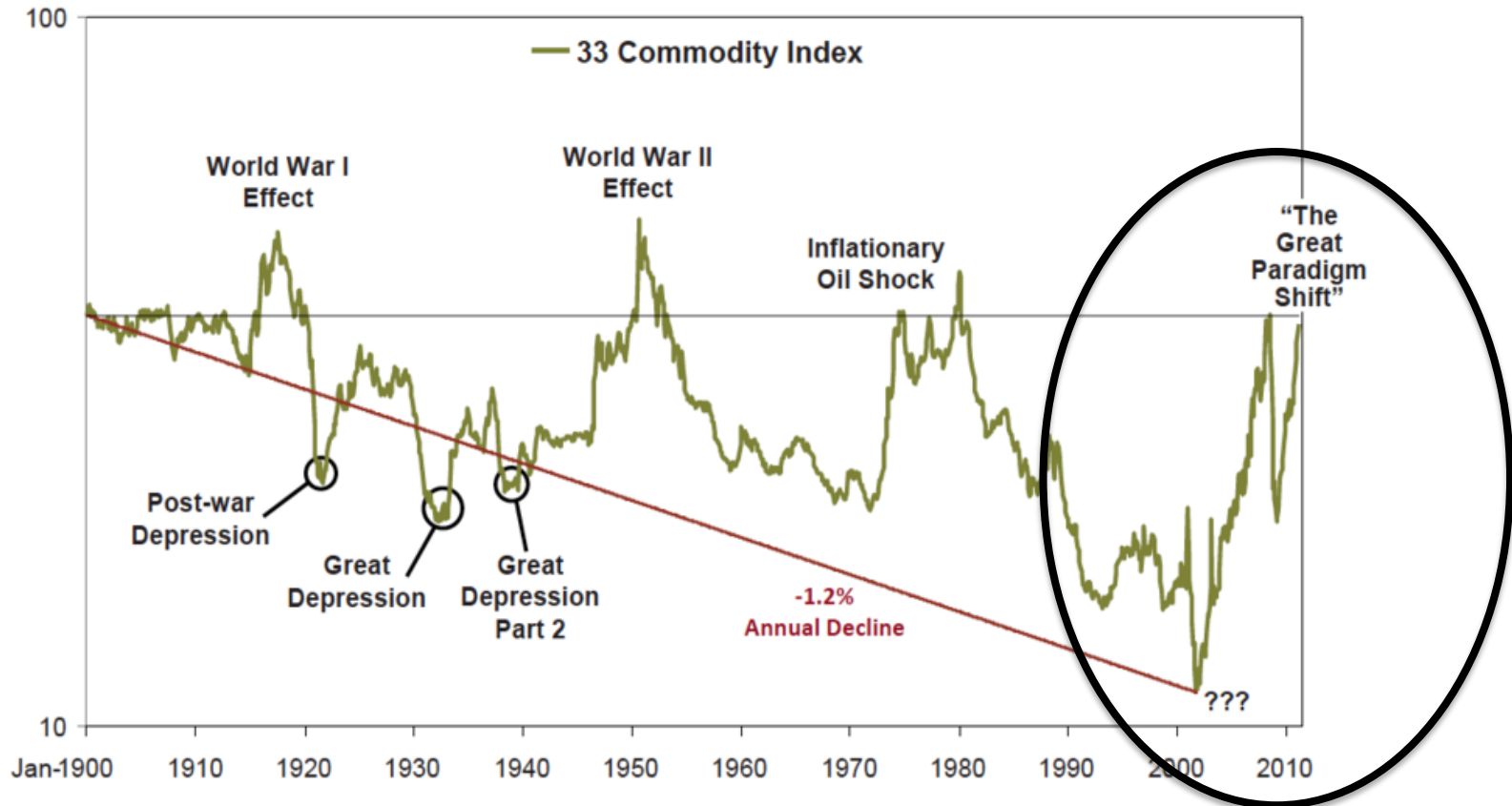
- Size of Haryana, Uttar Pradesh, and Rajasthan States combined

