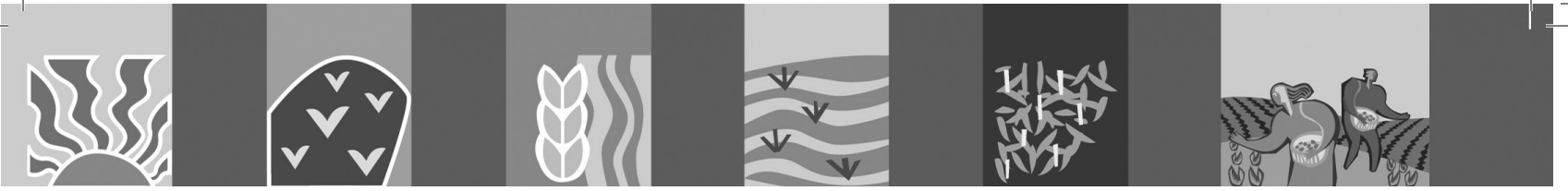




Land Grab: Changing the terrain of land tenure



What is Lok Niti?

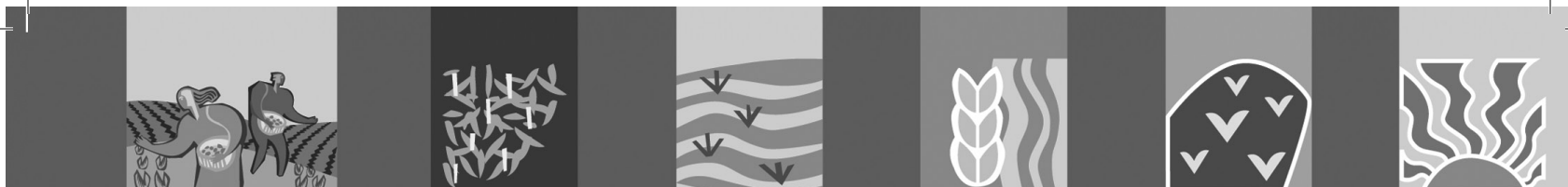
Lok Niti and Raj Niti are terms coined from the Sanskrit by Mahatma Gandhi. Lok Niti signifies people's politics—the people in command and direct governance by the sovereign people, as opposed to Raj Niti—the politics of the nation state or indirect rule by a centralized government leadership based on current “democratic” forms of party and representative political institutions.

This concept of Lok Niti was the political basis of Gandhi's socio-economic “Construction Programme”, which is now known in India as Sarvodaya.

An increasing number of us who are associated with the Asian NGO Coalition (ANGOC) feel that we have begun to find our bearings in the tangled terrain of “development” through commitment to the “gentle anarchism” of Mahatma Gandhi—a body of principles for both personal and social transformation through work in support of decentralized, village community oriented, rural development, guided by the ideals of satyagraha and non-violence and harmonization with both nature and tradition.

Lok Niti is the journal of the Asian NGO Coalition.

— Chandra de Fonseka ✎
former Lok Niti editor-in-chief



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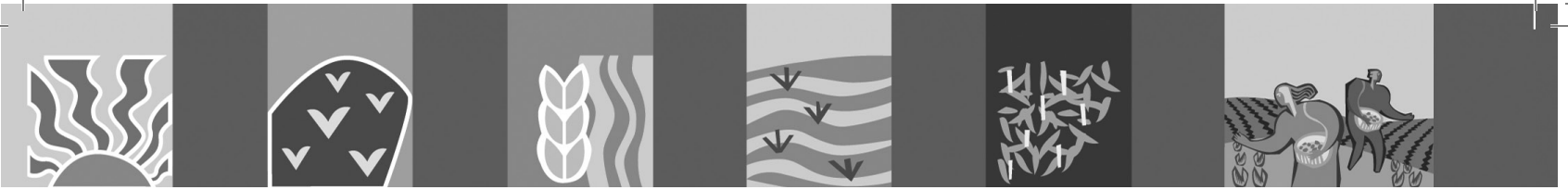
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EDITORIAL

As members of the CSO community, we are defined by our empathy for the oppressed. Our hearts carry this sentiment and inspires our sensibilities. The case studies from different Asian countries, presented in this publication, confirm that our cause is more seriously challenged now than ever, and our work is continuing.

Now, the number of smallholders languishing in poverty and hunger has increased – from 700 million a decade ago to 1 billion. Indigenous peoples have been driven out of their ancestral homelands and have joined the ranks of indigents in countries like Bangladesh, Indonesia, Nepal, Cambodia and the Philippines.

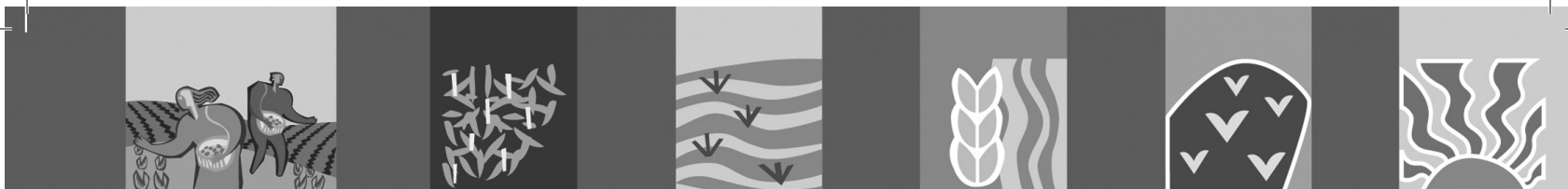
In Bangladesh, small fisherfolk had lost their source of livelihood and have taken to ekeing a living as delivery boys and construction workers. Women and children who had lost their farms have been driven to beg and work as domestic helpers. Elephants and

the Spirits have been displaced because we have cut our forests and mined our rocks.

Our indignation with what is happening can not be overstated. We blame the commercialization or corporatization of agriculture for the increasing poverty and displacement of our people. Land is supposed to provide for our people's basic needs. Instead, it is "Ambushed by Greed" for profit, to go by the very apt title of a Nepal case study included in this volume. Various other case studies here confirm this exploitative tendency as well.

The Chittagong Hills of Bangladesh have been turned into rubber and tobacco plantations. The Indonesian forests have been cleared for palm oil production. Special Economic Zones have been created out of the ancestral lands of the Agtas in the Philippines. Farmlands have been turned into housing subdivisions for the rich people of Nepal. The sacred and holy places of our ancestors have been





converted into tourists spots. Millions of hectares of land have been turned into profit belts, though not by producing food. Capitalism's new uses for land thus deprive people of their main source of livelihood and the foundation of their culture.

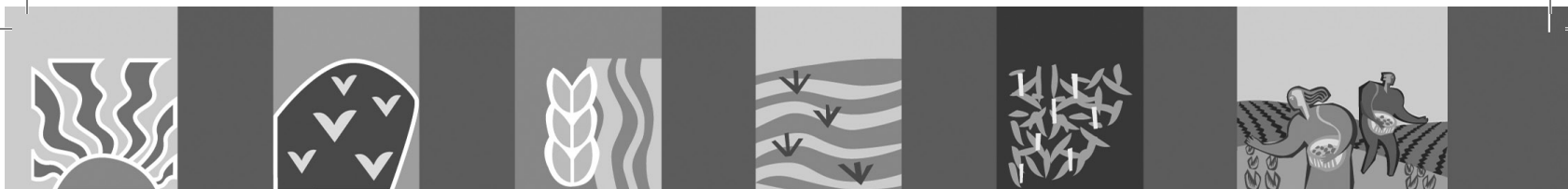
The cases presented also examined the processes of wanton grabbing of large tracts of land. What would unequivocally call land grabbing has been stilted through very legal and legitimate appellations – Special Economic Zones, Food and Barn Energy Project, Projects under the Framework Agreement on Comprehensive Cooperation between the People's Republic of China and the Association of Southeast Asian Nations, Joint Venture Corporations, and the like. These lands have been grabbed with impunity, mostly in cahoots with legal frameworks. Briefly, land grabbing has proceeded legally, extra-legally, or when all else fail, illegally.

Our governments enacted laws that coddled large corporations. These laws assured ease of corporate entry and return of their investments (ROI) at the expense of the people. In Indonesia, it is easy to get a company application approved, be eligible for bank loans and have the right to exploit the forest. In Nepal, the government imposed the privileges of companies with the use of military power. Corruption in the government and the officials in charge of land transactions facilitate land acquisition despite people's protests. Worse, in some cases local leaders are played to cheat their own constituency, farmers are made to compete with other farmers or indigenous groups, and the poor are made to fight with their own class, instead of against the elite class that causes their misery.

Superficially, positive and negative effects of this new form of invasion of our sovereignty could be interpreted, depending on spin. Our governments flaunt campaign banners touting hopeful slogans such as "The hungry feed the world"; "Small landholders surrender their lands to plantations to make land more productive"; and even as unapologetically as "The poor sacrifice for the rest of humanity". Overshadowed are profound backlashes to the very vulnerable sectors of our society. Further sugarcoating exists in the form of enacted agrarian or forest protection laws, which are seldom or very slowly implemented. There are promises made but are always broken.

We have seen the very tragic impacts of this state of affairs from the case studies. Poor farmers in India have committed suicide because of the loss of their lands. We simply cannot allow this to happen. Such is our resolve. We have identified the enemy and we understand the process. We now plan what we can do to arrest insidious land acquisition processes that cause untold misery to society's most vulnerable sectors.

The stakes are very high. If we are not moved to action now, we could be overtaken by events. The corporatization of agriculture outpaced our CSO participatory organizing processes; of the use of sustainable agriculture for making land productive for the next generations to come; of building a market where the poor can exchange goods and services; of preserving their way of life and their culture. The corporations, catalyzed by help from the governments, moved in so speedily that we have woken up to realize that the forests, farms and gardens have disappeared.



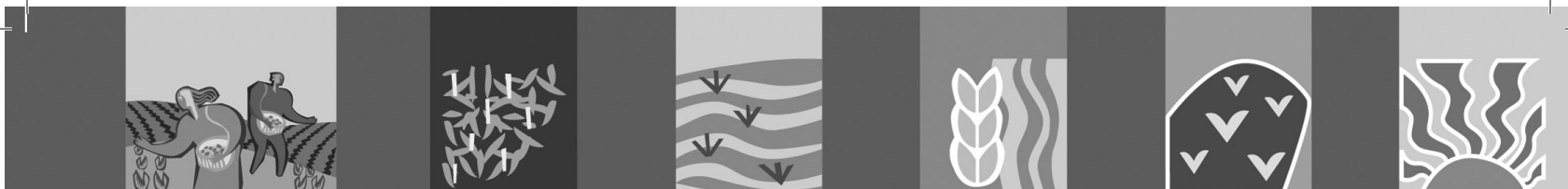
The indigenous peoples will lose their simple ways of life that preserve the forests and nature. Smallholder farmers without their farms will become “armers”. The children will grow up detached from real possession of land, or merely in a virtual world where the only farm they could tend would be the internet game “Farmville”. Indigenous cosmology is also upset: the wrath of displaced spirits, according to the beliefs of the indigenous peoples, could cause flooding and earthquakes. The indigenous psyche, so closely allied with nature is disturbed and given to violence. Instability reigns because of the disenfranchisement of the majority who would have everything to lose and no future.

From the struggles of our colleagues, we also learned that all is not lost and that the situation could be remedied. In Nepal, community-owned forests can be turned from degraded gray to lush green. In Bangladesh, NGOs accompanied the displaced people by organizing them in demanding for their rights, as well as facilitating for them basic services for housing, health, education, livelihood and credit. Mass action and social movements in India and Bangladesh have reversed decisions and programs of government that are deleterious to the people. Collaborating with the media, the CSOs and the people can counterbalance the three-way power of market-government-military. There are efforts of the FAO to formulate the Voluntary Guidelines on Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security, and as the Yale University studies show, there are openings for engagements with international financial institutions to consider the side of the poor in their financing of agricultural investments.

We are CSOs and we take this situation seriously. Some of us have spent 15 to 20 years of our lives dedicated to uplifting the conditions of our brothers and sisters who are deprived of their basic rights to know and to say no. These case studies provided enlightenment on the commercialization of agriculture and how it has become a global phenomenon. As CSOs, the light that guides us is not the light reflected from academic research but from the fire that is kindled by the indignation and rage every time another case of injustice is presented to us.

It is ironic that there are more CSOs now, and yet poverty and hunger are graver. We are confronted by an enemy that is powerful. But we are on the side of close to a billion people. That alone reminds us of the scale of our cause and the smallness of the enemy, in number and in principle.

Adapted from the Summary of Ms. Rachel Polestico during the regional workshop on “Public-Private Partnerships for Land Investment” organized by the Asian NGO Coalition (ANGOC) and International Land Coalition (ILC), with the cooperation of the Food and Agriculture Organization Regional Office for Asia and the Pacific (FAO-RAP) last 06-07 June 2011 in Bangkok, Thailand. Ms. Polestico is the Associate Director of South East Asia Rural Social Leadership Institute (SEARSOLIN) and an ANGOC Board Member.



The rush for Asia's farmland: Its impact on land rights and security of the rural poor

Antonio B. Quizon

A new competition for farmland

In recent years, wealthy food-importing countries and private investors have begun acquiring farmlands overseas for the large-scale production of food, biofuel, livestock, and other products. About one million hectares of land in Cambodia were acquired between 1988 and 2006, including both agriculture and forestry projects, and more than 415,000 hectares acquired in two provinces of Lao PDR (Cotula, 2011). In Asia, these land acquisitions have been led by rich neighboring countries, particularly capital-rich Arab Gulf States and the prosperous countries of East Asia. By one estimate, China, South Korea, the United Arab Emirates, Japan and Saudi Arabia controlled over 7.6 million cultivable hectares overseas by the end of 2008 (Kugelman).

While there are no central databases or detailed statistics to gauge exactly how big the problem is, a World Bank report last year found land demand "enormous" and identified large-scale farmland deals covering 56 million hectares in less than a year. African countries top the list, although the areas covered in Asia are significant and continue to rise.

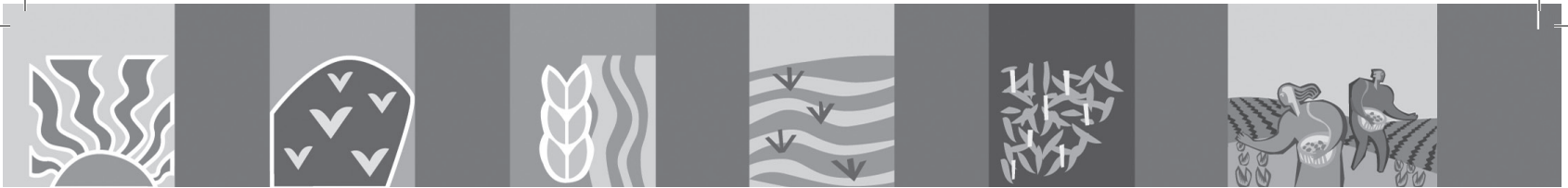
The drivers – why the *new rush* for land?

