



The New Rush for Asia's Farmlands: Land Rights and Security for the Rural Poor



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The new land grabs are quite different. By definition, land grabs are large-scale transnational land sales or leases of unprecedented sizes. Before, when you talk about land grabs it was maybe a hundred hectares, a thousand hectares. Here in the new land grabs over the past 10 years, it has run to as much as hundreds of thousands of hectares.

The dynamic behind land grabs is that often an entity from a richer country is an investor and the poorer country is the host. Investors are domestic and transnational companies, governments and individuals.

According to an OXFAM study, over 80 million hectares worldwide are under these land deals (about two and two-thirds the size of the entire Philippines).

Lands have been taken mostly for agricultural production (78%) and for other purposes (22%). Most of the land grabs worldwide have happened in Africa. But in Asia, the verified number is about 29 million hectares. The land area of the Philippines is 30 million hectares, so it's almost the size of the Philippines that has been land grabbed in Asia since the year 2000.

Why is this a concern?

First, these are secret deals. Most of the land deals are done outside of the public's



knowledge and scrutiny, and there are no central bases or statistics. And this is why the World Bank and some other international agencies have tried a system of tracking this down, but it is very hard to track down.

Second, it intensifies competition for land and resources while many suffer from insecure tenure. And third, maybe for Asia, it assaults the very system of smallholder farming, from which Asia has depended for its food and food security and livelihoods.

So the new land deals are very different from the past. They are unprecedented in scale and pace; second the production is for repatriation rather than for commercial export; and the third it involves actual production, not joint ventures or contract farming.

It has long-term implications and impacts on the poor because land is given as lease for as much as 99 years. But the peculiar thing about land grabs in Asia is that most of the big investors are also from the Asian region, and therefore it will be significant when we talk about ASEAN integration in 2015.

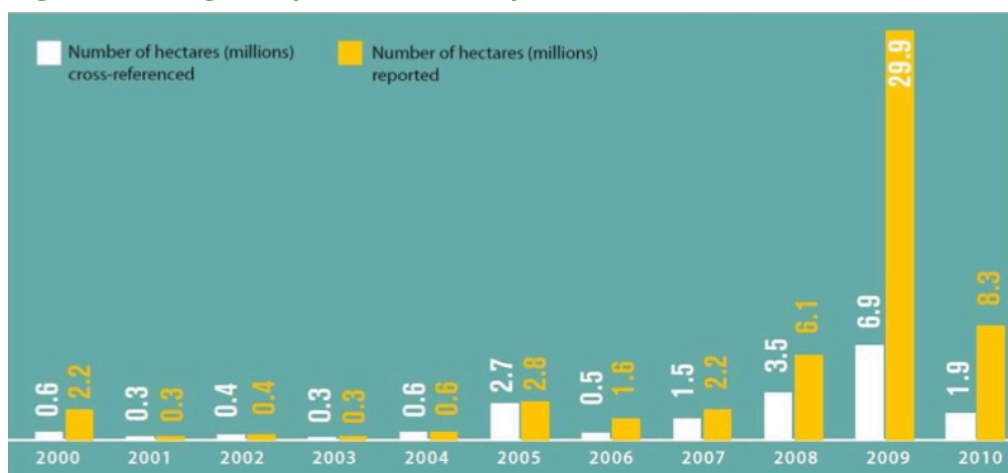
LAND GRABS are:

- ❑ large-scale, transnational land leases or sales
- ❑ secret deals outside of public scrutiny and knowledge
- ❑ promoting competition for land and resources
- ❑ assaulting smallholder farming and tenure security
- ❑ long-term leases for as much as 99 years

What is driving this new rush for land?

Identified are three drivers. The first is the food price crisis. From 2006 to 2008, prices rose worldwide because of many events: conflict, climate, and supplies. The net effect is that the food exporting nations withdrew their food exports from the world market and therefore the cash heavy countries and import

Figure 1: The global pace of land acquisitions



Source: <http://landmatrix.org/en>



DRIVERS of the NEW RUSH FOR LAND:

- 1 food price crisis
- 2 growing demand of the biofuel industry
- 3 conservation efforts that can displace communities
- 4 extractive industries (i.e. mining, logging, tourism)

dependent countries decided to produce their own food. So if you look into the global land acquisitions you will find that in 2009, land acquisition reached its peak because of the food crisis that started in 2006.

The second area is the growing demand of the biofuel industry. And it's due to two related drivers. The first is market pressure: rising oil prices, increasing energy consumption, rising conflicts in the Middle East, and the industrial growth of China and East Asia. It is also driven by energy policies, like the EU targets as a policy of sourcing 10% of all transport fuels from renewable fuels by year 2020 as well as the US Energy Independence Act. So your sugarcane is now used to produce fuel, and so with other crops.