Land grabs **exacerbate risks** rather than mitigating them

## What is a 'land grab'?

- 1) Fails to recognize local rights to land
- 2) Violates human rights
- 3) Fails to properly apply Free, Prior and Informed Consent (FPIC)
- 4) Not based on a thorough social, environmental and economic impact assessment.
- 5) Absence of transparent contracting process with clear and binding commitments
- 6) Absence of independent, effective, and timely oversight and conflict resolution mechanisms

## GMO Commodity Index: The Great Paradigm Shift



Note: The GMO commodity index is an index comprised of the following 33 commodities, equally weighted at initiation: aluminum, coal, coconut oil, coffee, copper, corn, cotton, diammonium phosphate, flaxseed, gold, iron ore, jute, lard, lead, natural gas, nickel, oil, palladium, palm oil, pepper, platinum, plywood, rubber, silver, sorghum, soybeans, sugar, tin, tobacco, uranium, wheat, wool, zinc.

Source: GMO As of 2/28/11

- Governments are bankrupt – both in developed and developing countries.
- The developing world is tired of being poor and behind and has given up on the “Washington Consensus”.
- Looking to “modernize” economies through an old, inequitable, and unsustainable development model.
- Investment is projected to be \$4.9 trillion (FAO 2009) in agriculture, \$38 trillion (OECD 2007) in infrastructure, and will extract 141 billion tons per year through mining by 2030 (UNEP 2011)
- Governments in developing countries are bulldozing their forests and displacing their people with hope to get jobs, infrastructure, service delivery, and tax revenue.
- There is a clear choice to make: either invest in rural people and let them choose, or hire the bulldozer.

“Host” governments are actively courting investors (buyer’s market), so deals heavily favor investors

- Preferential lease rates – land and water are “cheap”
- Tax breaks
- Promises that land is “unencumbered”
- Environmental and social impact deregulation
- Security promises

The perception of abundant “empty,” “under-used,” or “marginal” lands

- View **implicitly endorsed by the World Bank** and propagated by host governments
- Government “ownership” distorts market and actual (to communities) value of land

Negotiations often supported by embassies and provided guarantees through bilateral trade agreements

ILC (2012): 203 Mha worth of land deals “approved or under negotiation” from 2000-2010.

Oxfam (2011): 230 Mha sold or leased since 2001, most since 2008.

- World Bank - 60 Mha of deals announced in 2009 alone

Transfer of rights on a scale the size of Saudi Arabia, in one decade

- International community is starting to pay attention (Voluntary Guidelines)

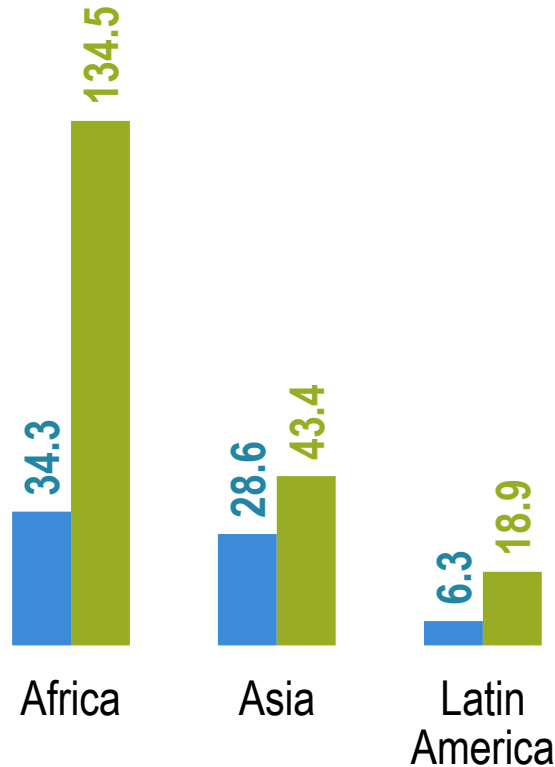
*The **majority of investments do not have a footprint** yet, but those that are on the ground show how dangerous this trend is.*