Farmland acquisition has been driven by rising world food prices that started in the 1990s and peaked in 2006-2008. Top food-exporting nations withdrew their food exports from the world market to protect their own consumers and to prevent unrest at home, thus exacerbating the food insecurity of food-

This reflection paper by ANGOC Chairperson Antonio B. Quizon is based on a regional workshop held on 6-7 June 2011 in Bangkok, Thailand to examine the theme of "Public-Private Partnerships for Land Investments". This meeting brought together CSO and community representatives working on land rights from 10 countries – Bangladesh, Cambodia, China, India, Indonesia, Nepal, Pakistan, Philippines, Sri Lanka and Thailand – as well as representatives of academic institutions and the Food and Agriculture Organization (FAO). It had three objectives:

- *Examine the facilitating and constraining factors on the entry of agricultural investments in the community;*
- *Analyze current and potential impacts of these investments on the land tenure/ and land rights of farmers and indigenous peoples; and*
- *Recommend appropriate actions to address critical issues and negative impacts of such investments.*

The workshop was organized by the Asian NGO Coalition (ANGOC) and the International Land Coalition (ILC), with the cooperation of FAO-RAP.



importing nations. Thus, wealthy import-dependent countries decided to acquire farmlands overseas to produce directly their own food needs, and to avoid the risks associated with dependence on world markets for food supply. The rise in agricultural commodity prices has also shifted the distribution of risks and profits in the food chain, boosting the potential profits to be made from agricultural production (Cotula, 2011). Today, negotiations for land overseas continue, even while global food prices have moderated. This is an indication that some wealthy food importers are no longer counting on global trade.

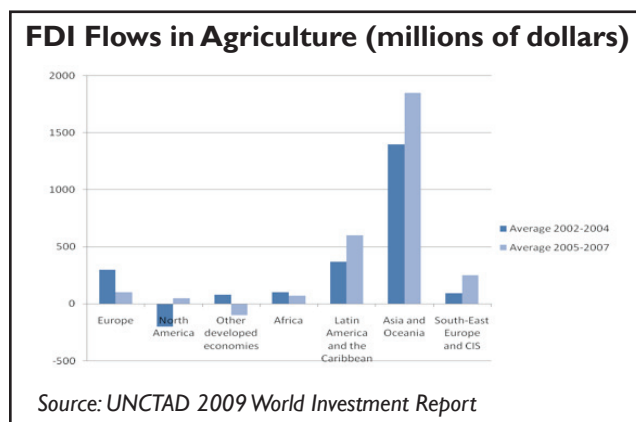
The second driver comes from the growth of the biofuel industry, which became competitive due to the sudden rise in global oil prices and Western governments' support for renewable fuels. Contributing to rising oil prices are increasing world energy consumption, rising conflicts in the Middle East, and China's rapid industrial growth.

One factor driving global investment in biofuels is the European Union policy target of sourcing 10% of all transport fuels from renewable fuels by year 2020. About 80-90% of this target is likely to be met by biofuels. (Cotula, 2011) One irony is that while policymakers in the EU push for cleaner fuel and lower greenhouse emissions, their palm oil imports (i.e., from Malaysia, Indonesia) actually destroy rainforests, threaten biodiversity, and cause

the conversion of peatlands, which creates carbon emissions. (Bello, 2010). Also, in 2007 the US passed the Energy Independence and Security Act, which seeks to reduce the country's dependence on oil imports through mandatory use of renewable energy sources.

Biofuels production has grown from one million hectares in 2001 to 25 million hectares in 2008 (FAO, 2008). The common crops involved are palm oil, sugarcane, maize, soy and *jatropha*. With huge potential profits, the industry is expected to more than double between 2007 and 2017. This affects agricultural production with the shift of land use from food to biofuel crops.¹ The production of biofuel is capital-intensive and has economies of scale, thus favoring the creation of large farms. FAO states that global biofuel production based on agricultural commodities increased more than three-fold from 2000 to 2008.

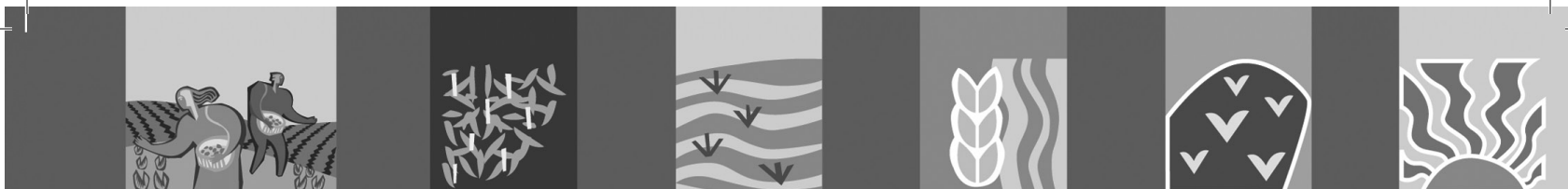
Palm oil is one of the major crops. Although 70% of global palm oil production ends up in food, the biofuels industry is growing rapidly. In 2008, Indonesia overtook Malaysia as the world's top palm oil producer – mainly for export to Europe, China, India and the EU.² Although Indonesia already has 6 million hectares of oil palm plantations, it has plans for expansion by another 4 million hectares by 2015 dedicated to biofuel production alone.³



¹ It is difficult to disaggregate the impact increased demands for food and biofuel on land use. This is because: (i) various crops such as maize, sugarcane and soy can be used for either food or biofuel; and (ii) the end use of these crops are often undetermined until they have been harvested and sold. (RRI, 2009)

² Together, Indonesia and Malaysia produce 87% of world's palm oil supply.

³ The Indonesian government has reportedly given concessions to 600 companies for 9.4 million hectares of land for palm oil companies, mostly from Malaysia, Singapore and the Middle East. From the report of Iwan Nurdin, KPA, 22 June 2011.



The push from investing countries

China's emergence and growth: The "Going Out" policy

China has 20% of the world's population but only 8% of the world's arable land. With a total land surface of 960 million hectares, only about 20% is cultivable, and nearly 90% of the population lives in one-sixth of the total land area. Yet China has managed to maintain self-sufficiency in grains, it has been a net food exporter for over 30 years. In recent years, China has been moving out of land-intensive crops such as food, feed grains and sugar towards the export of high-value horticultural, livestock and aquaculture products (FAO, 2008). Thus, China has begun investing in agricultural lands overseas to ensure its food supply, as well as to seize new investment opportunities. After joining the WTO in 2001, and under its "Going Out" policy of 2004, China began investing in food and energy production in more than 30 African and Asian countries (including Burma, Philippines, Laos and Kazakhstan).⁴

With accelerating urbanization and industrialization since the 1980s, agriculture has taken a decreasing share in GNP,⁵ but its role as the base and pillar of China's national economy has not changed. China has managed to meet the demands of its 1.3 billion people for grain and other food products, while also providing raw materials, labor, and a large consumer market for industries and other sectors (CANGO, 2010).

As China has increasingly utilized its lands for industrial development, it has begun investing in agricultural lands overseas to ensure its food supply.

⁴ China's trade with Africa grew from USD 2 billion in 1999, to over 107 billion in 2008. (Huggins, 2011)

⁵ In China, the share of agriculture to GDP dropped from 28.2% in 1978 to 11.3% in 2008. And whereas agriculture employed 70.5% of the labor force in 1978, this figure dropped to 39.6% in 2008.

"Farmland acquisition has been driven by rising world food prices that started in the 1990s and peaked in 2006-2008."

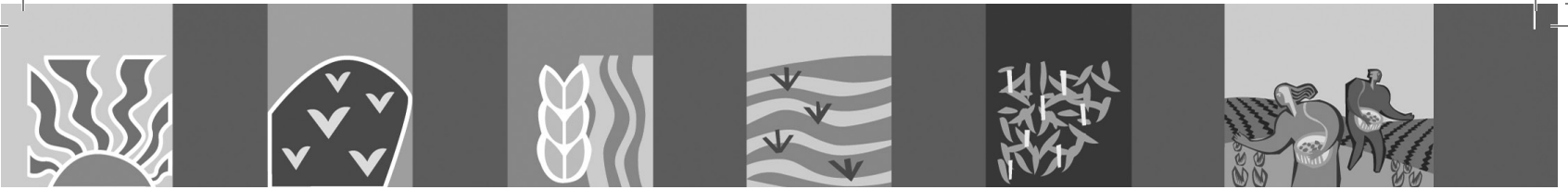
Under the "Going Out" policy, these investments take several forms: (i) agricultural product technical investment, (ii) agricultural product cooperation; and (iii) agricultural foreign aid and direct investment. In Asia, these include corn and soybean planting bases in the Philippines and Central Asia; resource bases for grain, rubber and tropical fruit in Southeast Asia; and agricultural technological demo centers in Philippines, Malaysia, Cambodia and Indonesia. Special financing facilities have been established by China's state banks to support overseas agricultural investments and enterprises.

In 2002, the China-ASEAN Agreement on Comprehensive Economic Cooperation was signed, providing for a reduction of tariffs from the previous 30% to *zero*, for all traded agricultural products – including grains, vegetables and tubers, fruits and nuts. Also, the China-ASEAN Trade in Goods Agreement was signed in 2004, which reduced tariffs on 7,000 items and products.

Chinese companies are reportedly leasing or buying up land, setting up large farms, and flying in farmers, scientists and extension workers, and work on crop production. Most of China's offshore farming is dedicated to rice, soybean, and maize, along with biofuel crops like sugarcane, cassava or sorghum.

Japan: Ensuring food security at home

Given Japan's rugged topography, less than 15% of the country's land is arable. It is heavily dependent on food exports, and domestic agriculture is heavily protected and subsidized. The agriculture sector



has been diminishing, and now accounts for only 2% of GDP and 5% of the workforce. Thus there have been efforts by private corporations to secure farmlands abroad.

The practice of overseas farming is not new to Japan. Prior to World War II, Japan had previously established food production bases in some of its occupied territories (Taiwan, Korea and Shandong and Manchuria in China).

At present, the farmland owned by Japan overseas is three times greater than domestic farmland. For example, in 2007 Mitsui purchased 100,000 hectares of farmland in Brazil for growing soybeans. The farmland owned by Mitsui amounts to 2% of Japan's domestic arable farmland.

Japanese firms already own 12 million hectares of farmland abroad for the production of food and fodder crops, some of these in China where in 2006, the firms Asahi, Itochu and Sumitomo began leasing hundreds of hectares of farmland for organic food production for the Chinese and Korean markets.

Middle East: The search for water and farmland

Similarly, Gulf nations have begun investing their mass oil reserves in other Arab countries, Pakistan, and in Southeast Asia. This is driven also by policy incentives for land acquisition overseas, such as

Saudi Arabia's "King Abdullah Initiative for Saudi Agricultural Investment Abroad" that supports agricultural investments abroad by Saudi companies, for promoting food security (Cotula, 2011).

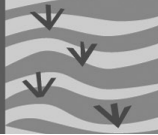
What makes the new *land rush* different

The current wave of land investments has two new features: *one*, they are much larger in *scale*, and *two*, they are spearheaded by more *government-led investment* than in the past. Also, while foreign investors are typically large, wealthy transnational firms or rich governments, host countries are poor or sometimes embroiled in political and agrarian conflicts – thus raising questions about the terms and impacts of such acquisitions.

Indeed, this new wave differs from past foreign investments: it seeks *resources* (land, water) rather than commodities and markets; it seeks production for *repatriation* rather than for commercial export; and it involves *actual production* rather than joint ventures or contract farming.

The "lure" of host countries

Meanwhile, host governments have welcomed the new investments as a means to offset declining public investments in agriculture. FAO cites that additional investments of \$83 billion are needed annually for developing countries to meet their food needs by 2050. But with dwindling ODA (overseas development assistance) and national budget deficits, many cash-strapped governments have to rely increasingly on the "private sector" or foreign direct investments (FDIs). In most of South and Southeast Asia, agriculture's share in public spending declined from 14% in 1980, to just 7% in 2004. Similarly, ODA to agriculture significantly declined by as much as 83% in South and Central Asia between 1980 to 2002, according to a 2004 DFID report (Ravanera, 2010).



In most Asian countries, agriculture accounted for 40% of GDP in 1970, but by 2008, this figure was less than 14%.⁶

Many new deals contain promises of financial investment, infrastructure, access to research and technology, and employment, but there remains little evidence of these being fulfilled. The Malaysian and Indonesian governments have long been supporting the expansion of crude palm oil for the biodiesel industry with tax holidays, subsidies, state company investment, and domestic agrofuel targets.

Also, the economic development agendas set by most of the national governments in Asia are often biased for medium- and large-scale agriculture – favoring land concessions, plantations, joint-venture agreements, and the creation of special economic zones (SEZs).

Given that most Asian countries limit foreign ownership of land, leasing has been the most common form of land investment in Asia. This is done two ways: *one*, Asian governments entrust ownership of large tracts of public land to special state agencies, which in turn lease them to foreign corporations, and *two*, foreign entities enter into a joint venture or partnership with a domestic corporation or landowner, which then “fronts” as the lessee.

Indonesia: Expanding plantations into “adat” lands

Indonesia is a classic case where the government has promoted intensive commercial use of state-owned forests as a main driver for economic growth. The state is the biggest landowner, controlling some 120 million hectares or 62% of the country’s total land

⁶ Point of interest: In comparison, governments in the African region spend just 5% of their national budgets on the agriculture sector, despite agriculture being the dominant industry in the region. (Kugelman, 2010)

“Given that most Asian countries limit foreign ownership of land, leasing has been the most common form of land investment in Asia.”

area. Over the years, large-scale land concessions have been given to private corporations, as a means to increase state revenues through taxes. As of 2004, this included concessions for logging (27.8M ha.) and plantation estates (5.4M hectares). (Bachriadi & Sardjono 2005)

Following the 2008 global food and energy crisis, there has been a marked increase in land concessions. One such expansion project is the Merauke Integrated Food and Energy (MIFEE) Project located in Merauke Regency, Papua Province. Launched by the Indonesian central government and the Merauke district government in 2010, this giant mega-project will clear one million hectares of tropical forest to be managed for various investments – rice farming, oil palm plantations, timber-cutting, soybean and corn production, fisheries, and cattle-raising – and will displace the Papuan indigenous people from their *adat* (customary) lands. Several big tribal clans in Merauke to be affected include the *Marind*, *Reinan*, *Kanum*, *Marori Menggei*, *Kimaam (Kimahkina)*, *Maklew*, *Marind Bian*, *Tumid*, *Yelmek* and *Marind Boasi* tribes. These tribes have depended on their forests for many generations, and they stand to lose their ancestral lands, livelihoods and the material basis for their indigenous ways of life.

In Indonesian history, it should be noted that Dutch colonial policy had left much of the “outer islands” outside Java under *adat* (customary) land tenure. Yet today, *adat* communities like the people of Merauke remain unsure of their status and their tenure over forests, as forests are often covered by

overlapping claims and legal confusion, complicated by over 2,000 pieces of legislation, regulations and norms concerning land. These have made an impact on the way the different layers of government and communities manage forest resources and clarify rights (Contreras-Hermosilla and Fay, 2005).

In the case of MIFEE, the structure of *adat* landholdings was changed, and community rights over 1.2 million hectares was transferred to the control of the state, through a state-led process of so-called “spatial planning.” This project was launched without the “free, prior and informed consent” of the local communities. Instead, selected representatives were asked to sign documents to release lands without understanding the size of the lands involved, nor the concession maps. The company then made payments to certain local people, thereby triggering local conflict and tribal war. (Sawit Watch and SKP, 2011) As explained by some sectors, the MIFEE is a case where “capital facilitated by the State finds a new frontier to put surplus land and labor to work, and then starts a new circuit of capital accumulation.”⁷

Pakistan: Corporate agriculture farming

In Pakistan, a Corporate Agriculture Farming Policy (CAF) was instituted by the military government in 2002. The policy offers state lands to foreign corporations (100% foreign equity), along with an attractive foreign investment package. The policy grants a 50-year lease on government-owned lands to foreign companies, extendable for another 49 years, with no caps on the amount of investments and ceilings on landholdings. It also allows 100% full remittance of all produce and earnings, exemption from local labor laws, and various duty and tax exemptions (see Box).

The CAF should have come under heavy public

⁷ Notes for the drafting of a position paper on the MIFEE project, prepared by Sawit Watch.

scrutiny and debate in a country where agriculture accounts for 48% of employment, while a large majority of farmers remains poor and landless. Yet this has not happened, largely because much of the land deals have been sealed in utmost secrecy and outside of public scrutiny. It was media that sparked controversy when it unearthed reports about huge land sales/leases that were closed clandestinely, involving foreign parties.