Biofuel production has been growing in the region. The common crops are: palm oil, sugarcane, maize, soybean and jathropa. And for many of these crops, the end use is determined only after it has been harvested and sold. And so this leads to actual displacement of potential food.

The production of biofuels also displaces small farmers because it is based on large-scale production.

The third is a threat, which is the Reducing Emissions from Deforestation and Forest Degradation (REDD) Program. Under the new REDD negotiations, each country is given a quota in terms of carbon sequestration. And you can buy that quota. So in effect it is an opportunity and a threat. It can reward communities for forest protection, but it can also displace forest dwellers.

The rights that may be affected by REDD are: first only those with tenure rights are paid, and yet many of the poor people have no tenure rights. Many of the lands under customary rights may be lost. And States are also likely to restrict local access to forests to meet carbon quotas.

The others are in mining, logging and tourism. Twenty-two percent of land acquisitions are in extractive industries, and a case from Mindanao is presented in this forum.

What is the push from investing countries? And what is the source of the new land acquisitions?

In Asia, the Arab Gulf States and the prosperous countries of East Asia have done the main acquisitions. So in China for example, the

conversion of land to industry, the shift to high-value crops, and the “going out” policy of 2004 is pushing the acquisition of lands from the investing countries.

In Arab Gulf States, they are looking for investment of surplus oil revenue and also establishing food production centers abroad.

Japan is heavily import-dependent with its food, agriculture is heavily subsidized, and even before World War II, had a long-time practice of creating food bases abroad. The estimates now are that Japanese corporations and individuals control 12 million hectares abroad.

Why are host countries interested?

First, they need to address declining public investments in agriculture and the dwindling of Official Development Assistance (ODA) worldwide. And then there are promises of financial investment, infrastructure, research, technology and employment.

A World Bank study of 2008 divided the world into three agricultural sectors: agriculture-based countries, transforming countries and urbanized countries (see Table 1 on page 20). Asian countries are mostly under transforming countries moving from agricultural or rural to urban, and there has been a shift in public spending – from 14 percent in 1980 to only seven percent in 2004, which can even be lower by now.

So with that lack of investments in agriculture, governments are looking for corporations to provide that kind of investment.

From host countries, there’s a lot of different incentives. An example is the Pakistan Corporate Agricultural Farming policy of 2002 – 100 percent foreign equity investment, full remittance, no upper limit on landholdings, exemption from labor laws, etc.

In Cambodia, about 4 million hectares have been granted in Economic Land Concessions as of 2013. About half of these concessions are in plantations and the other half for extractive industries. The UN Special Rapporteur on the situation of Human Rights in Cambodia noted this down in its report in 2012.

In Indonesia, the State is the biggest landowner. It controls 120 million hectares or two-thirds of the country’s total land area. Over



Table 1: Decline in public spending in agriculture, 1980-2004

	Agriculture-based countries		Transforming Countries		Urbanized Countries	
	1980	2004	1980	2004	1980	2004
Public spending on agriculture as a share of total public spending (%)	6.9	4.0	14.3	7.0	8.1	2.7
Share of Agriculture in GDP (%)	28.8	28.9	24.4	15.6	14.4	10.2

Source: World Bank Development Report 2008, as cited in Ravanera, et al, Commercial Pressures on Land in Asia (2010)

the past three decades, the government has promoted intensive commercial use of State-owned forests as the main driver for economic growth.

In sharp contrast, only about a quarter of a million hectares were legally-recognized, community-administered forest areas.

What are the issues and impacts?

There has been large-scale displacement even when public, or so-called surplus unused lands are leased out. The reality in Asia is that there are no empty forests. Asia has a very high population density, in fact the highest population density in the world. In Indonesia for instance, 50 million or one-fourth of the Indonesian population live in designated forest areas without any tenure security.

The second is the reversion of land reforms. Land given is taken back.

The third is that the increasing land values keep people outside of the land market.

The reality is that the most fertile lands are leased out, despite the official rhetoric in many countries that only marginal lands are used. In many cases, some of these lands are held as communal lands of indigenous peoples.

The other thing is the question of water rights. In effect, when Middle East countries invest in a country like Pakistan, the ground