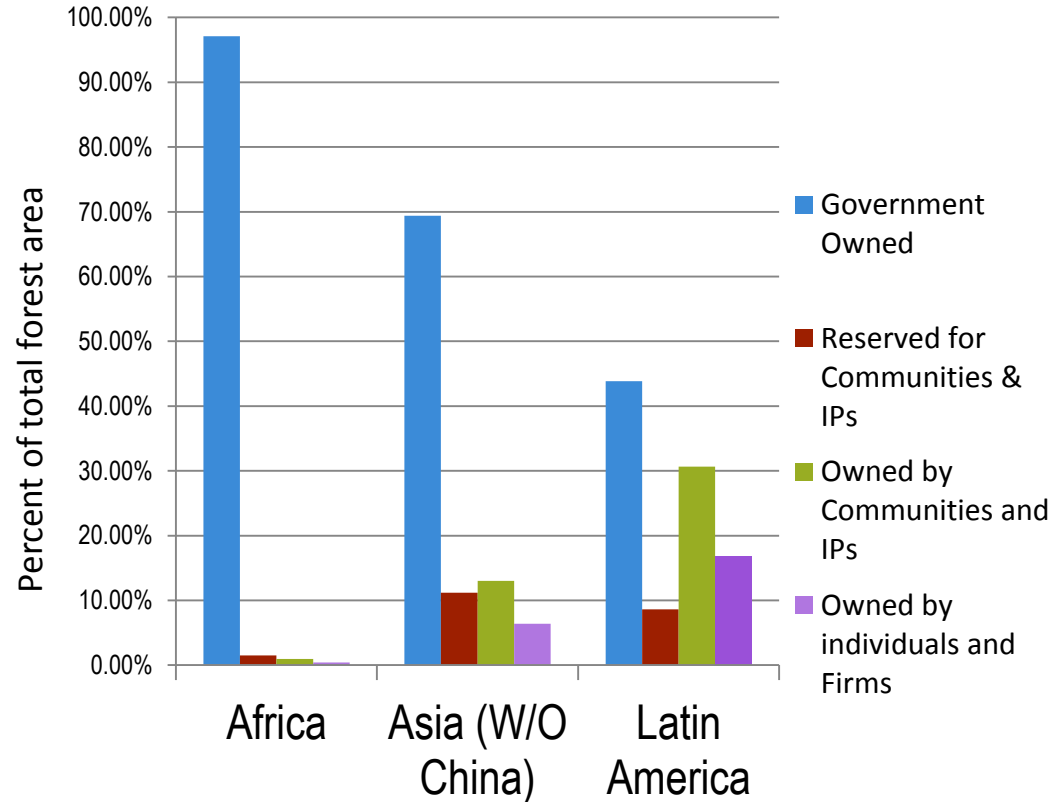
- 2009 - First shipment of rice from Ethiopia to Saudi Arabia
- Throughout the 2000s (and currently) , 4.5-5 million Ethiopians **annually are dependent on food aid** to make it through the year
  - *There is a direct correlation between access to land rights and levels of hunger (IFPRI 2012)*
- In Gambella Region, the epicentre of land grabs in the country, the government is implementing a process of “Villagization” to resettle up to 180,000 people (farmers, fisher folk, and pastoralists) off their lands
- In South Sudan, the **surface areas of entire provinces** have been promised to investors.
- These investments will have generational impacts (leases range from 25-99 years)

## Land Acquisitions Since 2000



■ Number of hectares (millions) cross-referenced  
 ■ Number of hectares (millions) reported

## Forest Tenure Distribution



**Sources:** Land Matrix, in the International Land Coalition's 2012 report "Land Rights and the Rush for Land: Findings of the Global Commercial Pressures on Land Research Project"

## **Failing to recognize customary rights & undermining existing rights leads to:**

**Destruction of local livelihoods and displacement of communities** -> Increased hunger, dispossession, and poverty in some of the world's most poor and marginalized communities