In September 2009, the government announced that 8 million hectares of fertile, cultivable lands were available in four provinces for corporate farming. In addition, there was a huge quantity of “barren lands” that can be used for crop production and livestock.

The government claims that the CAF will boost investment, incomes and jobs in agriculture; improve productivity through the latest production technology; produce high-quality agricultural products; and make the country more competitive in agricultural production. Government says that new investments are needed, since banks are reluctant to lend to farmers under impressions of backwardness and uncertainty in the agriculture sector. Private banks earmark less than 4% of their lending for agriculture, which employs half of the labor force and constitutes 25% of GDP.

Those interested in acquiring land in Pakistan come mostly from Middle East countries where cultivable land and irrigation water are in short supply. The United Arab Emirates (UAE), which imports 85% of its food, purchased 324,000 hectares of farmland in Punjab and Sindh provinces in June 2008.⁸

Pakistan has also been a favorite holiday destination of Gulf countries. Hunting caravans of royal VIPs often come at winter time, as migrating populations of birds descend into Pakistan from the cold regions

⁸ As reported in Financial Times, 11 May 2008. (SCOPE, 2010)

Some Incentives under the Corporate Agriculture Farming (CAF) Policy

- 100% foreign equity investment
- Full remittance (100%) of capital, profits and dividends
- No upper ceiling on landholding
- Purchase or lease of land for 50 years through open auction, extendable for 49 years
- Exemption from existing labor laws
- 0% customs duty and sales tax under SRO 575(1)/2006 of 5th June 2006
- Exemption of duty on land transfer of land for CAF
- Dividends not subject to tax

of Central Asia.⁹ Many Arab rulers have built their palaces and agro-estates in Pakistan. With an interest in Pakistan's real estate, it is thus understandable why Arab leaders have made Pakistan their choice for land investments.

There are other natural links between Pakistan and Arab countries. Pakistan is a predominantly Muslim country with historical, religious, cultural, political and economic ties with the Arab world. Millions of Pakistani laborers work in the Middle East. Arab countries meanwhile are major donors and investors in Pakistan, and the money that Arab rulers bring into the country wields a heavy influence among the Pakistan's military and elite class.

It should be noted that members of the Pakistan military have significant landholdings throughout the country, and their presence on the land is also seen to provide needed protection for foreign corporate investments. Since the 1950s, the military has acquired millions of acres of land for distribution

⁹ Among these birds is the Houbara Bustard, a large migratory endangered bird which is used as prey in falconry, a traditional hunting sport among Arabs.

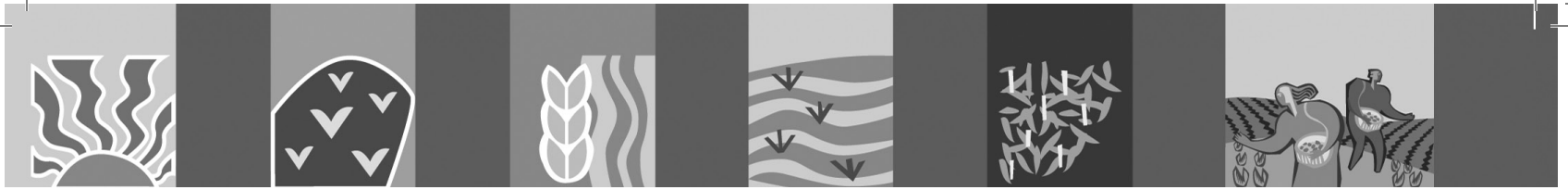
to serving and retired armed forces personnel. This practice of granting agricultural land as a military reward seems to be a tradition inherited from the British colonial period. According to one estimate, military personnel control about 12 million acres (4.9M hectares), constituting about 12% of state land. About 7 million acres (2.8M hectares) of these are agricultural lands and located mostly in the fertile provinces of Punjab and Sindh (Siddiqi).

Philippines: Sidelining agrarian reform

In the Philippines, the most notorious example of a large international land deal is the Philippine-China Agreements of 2007¹⁰ which included: the lease of one million hectares of land for the production of hybrid corn, hybrid rice and sorghum; 40,000 hectares for sugarcane and cassava (biofuels) production; projects related to fisheries production, and others. The deals included a promised infusion of \$3.84 billion in commercial loans. However, the Philippine government was forced to suspend the Agreement following massive public outrage, inquiries by Congress, and a court case filed with the Supreme Court that questioned the constitutionality of such agreements (ARNow!, 2010).

The 1987 Philippine Constitution prohibits foreign ownership of land. It also stipulates that lands of the public domain may only be leased by, or sold to Filipino citizens or to corporations with majority Philippine ownership. There are limits placed on the lease of public lands – i.e., a maximum of 1,000 hectares for 25 years. Meanwhile, the existing Comprehensive Agrarian Reform Program (CARP) imposes a ceiling of 5 hectares on private agricultural landholdings.

¹⁰ The Republic of the Philippines (RP)-China Agreements, signed in January 2007, covers a bundle of 31 agreements, of which 18 are agri-business agreements. Among these is the "Construction of Agricultural Technology Transfer Center and Grain Production and Processing Base in the Philippines" (for hybrid corn, hybrid rice and sorghum farming) which involved the leasing of one million hectares. (ARNow, 2010)



“If land acquisition proceeds unabated, then the gains of land reforms will be reversed, along with efforts to redistribute land ownership in the country (Philippines).”

Today, agribusiness joint ventures continue mainly between local private corporations and foreign governments or corporations from Middle East countries (Oman, Qatar, Saudi Arabia), China and Brunei. But because they are seen as *private* transactions, and often negotiated directly with local governments, many of these deals escape government and public scrutiny. They are neither disclosed nor monitored publicly, even if such deals are supported through various government bodies.

In the Philippines, foreign land acquisitions have been promoted by a relatively *unknown* government corporation, the Philippine Agricultural Development and Commercial Corporation (PADCC) that operates within the Department of Agriculture. It also identifies lands for prospective agribusiness investors.

Often, foreign land deals involve agrarian reform farmer-beneficiaries who are lured into leasing out their newly-awarded lands in exchange for cash and offers of employment. In the town of Biliran, Quezon Province, a foreign corporation has offered to lease lands from poor farmers at \$105 per hectare per year for 10 years, for *jatropha* production. The farmers were promised full up-front payment of \$1,050 for 10 years.

The stories are all too familiar. Many poor farmers would be tempted to lease out their lands for such

offers of large cash. Farmers would lose control of their land for 10 years, spend all the money in less than a year, and then end up heavily indebted. Driven deeper into penury, poor farmers will then be forced to give up their lands in distress sales.

In other cases, foreign corporations take leases from large private landholdings that are due for redistribution to poor farmers under the ongoing Comprehensive Agrarian Reform Program (CARP). Local governments often broker such deals, claiming them as a poverty alleviation measure. It should be noted that CARP is due to redistribute some 1.3 million hectares, most of them large private landholdings, in 2010-2013.

If land acquisition proceeds unabated, then the gains of land reforms will be reversed, along with efforts to redistribute land ownership in the country.

The impact and issues

The new land acquisitions have been labeled the “new colonialism” and the “international land grab”. They raise many questions: What are the real benefits that host countries get, and which sectors actually benefit? Why should host countries cede large tracts of productive land to foreigners while the former themselves have growing populations that are chronically short on food supplies and dependent on imports? Does not the scheme compete for the same lands as those of local farmers and producers? Faced with burgeoning debts and poor economic conditions, economic planners often resort to quick-fix solutions to bring in fresh investments that could compromise long-term food security.

One major concern has been the large-scale displacement of small farmers and settlers from their lands, even when government officials claim that so called “public”, “surplus” or “unused” lands such as



forests and pastures are leased to foreign ventures. There have been numerous written accounts of small landowners being pressured and intimidated into involuntarily leasing their lands. The intense competition for land can lead to conflict and abuses of human rights by the forces that seek to gain entry into private and public lands. Social conflicts also arise within and among communities especially when companies make payments and bribes to some local leaders and representatives.

Most heavily affected are indigenous peoples who have been neglected by decades of land reforms and whose land rights are again violated by the new land deals. They include the Chaks people in the Chittagong Hill Tracts in Bangladesh, the Papuan tribes at Merauke in Irian Jaya, Indonesia, and traditional pastoralist communities in Cholistan, Punjab in Pakistan – to name just a few. In Sindh Province, Pakistan, local people have protested against the restrictions placed on their centuries-old livestock grazing rights, after a Canadian energy company reportedly acquired 81,000 hectares (200,000 acres) in Tharkapar District for *jatropha* cultivation.¹¹

Moreover, it is said that the new land deals will increase the concentration of land ownership and access, thus reversing the gains of agrarian reforms. Greater land competition also increases land values, thereby leaving the rural poor outside of land markets.

In Pakistan, in an attempt to lure investors, officials tried to amend the 1977 Land Reforms Act that fixed a land ceiling of 40 hectares for individual ownership. This attempt was later aborted for fear of a public outcry and political backlash.

¹¹ As reported in Daily Times, 7 July 2010. (SCOPE 2010)

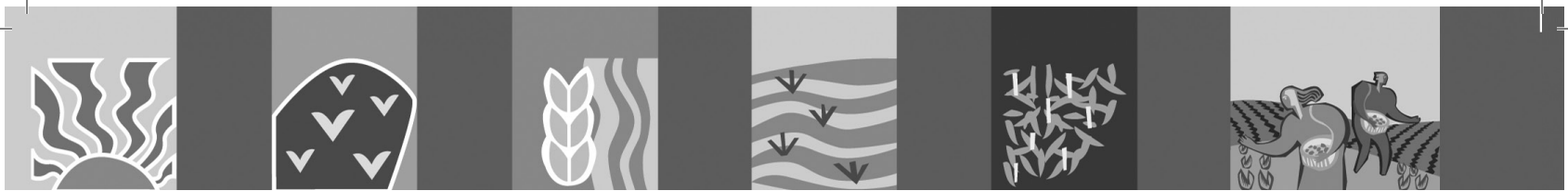


Civil society and peasant groups in Pakistan have spoken firmly against the Corporate Agriculture Farming (CAF) law, saying that this counteracts land reforms, and effectively legalizes large-scale land acquisitions by foreigners on easy terms. They say that state lands should instead be distributed among landless farmers rather than to foreigners who will repatriate production and profit, keeping the rural poor in a state of food insecurity.

Meanwhile, to what extent does the host country really benefit – through capital inflows, technology transfers, and more employment? To what extent do these new investments support existing smallholder systems? Local communities are not likely to benefit if land deals result in the creation of “production enclaves” that operate in isolation from indigenous, smallholder systems.

Foreign partnerships are often forged with large landowners and local corporations. Critics say that landless and small farmers are unlikely to secure jobs in the new agriculture system. For plantation workers, wages are low, labor rights are curtailed, and many end up as indentured workers due to large debts incurred.

Moreover, there are environmental and social implications as forests are converted to monoculture plantations. Indonesia and Malaysia are the world’s



largest palm oil producers, accounting for 87% of total global production and more than 90% share in the world market. In Indonesia, 6.5 million hectares of land is dedicated to oil palm plantations; by 2025, it is projected that oil palm plantations will require 16.5 to 26 million hectares of land in Indonesia alone.

Large-scale plantations deliver little direct benefit to local communities, as people are unable to get fodder for their livestock. The engagement of large areas also causes problems for grazing animals. Water shortages also occur as a result of forest clearance, the building of canal networks, water runoffs and evaporation, and the closing of small streams. In oil palm plantations, there have been complaints of water pollution associated with mills, and chemical residues from heavy pesticide and fertilizer use.

In the case of Pakistan, some sectors claim that “the real issue is water, not just land”, as the foreign buyers of Pakistan’s farmland come mainly from Middle East countries where water is scarce. With the land, exploitation of water within and in the environs follows, as water has no price and investors can take it over for free. Thus, farmland sales also essentially “lock-up” scarce water resources within the country’s agricultural belts.

Questions have been raised about the capacity of host governments to monitor investments and to implement regulations. Moreover, many of the deals are conducted in secrecy – without information disclosure and public bidding – because they are treated as *private* transactions (even though foreign governments are involved as investors). With little prior information or consultation, local communities are unaware until the moment they are evicted or land clearing operations begin. Absence of transparency in the new land deals also creates opportunities for corruption. There have been cases of one-sided contracts,

such as when long-term lease agreements exempt investors from any meaningful liability in case the venture prematurely folds up. Land converted from smallholder production to plantation agriculture will not likely be repossessed by its original users, and farming skills may be lost within a single generation.

Some of the companies reportedly have very poor social policies, with flagrant disregard for communal forest rights or the rule of law.

Case studies confirm many land investments feature weak governance and a failure to recognize, protect, or properly compensate local communities’ land rights. The rural poor usually suffer most when land they have relied on for food and for their livelihood for generations is taken away, while they remain insufficiently compensated.

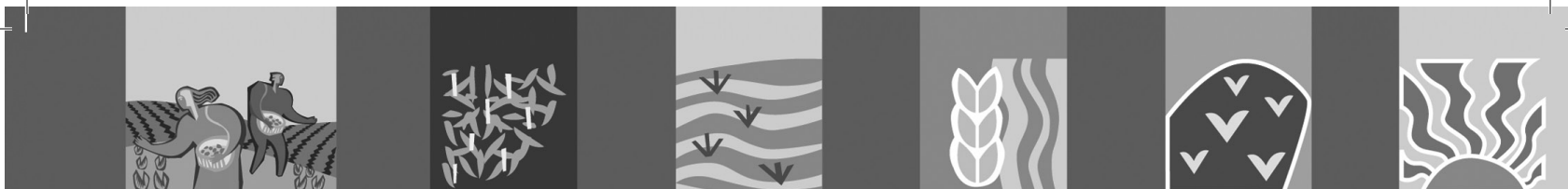
International calls and demands

The international community has issued calls for an international monitoring of investments, an international code of conduct, and voluntary guidelines for host governments. However, these responses have been criticized as weak, as they are non-binding and non-enforceable.

Key questions for foreign land acquisitions must focus on the following: current land use, land tenure arrangements, proposed land use and livelihood, food security in the host country, ecological conditions, transparency, terms of agreement, and enforceability of agreements.

FAO voluntary guidelines

An international code of conduct should highlight the importance of transparency, stakeholder involvement, and sustainability. Concerns for domestic food security and rural development should also be emphasized therein. In this regard,



the Food and Agricultural Organization (FAO) is finalizing a set of guidelines for the private sector, governments and civil society to help improve land tenure governance and encourage transparency in deals.

Six years in the making, the *Voluntary Guidelines on Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security* has been prepared to alleviate increasing pressure on land and natural resources “as new areas are cultivated, occupied by urban extension and abandoned because of degradation, climate change and violent conflicts.”

FAO says that responsible governance of land could help reduce hunger and poverty and support social and economic development, while weak governance “discourages social stability, investment, widespread economic growth, and sustainable use of the environment.”

According to FAO, increased land competition underlines a need for effective institutions laying out clear rules, improved coordination, conflict prevention and protection for legally-weaker groups.

But FAO warns that the guidelines are neither a reaction to “land grabs”, nor are they adequate defense against large-scale land purchases. Being voluntary, they will neither establish legally binding obligations nor replace existing national or international laws, treaties or agreements. The objective is to guide national policy and national legislation in many countries.