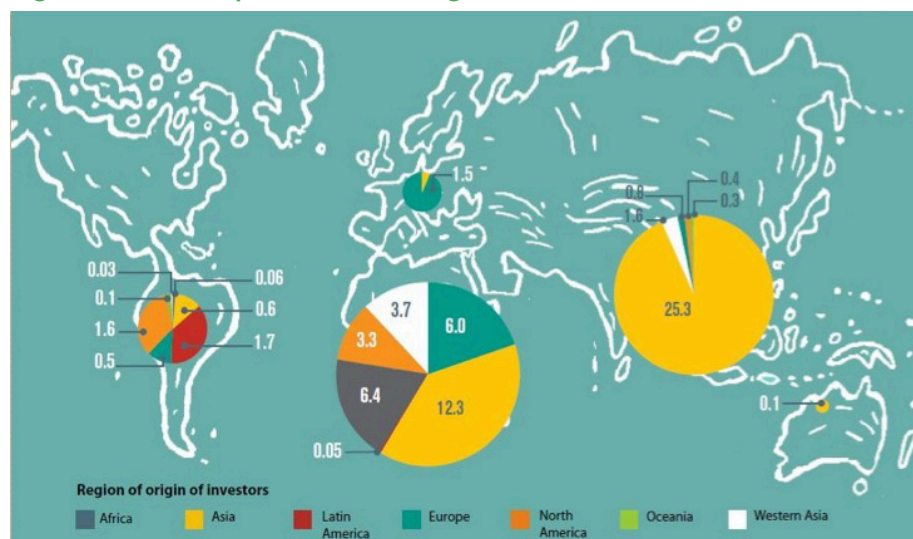
water is effectively locked up within the country’s agricultural belt. Hence, there is control over drawing rights.

For environmental impacts, it is unknown if proper environmental impact assessments (EIAs) are undertaken and if there is conversion of forest and pasture lands. Indonesia lost 1.9 million hectares from 2000 to 2005 based on the report of United Nations Food and Agriculture Organization (FAO).

There are impacts on the water systems, water shortages, and also pollution. There are overstated promises, limited job generations, the questions of actual investment, technology transfer, and no compensation for displaced communities. Women are the most affected, because the loss of customary tenure deprives women of home gardens, access to water, firewood and open spaces. And when there are increased tensions, women suffer increasing violence within the household.

There are transparency and governance issues. What does the host country have in terms of capacity to monitor investments and to implement regulations? Many of the deals are conducted in secrecy, without disclosure and public bidding, because sometimes they are treated as private investments even though foreign and host governments are involved, both as investors and as bridges for the transactions. There have been cases of one-sided contracts.

Figure 2: Land acquirers in each region



Source: <http://landmatrix.org/en>



“Commodifying land and water, plants and genes, and even clean air in the form of carbon emission quotas must feed the hunger of global capital. It is this commodification that fuels the rush for the world’s land.”

For example, if a venture folds up there is no compensation to the local community or those who were offered jobs.

Why is this happening?

As globalization demands more and more resources, land has emerged as a key source of conflict. We are reaching the frontiers and that is why the conflict now is not only over land, but also even over water territories.

Commodifying land and water, plants and genes, and even clean air in the form of carbon emission quotas must feed the hunger of global capital. It is this commodification that fuels the rush for the world’s land.

Host governments often entice foreign investments as a cure all for many economic ills. Yet global capital is a two-headed beast. In pursuit of profit, global capital will seek out enclaves where land, water and natural resources are abundant and cheap, labor is cheap and docile, taxes are low, environmental and social regulations are minimal, and the State protects corporate interests.

The World Bank also said this in its report in 2010:

“Investors are targeting countries with weak laws, buying arable land on the cheap, and failing to deliver promises on jobs and investments.”

We have four cases for the Tribunal, two from the Philippines, one from Indonesia and one from Cambodia, and it is good to compare the different countries. One of the noticeable things about the recent land grabs is that it has been focused on the public domain. In the Philippines, 54 percent of the land or 16 million hectares is so-called under the public domain and there has been conflict also with indigenous people and overlaps with ancestral domain.

In Indonesia, 120 million hectares or 66 percent of the country is so-called under that public domain and controlled by the government.

In Cambodia there’s no data available, but land grabbing could run to as much as 90 to 95 percent.




We are looking here into four failures of government. First is the failure in democratic governance: questions of transparency, accountability and popular empowerment that lead to popular capture.

Second, land governance that fails the rural poor: national legal systems that centralize control over lands with lack of legal recognition of land rights of local users. This is the so-called public domain management.

Third, is economic governance. Protection is given to investors that sideline the rural poor.

And fourth is the sidelining of smallholder production. We tend to undervalue the contribution of smallholder family farming. And by the way, 2014 is the Year of Family Farming (YFF).■

Table 2: Land & people: Philippines, Indonesia, Cambodia

	Philippines 	Indonesia 	Cambodia 
Terrain	7,100 islands	17,508 islands	---
Land area	30M hectares	181M hectares	18 M hectares
• Forest	26% (7.6M ha)	51% (93.7M ha)	57%
• Agricultural	40% (12.1M ha)	30% (54.5M ha)	22%
• Arable land	18% (5.4M ha)	13% (23.5M ha)	---
Public domain	16M hectares/ 54%	120M hectares/ 66%	No data available
Population	98 M people	237M people (2010)	14 M people
• Pop'n density	329 people/ square km	131 people/ square km	78 people/ square km
• Arable land	0.06 hectare/ person	1.0 hectare/ person	0.3 hectare/ person
• Rural pop'n	34% rural	49% rural	---

Source: FAO. http://faostat_fao.org/