**Accelerated destruction of the world's remaining forest carbon stocks, erosion of soil fertility, decimation of biodiversity, and depletion of fresh water reserves**

**Increased conflict and competition for remaining land**

**Loss of state legitimacy and political conflict**  
(Madagascar – Daewoo)

**Increased “Fat-Tail” Risks for Investors**

	<b>Government Owned</b>	<b>Designated for Communities &amp; IPs</b>	<b>Owned by Communities and IPs</b>	<b>Owned by individuals and Firms</b>
India	52%	31.5 %	<b>2.4%</b>	14%
Asia (W/O China)	69.4%	11.2%	<b>13.0%</b>	6.4%
China	39.2%	0%	<b>60.8%</b>	0%
Indonesia	96.0%	1.1%	<b>0%</b>	2.9%
Cambodia	92.4%	7.65	<b>0%</b>	0%
Nepal	71%	29%	<b>0%</b>	0.03%
Viet Nam	71.6%	0%	<b>27.6%</b>	0.8%

Per cent of forest area under each form of tenure

	Allocated to or owned by communities: (millions of ha)	Confirmed as currently under or negotiation for concession since 2000:
Liberia:	1 Mha * (Owned)	5.8 Mha - At least 52.1% of national territory
Cambodia:	0.77 Mha (Reserved) 0% (Owned)	1.14 Mha – at least 6.3% of national territory
Indonesia:	1 Mha (Reserved) 0% (Owned)	7.5 Mha – at least 3.9 % of national territory
<b>India:</b>	21.55 Mha (Designated) <b>1.65 Mha (Owned)</b>	<b>4.6 Mha</b> – at least 1.5% of national territory.

Most land grabs are in countries with a hunger score ranked as “alarming” or “serious”. Including Cambodia, Sudan, Ethiopia, Indonesia, Laos, and Liberia. (IFPRI, 2012)

Of 100 identified LSLAs in India...

***95 are from Indian owned Investors***

The scale of Indian investments (domestic and abroad) has reached at least *6.3 million ha or 63,000 sq km* - an area almost twice the size of Kerala State (ILC, 2012)

At least 1.7 Mha abroad (Grain, 2011)

- Including: Indonesia, Cambodia, Lao PDR, Ethiopia, Sudan, Cameroon, Mozambique, Madagascar, Uganda, Rwanda, Malaysia, Kenya, Tanzania, Gabon, Uruguay, Paraguay, Brazil

- Karuturi Agro Products Plc.: 300,000 ha in Ethiopia
- Siva Group: 418,000 ha in Liberia
- Ruchi Soya Industries: 152,649 ha in Ethiopia
- KS Oils: 341,004 in Indonesia
- Olam International: 30,000 ha in Gabon; 16,000 ha in Uruguay and 17,000 ha in Argentina
- Varun International: 232,000 ha in Madagascar
- BHO Bio Products Plc: 27,000 ha in Ethiopia
- Aditya Birla Group: 52,207 in Lao PDR
- Mundra Port and Special Economic Zone LTD: 2,648 ha in India
- Adani Group: 1,081 ha in India
- Bharat Forge: 2,000 ha in India

**Government of India: 3,877,419 ha – mostly in India**

- Tenure reform: a legal process changing the rights in the bundle of rights to natural resources (land, trees, other)
- More secured and more comprehensive these rights → greater the opportunity to development
- Often long and contentious processes





## A Rights-Based Development Logic

December 13,  
2012

17

- Without a basis in rights, it is impossible to achieve significant access to resources and services.
- Establishing rights to livelihood opportunities and provisions – the only way to ensure that governments address it as policy priority and alter expenditure patterns to reflect this priority.
- Once a benefit stream established as a right – difficult to reverse; easier to defend.
- Benefits may be slower to appear and more modest – but more reliable and sustained.
- **Land grabs are the antithesis of this approach.** They erode the possibility for rights-based development.

# THANK YOU

[www.rightsandresources.org](http://www.rightsandresources.org)

@RightsResources