Land as more than a commodity

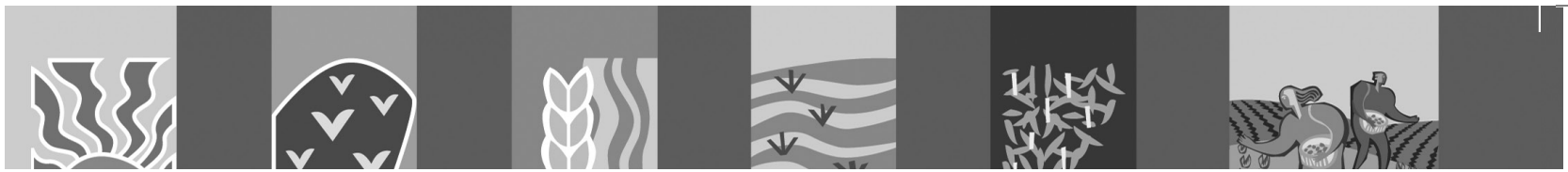
As globalization demands more and more resources, land has emerged as a key source of conflict. Driven by growing consumerism and speculative financing, land is taken not just for agricultural and biofuel

“The international community has issued calls for an international monitoring of investments, an international code of conduct, and voluntary guidelines for host governments. However, these responses have been criticized as weak, as they are non-binding and non-enforceable.”

production, but also for mining and industry, and for the construction towns and highways. The hunger of global capital must be fed by commodifying everything - land and water, plants and genes, and even “clean air” in the form of “carbon emission quotas”. This commodification of land fuels the rush for the world’s farmlands.

On the other hand, Asian governments entice foreign investments, touting them as a cure for their countries’ economic ills. Yet, global capital is a two-headed beast. In pursuit of profit, global capital will invariably seek out those 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 its (corporate) interests.

In this context, it is imperative for citizens to exact transparency and accountability from their government, ensuring the state regulation of foreign investments. The effect should be maximum benefits for the citizens – people’s needs and rights prioritized and protected. Governments must develop clear policies on foreign land investment that engage the “overriding interests of the country” – from food security to environmental sustainability of land and natural resources.



Two-thirds of the world's poor are rural, and most are engaged in farming. Land ownership and governance naturally become, in equal measure, a matter of food security, livelihood, dignity and human rights, access to needed resources, and sense of community. Among the rural poor, land is more than just an economic commodity.

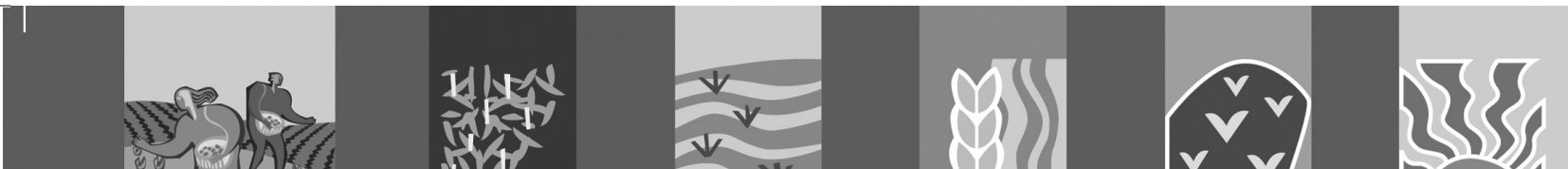
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Land investments: A stakeholder analysis

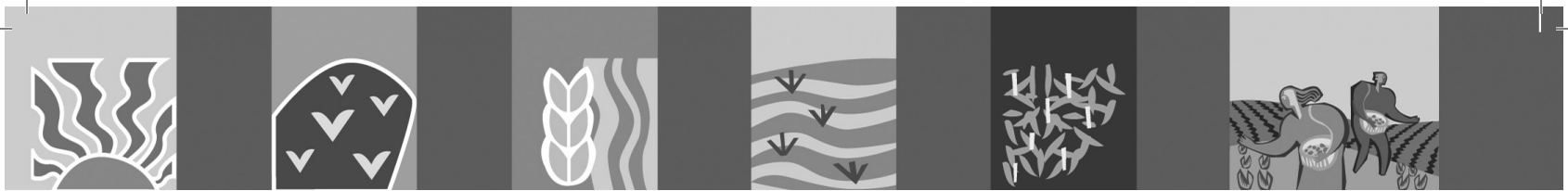
Maricel A. Tolentino and Nathaniel Don E. Marquez

The phenomenon of increasing land investments in the region has brought about greater competition for agricultural and other public lands. In many cases, these agricultural investments tend to ignore land occupants as stakeholders. As such, they are not included in deals contracted, nor are they consulted on the type of agricultural production and technologies to adopt. These transactions come in various modalities: government to government,

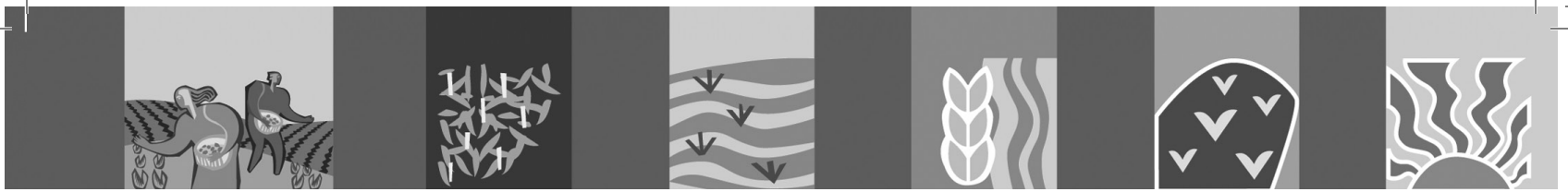
private companies to government, private companies to private companies.

It is important to understand how these transactions are consummated and how the various stakeholders are involved in these complex processes of land investments. ANGOC prepared the following stakeholder analysis tool to guide campaigns on land grabbing:

STAKEHOLDERS	INTEREST/ROLES	POWER/INFLUENCE	ISSUES
Smallholder communities (small farmers, indigenous peoples, forest communities, women, etc.)	<ul style="list-style-type: none"> Land Access/Tenure Food security; productivity 	<ul style="list-style-type: none"> Can organize mass activities and influence other small, affected groups and support groups to join their lobby. Free Prior Informed Consent (FPIC) must be secured from indigenous communities for activities affecting their domain. 	<ul style="list-style-type: none"> Not completely informed nor consulted about land deals Usually they do not know where and how to lodge their disapproval of the proposed deal.
Investors (Companies or other Governments)	<ul style="list-style-type: none"> Profit-making Food production for export High-value crops production, including feedstock (plantations) Biofuels production (sugar, jatropha, etc.) Mining Logging Aquaculture Special Economic Zones 	<ul style="list-style-type: none"> Can influence local officials, local leaders to convince community members to support these new deals Can resort to harassment of communities Can offer extra benefits and services to convince the local leaders and community 	<ul style="list-style-type: none"> Usually, no displacement program or compensation for affected communities Doubtful consultation of affected communities Deals are long term
Social movements & CSOs	<ul style="list-style-type: none"> Ensure social justice for the rural and landless poor Monitor and check implementation of asset reform policies and programs Provide lobbying support to affected communities 	<ul style="list-style-type: none"> Can help provide communities with technical knowledge and information Can mobilize public support to monitor or challenge erroneous land investments Help set strategies for campaigning on land deals 	<ul style="list-style-type: none"> Skills and knowledge enhancement needed to deal with land investment deals adequately



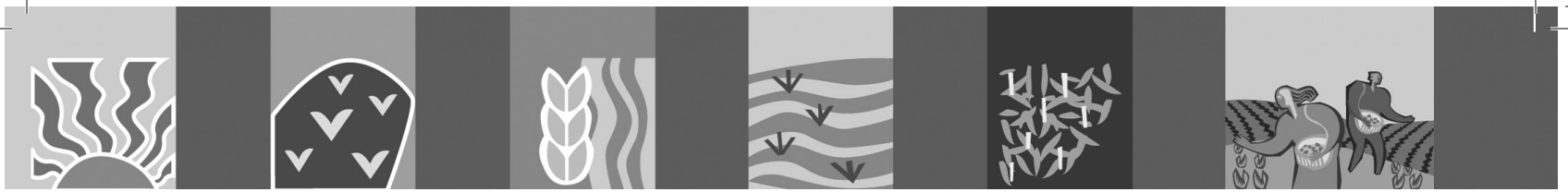
STAKEHOLDERS	INTEREST/ROLES	POWER/INFLUENCE	ISSUES
International Organizations			
<ul style="list-style-type: none"> Development Agencies (Donors, IGOs, UN) 	<ul style="list-style-type: none"> Monitoring effects on communities of land investments and rate of implementation of other social development commitments (like land reforms, respect of IP rights, right to food, etc.) 	<ul style="list-style-type: none"> Can provide platforms for various stakeholders to discuss land investments Can develop guidelines Can conduct research on impact of agricultural land deals on global food security 	<ul style="list-style-type: none"> Perspective on food security and land/ agrarian reforms Guidelines are not binding for governments to implement
<ul style="list-style-type: none"> International financial institutions, multilateral development banks 	<ul style="list-style-type: none"> Moving its loan portfolio related to environment/ NRM, agriculture, IPs, good governance Food security portfolio on inviting private investors to enter into Public-Private partnerships with producer communities 	<ul style="list-style-type: none"> Provides loans but often with structural conditionalities Loan programs can affect the development framework of a country 	<ul style="list-style-type: none"> Perspective on food security and land/ agrarian reforms
Host Governments			
<ul style="list-style-type: none"> President 	<ul style="list-style-type: none"> Approves the country's over-all development framework for a certain period. 	<ul style="list-style-type: none"> Can set the focus of the country's development agenda Can revoke contracts 	<ul style="list-style-type: none"> Stance on land/ agrarian reform Perspective on food security
<ul style="list-style-type: none"> Ministry of Land Reform, Agriculture, Environment, Natural Resources, Land Management 	<ul style="list-style-type: none"> Ensure provincial or national targets for land investments are met 	<ul style="list-style-type: none"> Usually, assists in identifying potential areas for land investments Can ascertain technical compliance with legal and environmental requirements Can act as brokers of investors and advice investors how to shortcut application processes 	<ul style="list-style-type: none"> Perspective on food security Lack of coordination among agencies
<ul style="list-style-type: none"> Ministry of Commerce and Industry, Trade; Board of Investments/ Development Councils 	<ul style="list-style-type: none"> Facilitates Free Trade Agreements and Bilateral Agreements 	<ul style="list-style-type: none"> Has the portfolios of interested investors Can recommend the areas for agricultural investments Can also limit the areas to be recommended in the name of food security or land reform 	<ul style="list-style-type: none"> Perspective on food security Land seen mostly as an economic commodity
<ul style="list-style-type: none"> Congress/Parliament 	<ul style="list-style-type: none"> Legislates policies that can facilitate FDI on land like FTAs, Bilateral agreements, SEZs, foreign land ownership, etc. 	<ul style="list-style-type: none"> Can approve or conduct review and reform of policies and programs targeted to increase land investments 	<ul style="list-style-type: none"> Mostly landowners Perspective on food security



STAKEHOLDERS	INTEREST/ROLES	POWER/INFLUENCE	ISSUES
<ul style="list-style-type: none"> Local Governments and Local Special Bodies & Boards 	<ul style="list-style-type: none"> Source of income (through permits and taxes) and livelihoods 	<ul style="list-style-type: none"> Applications for investments are lodged here Official permits are secured here Can facilitate setting-up of Special Economic Zones 	<ul style="list-style-type: none"> Prone to corruption Can railroad public consultations if desired

Social movements and CSOs need a new set of skills and knowledge to understand the legal agreements and implications of these on communities. On the other hand, most host country governments act like property agents in these land deals to attract investors, whereas they should ensure that the poor have access to and control of lands through agrarian and land reforms. Grievance and land conflict mechanisms should be in place where communities can register violations on their rights to land and fair resolution is reached.

Development agencies working at the regional level should look at how to engage national governments and communities in discussion of trade agreements on land investments, policies and issues by using regional governance institutions, international agencies and international financial institutions. Critical engagement with the corporate sector should be pursued, otherwise these corporations will go unregulated. Further capacity building for social movements and CSOs in relation to engaging the corporate sector are needed.



Promoting food security amid growing competition for land

China Association for NGO Cooperation (CANGO)

Current State of China's Agriculture

As of October 2006, the cultivated area in China (excluding Hong Kong, Macao and Taiwan) was 121,775,900 ha. In 2007, the cultivated area increased to 122,342,000 ha. This decreased by 17,420 ha in 2008, to 122,324,580 ha).

By the end of 2006, there were 200,160,000 agricultural manufacturers and business households and 395,000 agricultural business entities in China with a rural labor force of 531 million. There were

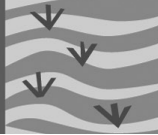
348.74 million agricultural employees as well as 2.07 million technicians engaged in agricultural technology and development. The outbound rural labor force stood at 131.81 million.

Imports and Exports

According to data from the Domestic Economic and Social Development Statistic Report released by the National Bureau of Statistics in 2009, China's annual grain output was 530.82 million tons, with an annual growth rate of 0.4%. Annual cotton output was 6.4 million tons, but this has been decreasing

Table I: Share of Agriculture in the National Economy

Year	Agro-added value to GDP	Labors in farming to national total employment	Off-farm rural labors to national total employment	Rural retail sales of consumer goods to the total	Agricultural imports to the total imports	Agricultural exports to the total exports
1978	28.2	70.5	5.4	67.6
1980	30.2	68.7	4.8	65.7
1985	28.4	62.4	13.5	56.5	12.1	24.5
1990	27.1	60.1	13.4	53.1	16.1	17.2
1995	20	52.2	18.7	40	9.3	9.4
2000	15.1	50	21	38.2	5	6.3
2001	14.4	50	21.6	37.4	4.9	6
2002	13.7	50	22.4	35.8	4.2	5.6
2003	12.8	49.1	23.8	35	4.6	4.7
2004	13.4	46.9	25.4	34.1	5	3.9
2005	12.2	44.8	26.9	32.8	4.3	3.6
2006	11.3	42.6	...	32.5	4.1	3.2
2007	11.3	40.8	...	32.3	4.3	3
2008	11.3	39.6	...	32	5.1	2.8



at a rate of 14.6 per annum. Sugar output was 122 million tons, with an annual decrease rate of 9.1%.

Tobacco output was 2.8 million tons, with an annual growth rate of 6.7%. Tea output was 1.35 million tons, with an annual growth rate of 7.1%. Annual meat output was 76.42 million tons, with an annual growth rate of 5%.

China's annual output of aquatic products was 51.2 million tons, up by 4.6% from the previous year. The country's annual wood output was 69.38 million cubic meters (25 million tons), but has been decreasing at an annual rate of 14.4%.

Agricultural Investment in Asian Countries

Agricultural investment in Asia by Chinese enterprises includes technical investment, product cooperation, foreign aid, and direct investment.

According to statistics, **China has established agricultural cooperation with more than 30 countries in five continents.** In the Philippines and Central Asian countries, Chinese investments boosted soybean and corn plantations. In Southeast Asia, Latin America and other regions, it helped develop grain, rubber, and tropical fruit. In the Philippines, Cambodia, Indonesia, Malaysia, and other countries, agricultural technological demonstration centers were established.

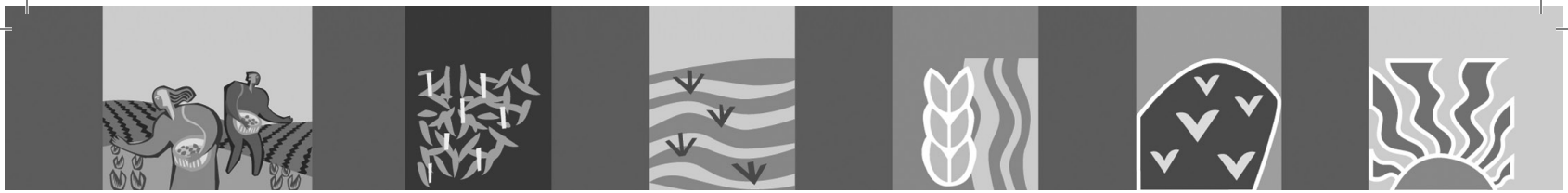
In addition, special financing policies are under establishment by The State Development Bank, Export-Import Bank of China, Bank of China, Agricultural Development Bank of China, and other financial institutions. The goal is to increase financing supply for enterprises with urgent demand to provide a complete range of financial services for overseas agricultural investment enterprises.

China's strategy for agricultural investment in other countries has four main features:

- 1. Diversified project investments:** State-run land reclamation, seed enterprises, and fishery companies play a leading and demonstrative role. Private-owned agricultural enterprises are also increasing their ventures.
- 2. Project areas are increasing:** In 2007, there were about 1,500 fishing boats with nearly 40,000 people engaged in fishery production overseas, operating in exclusive economic zones of 32 countries. A number of enterprises built development bases for grain, soy, natural rubber, palm oil, sisal and tapioca.
- 3. The field of project investment is diversifying:** China's "Going Out" investments cover food crops, economic crops, wildlife and plant protection, agricultural facilities, agricultural machinery, rural energy production, biological energy agriculture, and fishing.
- 4. The form of investment has diversified:** The "Going Out" strategy is now involved in land leasing and contract growing, purchase of fishing licenses, establishment of production and processing bases, agricultural resource development, processing, and trade. In recent years, China and some Asian countries signed a series of related agreements, which contribute to creating a favorable international environment for agricultural cooperation.

Current and Potential Impact

According to the 2009 World Investment Report published during the Trade Development Conference of the United Nations, the impact of agricultural investment for the host countries are reflected in capital formation, technology transfer, and entry into international markets. As in most Asian developing countries, farmers and agricultural



and rural areas are key issues that received much attention. The report analyzes further the current and potential impact of agricultural investment in Asia through the following perspectives:

Impact on farmers

The development of contract-based agriculture has helped farmers effectively enter the international market. The contracts enabled a large population of farmers to generate higher income from a wider market. They also gain access to credit, proprietary knowledge, and techniques from multinational companies.

Impact on agriculture

Foreign investment in agriculture promotes capital formation. In most Asian countries, there is more labor and land for agriculture, but not enough capital. Therefore, increasing agricultural capital investment would improve agricultural productivity and solve the problem of food scarcity, as well as provide employment for a surplus labor force.

Agricultural investment enhances the level of production and technology in the local agricultural department through a series of pilot projects, which could promote local economic development in the long term. Several trial projects aided by the Chinese government are the Agricultural Technology Center in the Philippines, the Boar Trial Center in Cambodia, Biogas Trial Center in Laos, Nursery-grown Plant Production in Burma, and Hybrid Rice Project in Indonesia.

In terms of agricultural modernization, multinational companies promote modernization and commercial development through investments in agriculture in developing countries. In some Asian countries, agricultural investment provided urgently needed technology, new models of production, and marketing ideas, and catalyzed the transition from traditional to modern agriculture.

“The development of contract-based agriculture has helped farmers effectively enter the international market.”

Impact on Rural Areas

Agricultural investment helps promote an outward orientation and “rural urbanization” in developing countries. The construction of agricultural bases in some Asian countries pushes the development of an orientation toward exports. Foreign investment leads to agricultural modernization with the transition from basic agriculture to commercialized agriculture.

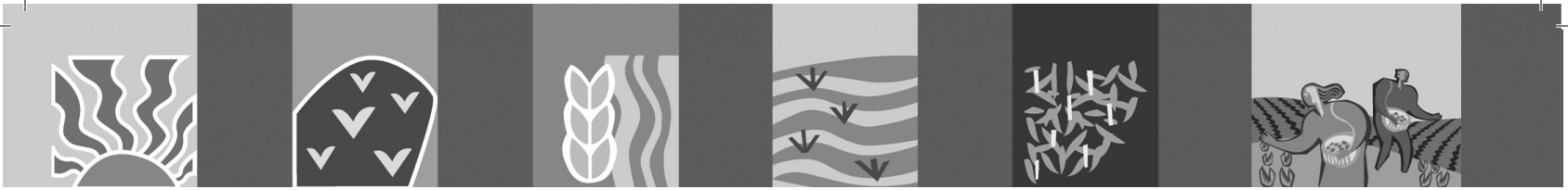
Current and Potential Challenges and Risks

Challenges and risks to farmers

Overseas agricultural investment may directly challenge local industries and lead to unemployment of the local farmers. Small-scale farming and decentralized operations could also be threatened by large-scale agricultural investments. Lack of experience and capacity on the part of farmers in commercialized, organized, and industrialized agriculture could be a general weakness, especially in the provision of standardized products and in problem-solving cases. Finally, the application of capital-intensive technology by large-scale foreign enterprises will directly push small farmers out of their lands and intensify rural unemployment.

Challenges to Agriculture

Foreign agricultural investment might cause challenges to the simple agricultural structure, food security, and agricultural status of host countries. Foreign investment will likely introduce more complex agricultural structures that override local traditional ones. Lack of evidence regarding agricultural investment’s contribution to higher food



“Although direct agricultural investment sometimes brings in new technology that considers the local environment, water resources and biodiversity are run aground by massive exploitation.”

security and improved production of major grains also casts agricultural investment in doubt, though it may improve agricultural production and efficiency. Monopolistic tendencies of strong multinational companies could curtail the agricultural self-reliance of the host countries. Direct investment of multinational enterprises may also wipe out competition from local enterprises unable to match the scale of productivity and efficiency.

Challenges to Rural Areas

Large-scale agricultural investment brings social and environmental challenges to rural areas. Although direct agricultural investment sometimes brings in new technology that considers the local environment, water resources and biodiversity are run aground by massive exploitation. Improper and harmful technology and agricultural models could also be introduced by some. Moreover, agricultural investment agencies own considerable farmland, a situation which invites social and political tensions. According to a report released by GRAIN in 2008, overseas farmland possession of Japanese Food Enterprises are thrice larger than the totality of Japan's domestic farmland.

Recently, a Gulf States Cooperation Committee formed by several grain importers such as Saudi Arabia and Bahrain, Kuwait, Oman, Qatar, the United Arab Emirates, Jordan, and other gulf states purchased farmland in Southeast Asia, East Asia and Europe.

GRAIN also reports that Chinese companies are leasing or buying land, setting up large farms, and flying in farmers, scientists, and extension workers into host countries.

Recommendations

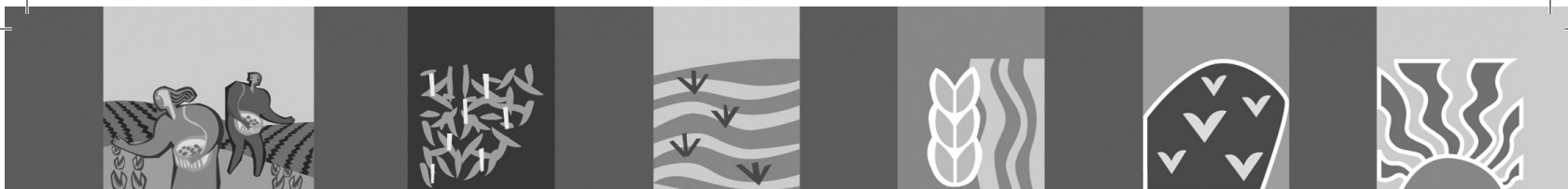
The impact of agricultural investments on food security and relevant agricultural and food value chains is increasingly complex. This trend is likely to continue. Although the present scale of China's agricultural investment is yet to expand, and potential impact and challenges are not yet evident, basic agriculture is already positioned for growth, penetration and impact with the increase in investments. However, despite the challenges, the potential of agricultural development in Asian countries could not be underestimated. The political, economic, and social effects of these investments, nevertheless, should invite more awareness.

Increasing opportunities for agricultural cooperation, promoting the level of cooperation

Take measures to reduce further tariffs on agricultural products, open up markets to each other in order to have more favorable trade. Governments should lead the promotion of cooperation, the creation of a favorable political environment and conditions for promoting agricultural investment and trade, improvement of the mutual exchange of technicians, and the continuous enhancement of agricultural development, while jointly creating a common region of agriculture.

Promoting agricultural investment with monitoring and supervision

Chinese investors are more interested in direct investment in economical crops or contract farming. In this case, China and other Asian countries should strengthen the controls, reasonably plan and guide the direction of foreign investment, and set up



“Local and international CSO in both countries should intervene in supervising the effectiveness of agricultural investment from Chinese enterprises in other Asian countries.”

provisions to avoid negatively impacting national food security.

The agricultural technology of investment companies should adapt to the conditions of host countries. They could sell products to local farmers to ensure a fair share of local input procurement, and promote the establishment and enhancement of local long-term sustainable production capacity. Meanwhile, through the process of investment contract performance, they should closely monitor and assess the overall impact of their activities on local social and environmental development. Before the end of an investment contract, local governments should critically evaluate the project's impact.

Establish a risk prevention mechanism

Government departments should strengthen the monitoring of industries, trade, and financial structure to minimize risks. Relevant government departments should extend financial or policy support to affected industries, regions, and farmers. At the same time, relevant departments should strengthen the cooperation and communication with host countries in the areas of commodity inspection and quarantine, economic security, and risk prevention mechanisms to solve external market challenges. Furthermore, they should also support the leading enterprises and trade associations, which have been established on the basis of voluntary mutual support and specialized cooperative economic organizations.

Enlarge the scope of agricultural technical cooperation in order to develop the technical advantage of both sides

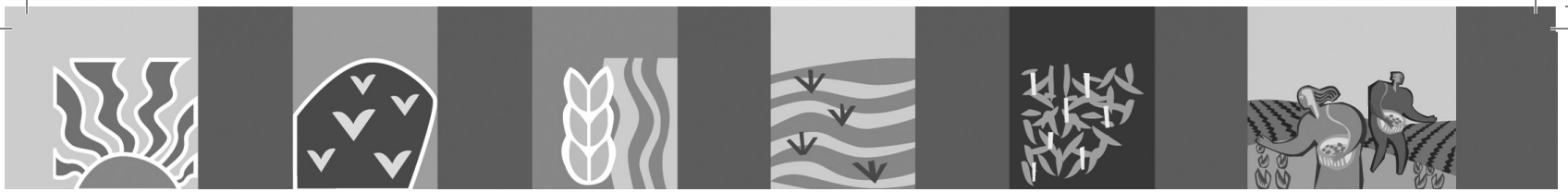
Cooperation in agricultural research with ASEAN countries should be strengthened by establishing a number of scientific research bases for improving the quality of agricultural products. Expanding pilot and demonstration projects should continuously push bilateral technological exchanges forward.

Support cooperation between enterprises

Enterprises are necessary for agricultural products to enter the markets. They are also vehicles for farmers to participate in organized competition. Enterprises should be given incentive for self-adjustment and participation in fruitful compromises or win-win situations. Chinese enterprises should be called upon to consult the Ministry of Commerce, the local Chinese Embassies and other relevant bodies, with initiatives to assess and reduce the potential risks run by imminent investments. The familiar “Dispute Settlement Mechanism” signed with ASEAN in November 2004 should be used to protect the interests of farmers and other stakeholders.

Role of Civil Society Organizations

Besides the relevant stakeholder participation and support of governments, local and international civil society organizations (CSOs) would need to be involved and dedicated consistently in this field. Local and international CSO in both countries should intervene in supervising the effectiveness of agricultural investment from Chinese enterprises in other Asian countries. CSOs can contribute advocacy for the vulnerable groups, through partnerships with the media and the elevation of their voice and cause to the government. CSOs should also learn to work constructively with enterprises, especially small-scale enterprises, in helping to promote and understand corporate social responsibility (CSR).



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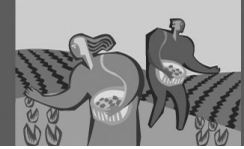
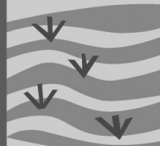
Current Situation, Issues and Solution of Chinese Agricultural Going Out

Government does not encourage Overseas Agricultural Investment
<http://www.moneytimes.com.cn/news/article.php?id=10751>
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Ambushed by greed: Land Grabbing threatens indigenous communities in the Chittagong Hill Tracts

Society for Environment and Human Development (SEHD)

Cha Kra Aung, 60, stands on land that had been in his possession until 2008. He shows exactly where his home once stood. He points to a patch of land beside the stream where he used to grow vegetables. Now, all of it is covered with green tobacco leaves.



Along with his wife, son and four daughters, Aung lived in the remote forest village of Longodujhiri (Khal) Chak Para until 2008. Now, outsiders, mostly Bengalis, have taken control of the land and are growing tobacco for the British American Tobacco Company (BATC). The entire village is now a plantation, devoid of human inhabitants.

Longodujhiri (Khal) Chak Para is located in Baishari Union, Naikhongchhari Upazila, Bandarban Hill District. Baishari, a remote area, is one of four unions in Naikhongchhari Upazila with Chak inhabitants. The Chak is one of the small indigenous

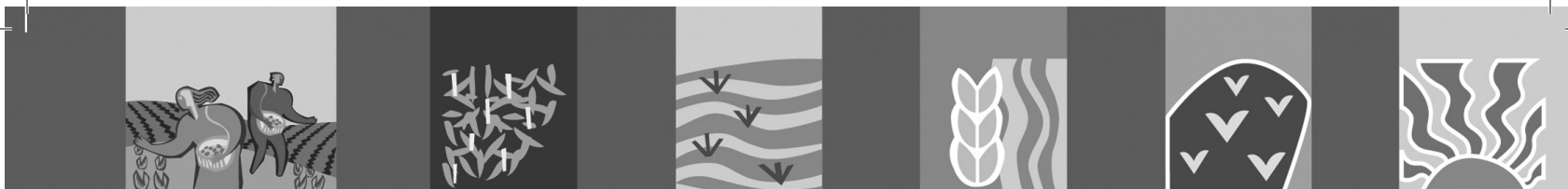
communities in the Chittagong Hill Tracts (CHT). The community has a population of around 3,000, all living within Naikhongchhari Upazila. There are another four to five thousand of them in Myanmar. Longodujhiri (Khal) Chak Para was one of seven Chak villages in Baishari Union. Now the village has disappeared from the list.

“For decades, 20 Chak families lived in the village. The Bengalis grabbed the land that we built our houses on and cultivated vegetables,” says Aung.

We were all engaged in *jum* (swidden or slash and burn) cultivation in the hills around us. On precious flat land (narrow straps) by the streams we grew potato, ginger, chili, mustard, radish, and other crops,” he adds.

Collectively, the 20 Chak families in the village owned some five acres (two hectares) of land.

Hilly and bumpy land, commons for the use of the indigenous peoples, were not specified for swidden agriculture. But the Chaks adapted and managed to thrive on *jum* cultivation. In addition to swidden agricultural land in the hills and flat land along the streams, the Chak had designated groves, named Badurjhiri Charra, from where they get bamboo and wood. Such designated groves, which in these days are titled Village Common Forest (VCF), have existed in the CHT for long time.



Life was thus simple for the Chaks of Longodujhiri (Khal) Chak Para, who were completely dependent on land and the forest, for which they never had titles. They were a well-fed and happy people.

The trouble began when outsiders began to invade bamboo and timber land that, on paper, belonged to no one. The outsiders took advantage of the fact that Bangladesh's Constitution and laws do not recognize the customary rights of indigenous peoples.

With the expansion of rubber plantations to the hills where the Chaks and a few other indigenous communities (like the Marma and Mru) live, the Chaks of Longodujhiri lost the land available for *jum* agriculture, which is their main source of living.

Losing their means of livelihood, the Chaks of Longodujhiri began to evacuate the village beginning in 2003. Aung and a few others were the last families to leave the village in 2008. Aung now lives in Baishari Upar Chak Para (a Chak village) and works as a day laborer at a rubber plantation.

The last Chak village in the east of Baishari Union is Badurjhiri. It is a halfhour walk from Longodujhiri Chak Para along a stream that cuts through the hills. All land along the stream are planted to tobacco.

All 15 Chak families in the 30year-old Badujhiri Village are *jum* cultivators. It has been a real jungle village for decades. Now, the villagers can no longer depend completely on *jum*.

“The crops we get from *jum* are good for a maximum of six months a year. For the rest of the year, we harvest bamboo, which is nearly exhausted,” says Kijari Chak, Karbari of the village.

“This situation has made us engage in tobacco cultivation to earn cash,” he adds.

“The outsiders took advantage of the fact that Bangladesh’s Constitution and laws do not recognize the customary rights of indigenous peoples.”

Tobacco cultivation around Badurjhiri is a recent development, which only began in 2009. 12 families engaged in its cultivation in 2010.

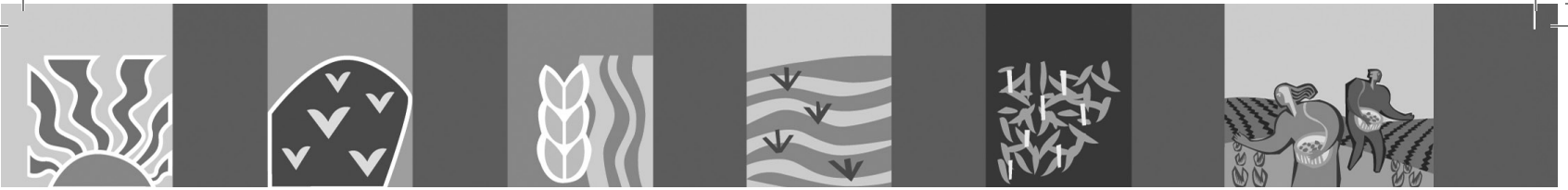
The Chaks of Badurjhiri Village fear a bigger threat in rubber cultivation. They have witnessed how rubber plantations on traditional *jum* land dispersed the villagers of their neighboring Chak village, Longoduhiri Chak Para.

Rubber in Baishari—A Story of Deception

Rubber cultivation and “horticulture” have turned out to be a serious issue in four (Lama, Naikhognchhari, Bandarban Sadar, and Alikadam) out of eight upazilas of Bandarban Hill District. These are seen as severe threats to the Chaks and other smaller ethnic communities, and have caused massive destruction of the environment. These have brought in outsiders, who have marauded in the land that the indigenous communities have used for generations.



Land granted for rubber plantation and horticulture in Bandarban comes under the jurisdiction of three



authorities—the Chittagong Hill Tracts Development Board (CHTDB), the Deputy Commissioner (DC) and the Standing Committee (for rubber). The CHTDB oversees the rubber cultivation on 2,000 acres of land leased to 500 households under a rehabilitation project. These families are supposed to get land titles in their names, which they still have not gotten.

A much bigger area of land – around 45,000 acres (18,211 ha) – have been, according to a top official in the Bandarban Hill District administration, allocated for commercial rubber production and horticulture. The size of an individual plot is generally 25 acres (10 ha). In many instances, more than one member in a family got a lease.



A government document provides a list of 1,635 individuals, proprietors and companies who had received plots for rubber and horticulture in Lama, Naikhognchhari, Bandarban Sadar and Alikadam *upazilas*. According to the same document, the leases were granted from 1980 to 1996. The list is an exposé of serious anomalies and sinister government policy and strategy. Of 1,635 individuals, proprietors and companies that were granted plots of land for rubber and horticulture, only 32 are members of indigenous communities. Majority of leaseholders are Bengalis – 210 from Bandarban Hill District and 1,393 from other districts. These individual owners include 174

proprietors and private companies (all owned by Bengalis).

The Chaks, Marmas and other local residents do not want rubber monoculture on the hills. However, the issue of rubber plantation is a complex one. That the establishment of rubber plantations was one of the many means to bring Bengali outsiders to the territory of the indigenous peoples, purposely to outnumber them, is quite obvious from statistics. A legal framework was also set up, and played a key role in transferring land to land-hungry non-indigenous peoples, before initiating the establishment of rubber plantations.

The 1971 Amendment to Regulation 1 of the 1900 Regulation, better known as the Hill Tracts Manual, a key instrument for a separate administration for the CHT, gave the Deputy Commissioner (DC) the authority to settle land (generally up to 5 acres or 2 hectares), and in deserving cases, 10 acres to a hill or non-hill family) for rubber cultivation. The amendment also empowered the DC to settle land with an outsider, with prior approval of the Board of Revenue.

The amendment of 1979 to the CHT Manual made a few significant changes to land settlement, especially for rubber plantations. This amendment removed the required sanction from the Board of Revenue for settling land for rubber plantations and commercial purposes.

The DC could freely exercise this power in leasing land to anyone until the signing of the peace accord in 1997, and leases of land until then remained valid. That was all the land grabbers needed. They came with papers in hand, and used them to grab land that was never leased or settled. What concerns us most is that the pure land grabbers are roaming the area with axes in hand, heading northeast, east and southeast. They seem unstoppable.



Recommendations

1. The government authorities concerned can and should take immediate steps to give the land back to Chaks of Longodujhiri.
2. The government must develop a clear policy regarding tobacco cultivation in ecologically critical zones such as the CHT, and halt further expansion of tobacco plantations. Tobacco cultivation should also be phased out gradually.
3. The DC's office of the Bandarban Hill District has the responsibility to conduct a full-scale investigation on anomalies regarding rubber plantations and horticulture.
4. Clearing of jungle for rubber plantations is taking place at different areas in Bandarban Hill District, even today. Government authorities such as the DC's office, CHTDB and the Bandarban Hill District Council must act quickly and take appropriate legal action against the land grabbers.
5. Rubber on the hill slopes and tobacco on very limited flat land are both monocultures, which benefit mostly non-locals and at a very high ecological cost. This is also an infringement of the right to commons of indigenous peoples. The government must recapitulate state policies and seek all possible means to rectify wrongs inflicted on indigenous communities and the environment.

6. The government must consider developing mixed gardens in place of monoculture.
7. As stipulated in the law, the Bandarban Hill District Council should be involved in resolving land issues in the district.

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Eviction of slum dwellers from Bhashantek

Association for Realisation of Basic Needs (ARBAN)

Introduction

The ties that bind humans to land are primordial. An Australian indigenous leader living in the Northern Territory comprehends the nature of this relationship in a more complete manner: “Land is the centre point of the indigenous peoples’ existence. Land is our address, our life. Since the land is there, the sky, the clouds, the rivers and trees, the air, the sea, the sands and the grains are so beautiful. Because land is there, life has so much pace in it. Land is the symbol of life. The land is ours and we are of the land. We take rest in the lap of the land. We issue from the land and we return to the land.”



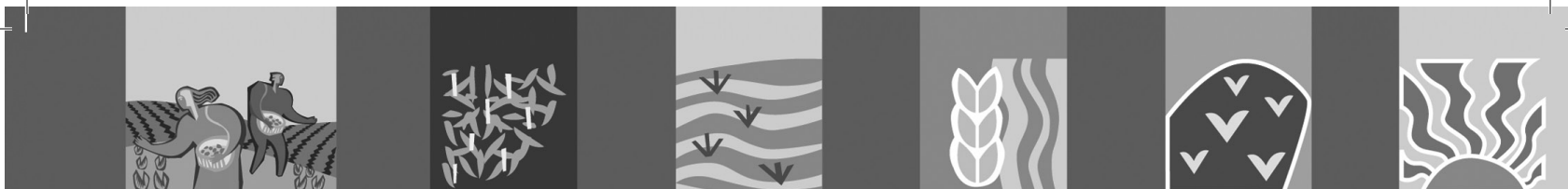
What the indigenous leader said is true for all human beings. Land is one of the basic elements required to ensure man’s fundamental needs are met. Nevertheless, the poor and powerless people of Bangladesh do not have secure rights to their own land. They cannot use the land to fulfill their fundamental needs. On the other hand, a coterie with vested interests is perpetually engaged in

grabbing land. They have evicted and dispossessed the farmers, share croppers, landless laborers and workers, small peasants, fisherfolk communities, indigenous peoples and minorities from their lands, homestead, hills, mountains, forests and even water bodies. The land that had once provided shelter, food, and means of livelihood for these people no longer remains the same. Not a single grain of food is produced there now. The enormous metropolis of Dhaka is a stark example of this process of eviction and dispossession.

During the British and Pakistani occupations, rice, vegetables and other crops were produced in most of Dhaka’s residential districts. In order to produce rice and vegetables year-round, enough to feed the people of Dhaka city, a dam – the Dhaka-Narayanganj-Demra (DND) embankment – had even been built in the late 1950s.

Bhashantek, in the north of Dhaka, used to produce vegetables for the city’s dwellers. But the farmers who lived in the area were forced to leave their lands.

Today, marginal and poor farmers, low-income working people, indigenous peoples and even middle-income farmers are victimized by the oppression, exploitation, attacks and false court cases perpetrated by the powerful coterie. Most of these marginalized peoples eventually ended up in the slums of urban areas. One of the most recent evidence of such incidents is Bhashantek, where marginalized inhabitants are being stripped of their land.



Geography and geology of Bhashantek

Bhashantek is within the Dhaka Metropolitan area. It is bounded on the north by Matikata, on the south by Mirpur-14, Dhaka cantonment on the east and Baishteki on the west. It covers an area of around three square kilometers.

Until the end of the British rule, Bhashantek was full of swamps and bogs abundant with wild vegetation. Many people were already living in the area at that time. Gradually, people began to pour in from outside, cleared the jungle and started agriculture. During the monsoon season, the entire area is submerged, bringing in silt that makes the soil fertile enough to produce a large amount of vegetables, most of which was supplied to Dhaka.

From Agricultural Area to Slums

Bhashantek has undergone rapid transformation since the country's independence in 1971. The war of national independence devastated rural areas, so rural people, having lost all their resources and means of production, rushed to the cities in search of livelihood. They took shelter in shacks and shanties built on both sides of railroad tracks, highways, embankments, bus stations and other empty or less populated areas. From 1973-74, the government introduced initiatives to relocate these people and selected the Bhashantek area as relocation site. Bhashantek was never the same from then on.

Rehabilitation and Relocation

As more and more people came to Bhashantek for shelter, and families already relocated there grew in number, the area became unbearably crowded by the end of the 1980s. The government then initiated a relocation of a number of Bhashantek's inhabitants to Bauniabandh under Ward-5 of Pallabi thana within Dhaka metropolitan area. Low-lying land

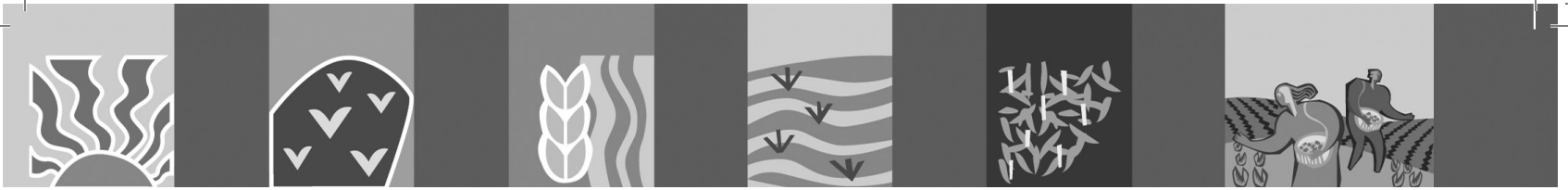
“Bhashantek, in the north of Dhaka, used to produce vegetables for the city's dwellers. But the farmers who lived in the area were forced to leave their lands.”

was filled up and settled with 2,640 families. But over time, Bauniabandh also became overcrowded like Bhashantek.

Initiatives for permanent relocation of Bhashantek slum dwellers

Sometime after liberation, various political and social organizations, civil society groups, non-government organizations and professional groups began demanding the permanent rehabilitation of Bhashantek inhabitants. From 2003-04, the government declared the construction of multi-storey buildings. The announcement gave a shred of hope to the area's inhabitants living in squalor. The land ministry was tasked to carry out the program. The ministry then issued a notice to the slum dwellers to evacuate a part of the area. The people, in good faith and with hopes of receiving improved shelter, vacated around 50 acres (20 ha) of land in the area.

The land ministry appointed North-South Properties Limited, a private developer, to construct the multi-storey buildings. Initially, it began work on six-storey buildings. Meanwhile, the government announced that 4,400 flats would be built during the program's first phase, of which 2,000 flats would be given to the Bhashantek slum dwellers and the remaining 2,400 flats allotted to third-class government employees. Bhashantek slum dwellers were utterly disappointed at this decision as they had, justifiably, expected the entire allotment of flats to them. However,



they followed the government's instructions. They prepared a list of those interested to take a flat and submitted it to the proper authorities.

However, new rules were implemented to deprive the slum dwellers of their allotted flats. One of these rules was for the future owners of these flats to make a one-time deposit of Tk. 50,000 (USD 595.97) per flat. The government was fully aware that such a rule would be impossible for the impoverished slum dwellers to follow. The result of this farce was exactly what it was meant to produce. Many slum dwellers were unable to book their flats, hence they lost their rights and a vested-interest group was able to take advantage of the situation.

From the beginning, North-South Properties Limited engaged in corrupt practices. Using forged documents, the company sold the same flats to multiple buyers. Eventually, the company's corrupt practices were revealed. The Government began to take action against them. Victims also started to demand reparation. Facing these charges, the company aborted developments and escaped. All the problems created by North-South Properties have yet to be resolved.



Damage Faced by the Evicted Slum Dwellers

Slum areas serve as shelter for destitute village migrants. After getting some modicum of shelter, they embark on finding wage earning work. With almost no education and limited skills, most of them find work as domestic helpers, vendors, street cleaners, day laborers, rickshaw drivers and construction workers. When these people were suddenly forced to leave the slum areas, their means of livelihood were severely affected. They faced financial, social and political damage from eviction.

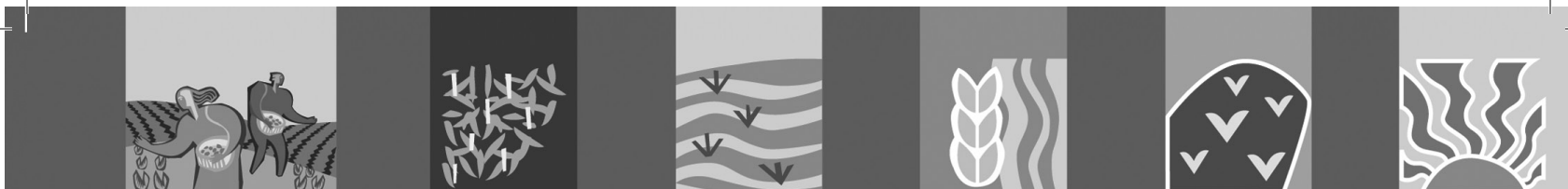
Economic Damage

Bhashantek's slum inhabitants faced serious economic setbacks when they had to leave the slum areas. Many of them lost their means of livelihood as they had put up small businesses there, setting up tiny structures in the area that were demolished after their evacuation. They pulled down their shanties and incurred new costs of building shelter elsewhere. Many took out small loans to rebuild their businesses. They went back to the same level of destitution as when they first migrated to Dhaka.

Social Damage

But the social damage is greater. They were deprived of social services, such as education and health care that were provided by the government and non-government organisations.

NGOs play a major role in providing social services to the slums. These NGOs devote a great amount of work in networking and lobbying to make these services possible. In a permanent and large settlement like Bhashantek, these social service organizations become more interested in developing their services. When such a large settlement is demolished, it also means



the end of these organizations' efforts to establish a successful social service system.

Political Damage

Living so close to each other for years brought the Bhashantek dwellers together. They stood by each other in bad times and shared their happiness in good. Through this natural social process, leadership developed and the community's political consciousness grew. They learned to network and lobbied at different levels of society, which strengthened their existence as a community. This unity and sense of togetherness virtually disappeared when they had to leave the place.

Conclusion

Absence of pro-people and pro-poor policies and laws relating to the use of land, forests and water bodies, the unbridled greed of housing developers, corruption in the bureaucracy, the military and major political parties, mindless and thoughtless expansions of urban areas and industrialization, aggressive expansions of military bases, constructions of roads and highways, mining and exploration activities for gas and oil by the transnational and multinational companies, all in unholy alliance with the Bangladesh government were responsible for land grabbing in the country.

Government must stop acquiring land in the name of "public interests" in a land-hungry country like Bangladesh. Bangladesh is one of the least developed and densely populated countries in the world, with a population of about 160 million living in a geographical area of 56 square miles (145 square kilometers). Under these conditions, housing projects by the government and private land developers, and housing companies must also be stopped as they use state power to grab land, most of which are agricultural land.

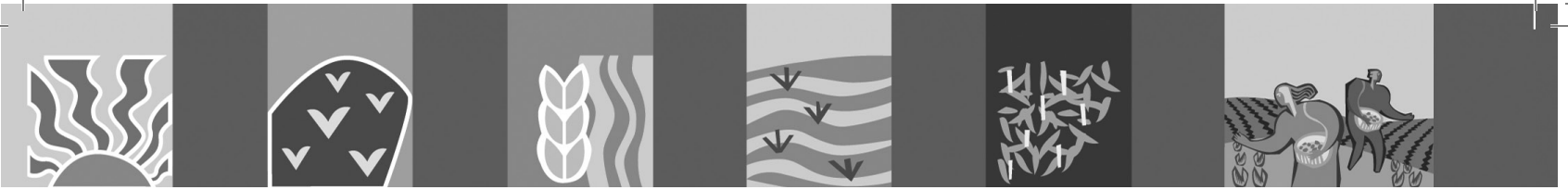
"Government must stop acquiring land in the name of "public interests" in a land-hungry country like Bangladesh."

Bangladesh is situated in one of the biggest deltas in the world. Every inch of its land area produces all types of crops for the consumption of its citizens as well as for export. Therefore, its precious lands have to be protected from land grabbers to ensure land rights and food security of its people. Cooperative and collective action of community-based organizations, with support from all levels – local and international – have to be organized.

Furthermore, the only way to save the country's slum dwellers is to save the land and introduce land-centered initiatives for their livelihood and shelter. The unbridled movement of people, who have become more destitute through a continuous process of land grabbing, can only be thwarted or reduced this way. It is high time the government, with the assistance of concerned groups, led the process. The following recommendations would help slum dwellers find a life of peace and dignity:

Government should:

1. Formulate and implement laws forbidding the eviction of existing slum dwellers without proper rehabilitation and relocation.
2. Relocate all slum inhabitants of Bhashantek to decent flats.
3. Impose a ceiling on land ownership in all cities and district headquarters, which should include limiting capital for acquiring more remaining land.
4. Recover all land in the cities illegally possessed by the land grabbers.

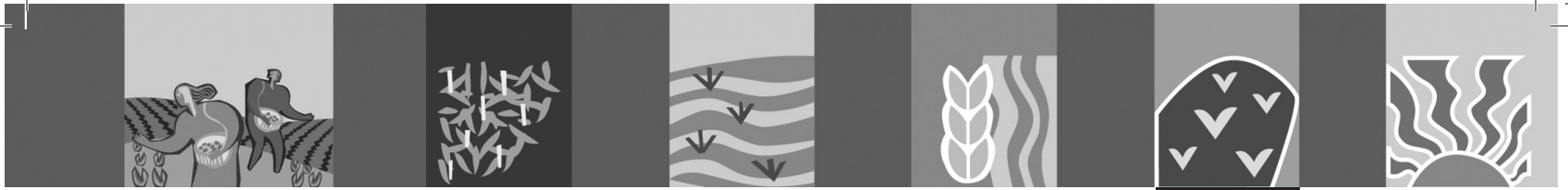


5. Construct low-cost flats in *khas* (State-owned) land and lease these to slum dwellers and homeless urban families.
6. Furnish the flats built for the poor with all the essential utilities such as water, electricity and gas.
7. Ensure that social services such as education and health care are provided to slum dwellers for free.
8. Monitor the implementation of anti-eviction laws, relocation activities and quality of social services for slum dwellers.
9. Initiate effective policies and steps so that the poor do not need to migrate to the cities, and to this end implement programs to provide them with shelter and means of livelihood at the regional level.
10. Recognize poor people as the main driving force of the country's economy, rather than as a burden.
11. Eliminate the income disparity between the rich and the poor, as well as between rural and urban areas.
12. Adopt and implement pro-poor urban land reform for the benefit of the slum dwellers and the impoverished.

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ARBAN has been operating in Bangladesh since 1984. Its broad objective is to raise awareness of poor and powerless people and to work with them in helping themselves.



Commercialization of agricultural land and waterbodies and disempowerment of the poor in Bangladesh: An exploratory study

Association for Land Reform and Development (ALRD)

The commercialization of agriculture can be viewed as the result of interacting driving forces such as demographic change, technological change and market creation, infrastructure development, and macroeconomic and trade policy. Understanding the essence of such commercialization necessitates scrutiny of historical context and politico-economic pattern of overall changes.

Keeping this in view, indicators have been devised to understand land nature and trends in the commercialization of agriculture in Bangladesh:

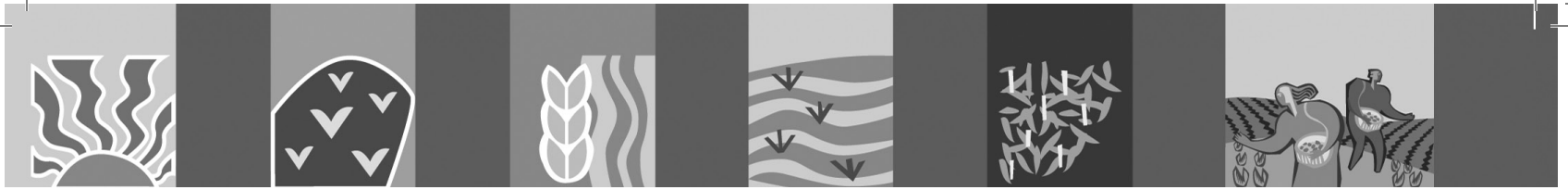
1. Most of the cultivable lands of the rural area are cultivated.
2. Commercial production of traditional food crops increases over time.
3. Tobacco production increases over time.
4. Agricultural land is converted for non-agricultural use to a considerable extent. Sale of land finances business capital;
5. Majority of land buyers are from the rich or upper middle class.
6. Cultivation takes a marked preference for profitable new crops while crops with less market demand are taken for granted or not planted.
7. Capital investment in commercial activities increases over time in the villages.
8. Area under and capital investment in shops increase over time in the villages.
9. Area under and capital investment in industries increase over time in the villages.

10. Number of and area under commercially dug water bodies increase over time;
11. Natural fish production decreases while commercial fishery is growing. Areas for social forestry/plantation increase over time;
12. Brick field built up in cultivable land;
13. Employment of leaving farmers in commercial activities in the village; and
14. Employment of leaving fishing peoples in commercial activities in the village.

A micro-level village study has been attempted to explore some aspects of commercialization of agriculture in Bangladesh. Specific objectives of the study were:

- to assess the extent of loss of agricultural land and water bodies per year due to expansion of commercial activities, commercial cultivation, and unplanned non-agricultural use of land, like housing, tobacco cultivation, and shrimp farming;
- to assess the short-term effect and likely long-term impacts of commercialization of agriculture in the economy and livelihood of the agriculture-dependent population in general and of the rural poor including

Excerpted from the study prepared by Professor Dr. Abul Barkat and Partha Sarathee Ghosh of the Human Development Research Centre for the Association for Land Reform and Development (ALRD)



children, women, and indigenous people in particular;

- to assess the short, mid- and long-term impacts on food production and the food security situation of the working people, middle class, low-income groups, and poor communities including women;
- to assess the adverse effects of commercialization in livestock, poultry, and natural fish production in the rural areas; and
- to find out the impact of increasing commercialization on poor and marginalized communities' (including women) access to, ownership of, and retention over land and other productive resources in rural Bangladesh.

The accompanying research undertaking has been conducted in ten villages. Attempts have been made to collect data/information about commercialization of agriculture in Bangladesh during the last about 40 years. Accordingly data have been collected for five time-points, 1972, 1979, 1989, 1999, and 2009. The average area of the sample villages is 633.89 acres (in 2009).

The average village population is 2,905 in 2009, which is more than four times the average population (683) in 1972. The average number of households

of the sample villages increased about four times in 40 years (from 137 in 1972 to 549 in 2009).

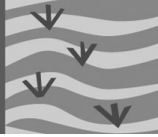
When agriculture is getting commercialized, most of the arable lands are cultivated, and as a result the gap between arable and cultivated land decreases. This has been clearly found in this study. In an average village, the gap between (average) arable and (average) cultivated land was 160 acres in 1972, which has reduced to 43.3 acres in 2009; a decrease of nearly four times in four decades.

Commercial agriculture provides incentives to those crops that bring profit. The present study has found six types of new crops produced during the last 20 years, which were not produced earlier in the villages. It has also come across 11 types of old crops that were produced 20 years back but have now been discontinued. The average increase in arable land was 49.12% from 1972 to 1989.

Later on, there was a downward trend, from 1989 (434.1 acre) to 2009 (350.4 acre)—a 19.28% decrease in twenty years. The average amount of decrease in cultivable land per village was 203 acres during the last 4 decades. Using this parameter, the estimated total amount of decrease in cultivable land in all the villages of Bangladesh comes to 10,709,630 acres. Cultivated land in 40 percent villages has decreased during the same period. The average amount of decrease in cultivated land per village is 89.25 acres. Using this parameter, the total amount of decrease in cultivated land in all the villages of Bangladesh comes to 3,139,029 acres.

Total agricultural land of the country, specially farm land and forestry, which have been converted to non-agricultural use from 1972 to 2009 is 2,666,856 acres, or 72,077 acres per year.

The number and area of water bodies increase over time when commercialization of agriculture is



spread over water bodies. The number and area of natural water bodies decrease but are surpassed by commercially dug water bodies. In the commercial setting, the amount of natural fish production decreases although that of commercial fish production increases.

In a commercial setting, production of both livestock and poultry increases. Home-based small-scale production is turned into medium and large-scale farm production. Forested areas decrease in the commercial surroundings; the total area of forests in the villages of Bangladesh is 3,279,714 acre in 2009, while it was 3,166,225 acre in 1972—an annual decrease of 21,387 acres.

Commercial activities in the rural economy may be agricultural or non-agricultural. Commercial agriculture activities include commercial cultivation of crops, commercial fishery, commercial poultry and livestock, and plantation like social forestry. Commercial non-agriculture activities include trade, service, and industrial activities in the rural setting. When agriculture is commercialized, non-agricultural commercial activities become prevalent in the rural surroundings.

Capital investment in shops (e.g., grocery, saloon, restaurant, tea stall, stationery) increase over time in the villages. Capital investment in industries increase and capital investment in other service-related commercial activities also increase. Traditional crop cultivation turns into commercial cultivation, and as such production of food crops as well as cash crops increase rapidly and more lands come under commercial cultivation. Annual increase in capital investment in commercial activities of the villages of the country is Tk 214,682,244.

Capital investment in commercial activities of the villages was Tk 261,230,700 in 1989, which increased to Tk8204,473,752 in 2009. Land in the

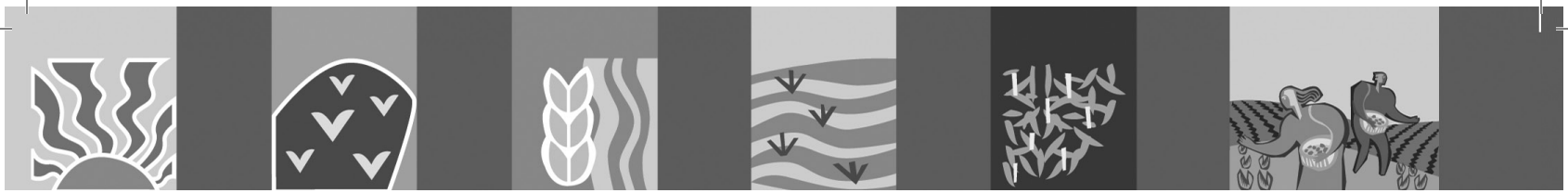
“Total agricultural land of the country, specially farm land and forestry, which have been converted to non-agricultural use from 1972 to 2009 is 2,666,856 acres, or 72,077 acres per year.”

villages used for commercial cultivation was 718,042 acres in 1972, and increased to 9,971,035 acres in 2009 (250,080 acres annually). Total amount of commercial crop production is 796,979,392 maunds in 2009 while the amount was 123,373,379 maunds in 1972. Annual increase in amount of commercial crop production is 18,205,568 maunds.

When agriculture gets commercialized, a plethora of commercial off-farm activities provides alternative employment opportunities for rural people. Consequently, livelihood shifting (from farm to non-farm activities) remains commonplace in the rural setting. Side by side offloading of traditional productive resources (for entering into the commercial off-farm activities) also occurs. The total number of farmers who left farming in 2009 was 1,705,803, compared to 68,385 in 1972.

Rural people, especially the poor ones, have to offload their productive resources for various reasons. Average amount of offloaded productive resources by the poor has increased from Tk1,510 in 2006 to Tk1,712 in 2009. Most of the buyers (almost three-fifths) of the offloaded productive resources were rich people, which demonstrates that productive resources of the poor tend to get concentrated in the hands of non-poor people.

Commercialization of agriculture might produce positive impacts. Farm, non-farm, and commercial activities were boosted. More lands were available



for more production. Agricultural and non-agricultural production increased. Crop—both food and cash—increased as well. Fish production increased, thus adding more protein to the diet of the people. Employment opportunities were created. New consumer goods and services were made available. Access to primary education and primary healthcare increased. Rural human capital increased. Poor people's asset base was created in some cases. Ultimately, rural GDP increased.

The rural poor were forced to migrate to peri-urban or urban areas, only to find out that there were no employment opportunities for them in the formal sector. Their informal sector employment leads them to a life of low wages. This impoverishment of the marginal people is somehow linked with the commercialization of agriculture and the impact is found in the short and medium term.

However, the long-term problem caused by agricultural commercialization is much more alarming. It is to be noted that soil infertility, land degradation, land abuse, misuse or inappropriate use are deeply connected with commercialization, which will ultimately result in severe food insecurity by leaving inadequate, low fertile cultivable land for an oversized and rising population.

Key Findings and Implications

This exploratory study based on ten villages provides us some indicators about the dynamics of the commercialization of agriculture in Bangladesh approximately during the last four decades. We found some positive and negative aspects of commercialization of agriculture in Bangladesh present in public discourse during recent times. The table on page 41 provides key outcomes of the study.

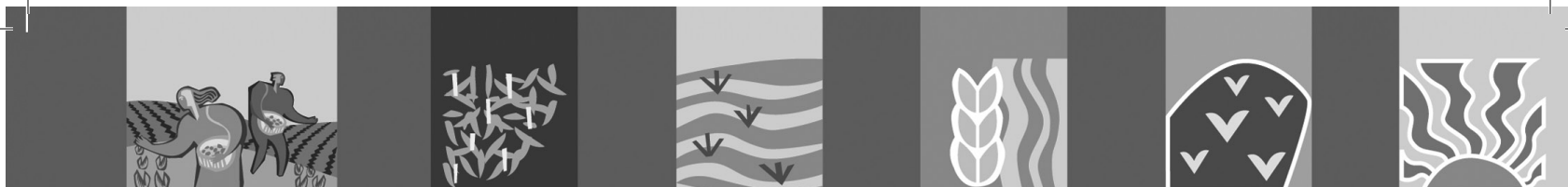
The study, though brief, concluded that agriculture in Bangladesh has been commercialized increasingly over time. Now the question is—has commercialization of agriculture been favorable for the rural people of the country? The findings provide an ambiguous response—yes, no, and both.

With the above circumstances, developing a National Land Use Policy is a dire necessity with a pragmatic mechanism for quick and effective implementation of the policy. Side by side, a large-scale, nationally representative survey-based study (including the urban and peri-urban land) should be conducted as soon as possible to understand the impact of commercialization of agriculture on the national economy as well as on the life and livelihood of the people, especially the marginalized ones.

For more details, please contact:

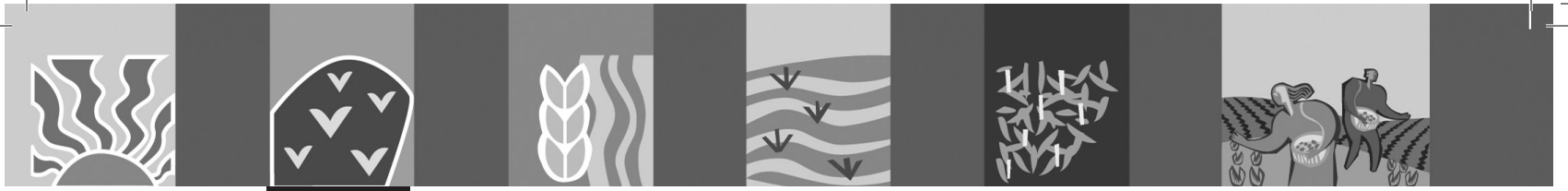
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ALRD is a single rights-based independent national policy advocacy and networking organization committed to the promotion and strengthening of land rights and agrarian reform. ALRD has been bestowed with the mandate of mobilizing the grassroots peoples with the civil society as allies for claiming and establishing the rights of the poor and marginalized communities including the adivasis (indigenous peoples) over land and natural resources.



KEY FINDINGS AND IMPLICATIONS OF THE STUDY

Findings	Positive Impact	Negative Impact
No. of population as well as households increased in rural Bangladesh.	Farm, non-farm and commercial activities were boosted. Production (agricultural and non-agricultural) increased.	Unemployment and underemployment persisted in agriculture. Rural to urban migration increased.
No. of human development institutions like schools, hospitals, mosques etc. increased.	Access to primary education and primary healthcare increased. Rural human capital increased.	Agricultural land decreased.
Both cultivable and cultivated land increased, while the gap between the two decreased over time.	More lands were available for more production.	Fewer cultivable lands left for future cultivation.
Huge agriculture lands were transferred to non-agriculture purposes like housing, shops, industries, schools, medical centers and mosques.	Accommodation for increased people became possible. New consumer goods and services available. Employment opportunities created.	Agricultural land decreased. Number of farmers left farming increased. No. of fishermen left fishing increased.
No. of and area under water bodies, most of which were commercially dug, increased.	Fish production increased. Employment opportunities created.	Natural fish production decreased.
Livestock and poultry production increased.	More protein diet supplied. Self employment opportunities generated.	
Social forestation increased.	Poor people's asset base created in some cases.	Land degradation for alien tree plantation took place.
Farm and non-farm commercial activities increased both in terms of financial investment and land involvement.	Rural GDP has increased. Employment opportunities increased.	Brick fields built up, which subsequently grabbed surrounding agricultural land, caused permanent damage to the soil fertility.
Commercial crop production increased.	Crop (both food and cash) increased.	Tobacco and shrimp cultivation caused enduring dent on the soil fertility and ecology.



Food security amidst growing competition for land: Land grabbing in Mondulkiri province

STAR Kampuchea

Introduction

Mondolkiri Province, located in the northeast of Cambodia, consists of Sen Monorom town and four districts: Keo Sima, Oreang, Koh Nhek and Pich Chenda. Pich Chenda is made up of four communes: Srae Ampon, Pou Chri, Krang Teh, and Boosra. Boosra commune is home to 3,000 people from about 800 families, while Krang Teh commune is home to 339 families of about 1,750 people. Residents of these two communes are from either the Koy, the Phnong or the Tompoun tribe.

Residents of Boosra and Krang Teh live below the poverty line, with almost all of them being small-scale farmers. Due to serious land conflicts taking place in the area, food insecurity ails the residents of the commune. Boosra is a very remote area with little infrastructure. Farming is the only option for most of its people for a sustainable livelihood. Take away their land and they lose their primary source of livelihood—and food.

From 2006-2009, Krang Teh received support from STAR Kampuchea (SK) in the form of legal training sessions. Topics included land law, forest law, and a course on advocacy. This support amounted to about \$5,000. In its 2010 assessment, SK recommended coursing support activities to Krang Teh through SK's provincial partner, which is part of its Pan Advocacy Network (PAN). This network is still

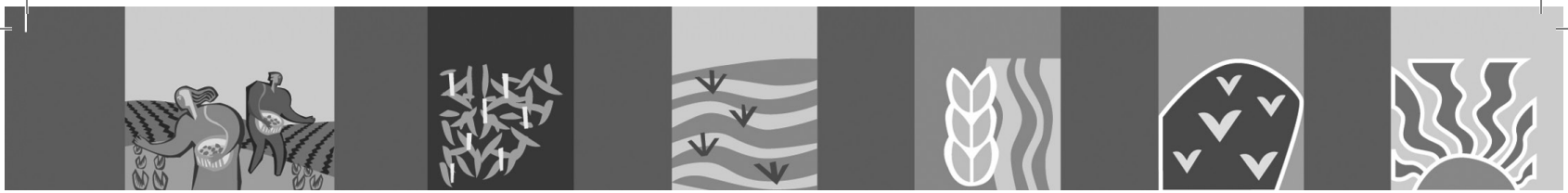
engaged with this community and is monitoring the situation.

Private investment is growing in Cambodia, as the country gains stability and economic momentum. The Royal Government of Cambodia has actively encouraged private domestic investment as well as private investment from abroad.¹

Companies have answered this call throughout the country. In Boosra commune, roughly 2,386 hectares of land have been cleared for agro-industry, rubber plantations, and facilities and attractions for tourism. Companies active in private investment in this area include: the Khov Chely company (owned by a prosperous Cambodian), Dalak Mondulkiri (a Vietnamese company), Phoviphama, Sufin (a French company), Sethey Coca-Cola (a subsidiary of the Coca-Cola company), and Samala and Vanarasi, all of which were granted economic land concessions in Mondulkiri. Often, private investment in Cambodia comes from international companies that are represented by Cambodian nationals within the Kingdom of Cambodia.

Requests to the government to lease smaller amounts of land (9,000 hectares or less) are handled at the provincial level. Higher amounts generally require scrutiny at the national level. An impact assessment is done by a Ministry Working Group comprised of

¹ InvestInCambodia.com, one of the many resources the Royal Government of Cambodia has established to help ease the path for foreign investors to enter into Cambodia.



participants from relevant government departments (the Ministry of Economy and Finance, the Ministry of Land, etc.). Leases are transferable. The lease confers the right to develop the land and receive any outputs from it, but it does not bestow permanent ownership of that land onto the company.

In Krang Teh, private companies' choice of development projects consists of rubber plantations and the associated infrastructure such as buildings and local pathways necessary to run the business.

In 2007, companies began cultivating rubber trees in the area, establishing large rubber plantations and harvesting the resin to make rubber products. Local residents have not benefited in terms of infrastructure (there have been no roads built to improve the local economy) or jobs (as few residents have been employed by the companies). Therefore, citizens suffer the difficulties of private investment but do not gain any of its advantages.

Private companies, however, flourished. The resin from thousands of hectares of rubber tree-lined land is a crucial product for export, as rubber is becoming increasingly in-demand.² However, a "rubber bubble" has been forecast by some economists, which may result in abandoned rubber plantations that have been stripped of the soil's natural composition, accelerating climate change and soil erosion.³

This trend has deeply affected 800 indigenous families in Bossra and another 339 families in Krang Teh who have relied on their land for decades. There are three types of land residents have depended on in the past: common land (shared by the community), sacred ground (important to the spiritual life of the

community and believed to be protected by the spirits of the residents' ancestors), and individual land. These tribal groups face serious threats, not least of them their livelihood hanging at a balance, and the loss of their cultural identity.

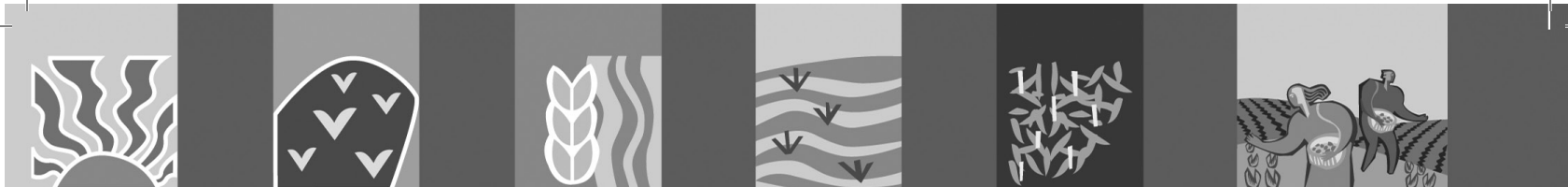
In August 2009, Yim Luch, the Provincial Deputy Governor, mediated a solution to a land conflict in Boosra commune. In this case, companies were expanding their land into the local burial area. The Deputy Governor's solution was for the companies involved to offer one million riel (worth approximately USD250), one buffalo and one pig to the territory spirits. The animals were sacrificed to the territory spirits and the cash was accepted. After these were turned over, Yim Luch declared that this conflict has been solved successfully, and that no further claims would be allowed. Around this time, more and more land conflicts began as the land in the area was flagged for private development.

The first investigation of land conflicts in this area was conducted in September 2009 by ADHOC, a member of the Mondulkiri advocacy network supported by STAR Kampuchea. This investigation indicated that in 2006, 2,705 hectares of economic concessional land was granted to Khov Chely Company in Boosra. The same year, Khov Chealy Company transferred the lease to a French company, Sofin KCD. According to the local authorities, the Vanarasi Company was still one of the parties in the land conflict, instead of Sofin KCD. But the residents claimed that Vanarasi was not involved and that Sofin KCD was without a doubt the other party. Since then, the boundaries and the private parties in the land conflicts have changed slightly, but the core issues persist.

The solutions to the conflict between the people of Boosra commune and the companies resulted in a policy formulated by the Deputy Provincial Governor, trying his hand at another solution.

² "Rubber exports stretch to \$250m." *Viet Nam Business News*. <http://vietnambusiness.asia/rubber-exports-stretch-to-250m/>

³ "Spiraling rubber price a cause for concern." By Petchanet Pratuangkrai. January 2011. <http://www.nationmultimedia.com/2011/01/24/business/Spiralling-rubber-price-a-cause-for-concern-30146995.html>



“These tribal groups face serious threats, not least of them their livelihood hanging at a balance, and the loss of their cultural identity.”

Based on the policy, families were allowed to pick any of the following options for settling the case:

1. To exchange the land for cash;
2. To exchange currently held land for equivalent land in a different area, but still within the local community;
3. To share in growing food for consumption.

The proposed solutions applied only to individually owned (or family-owned) land, not to commonly held land and sacred ground.

The residents accepted their solutions. They also began seeking recognition from the Ministry of the Interior for their indigenous community, which in theory would allow them to protect their legal rights to the land better in the future. Thus, individually held land ceased to be an issue in this community. However, the companies were inaccurate in measuring the land for the people.

In a second investigation, conducted on 5 December 2010 (also by ADHOC), Keo Ra, a community representative, indicated that the Khov Chealy Company had taken undue advantage of the villagers by convincing some people to sell their land at a measly price of KHR800,000. These lands were used for growing vegetables. With the sale of land, subsistence farming will cease and villagers will start buying their food.

Kris Van, the Vice President of the community, informed the investigator that the villagers in Krang

Teh had their indigenous community land registered formally and recognized officially by the Ministry of Interior, which guarantees legal protection for the designated land.

Yang Kun, a community representative, said that a company named DTC had the community's land cleared by three bulldozers. Research indicates that the Vasanara Company transferred its lease to the DTC Company, which then proceeded to grab the land. Once community members became aware of this, a hundred of them came together and organized a demonstration on 09 December 2010. The demonstrators were able to bring work on the plantation to a standstill and force the bulldozers to desist.

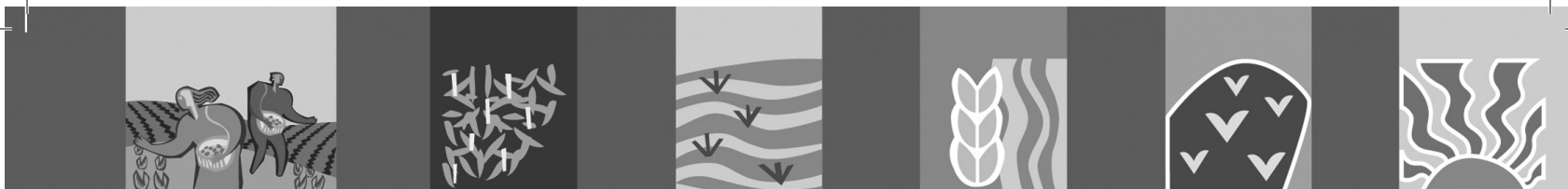
Trek Sophon, a commune head in Krang Teh, said that this problem was beyond his capacity to solve. What he could do, he explained, was to reconcile temporarily the parties in the conflict and help conduct peaceful negotiation. His emphasis was on preventing violent confrontation.

Pichrada District Governor Nuon Saran helped towards solving this conflict by visiting the scene. He announced that he was working on a plan to allocate justly the land for the people (on 20 December 2010). In case his solution was not successful, he agreed to forward the problem to the provincial governor to mediate a new solution.

The situation remains unresolved.

Land conflict issues

Lack of respect from both government and the private sector for the poor in Cambodia is the core issue amid the conflicts. The members of this community were working hard to secure their livelihood and did not act out against the government or any of the private companies. Yet the more powerful parties allowed



the weakest party to suffer most. The members of the ethnic community cannot defend themselves against such powerful interests. Even with the assistance of NGOs, government has the final say and too often they pass on decisions to private businesses. This cycle only pushes the poor further into poverty. Formerly productive contributors to the local economy lose both their income and their resources. Cambodia is a country with few social services, and losing livelihood is often a hole that the victims of land conflicts can never climb out of.

Furthermore, information-sharing is either not a priority of the government or it is being used as a tool to suppress rights advocacy among victims of land conflicts. The status of their land rights cases is also ironically concealed. Different departments of the government issue different responses and information even when presented with the same facts, confusing the community. As they are already poor, this eats up their time and income as they travel between offices and officials, attempting to gain some information to help secure their property.

While the Ministry of the Interior has recognized the common land in this case as indigenous territory, the scope of land that is protected has not been measured and announced. Therefore, while it is indisputable that *some* of the land is protected under the laws protecting indigenous peoples, it is not clear how much and which boundaries are involved.

While many companies do not impinge on land that belongs to local residents, they do not contribute significantly to the local economy. Despite being allowed into Cambodia under very generous terms, companies are not compelled to hire locals or *even Cambodian nationals*.

If the rubber plantations pack up and leave, the farming pattern could prevent future cropping and even contribute to climate change and soil

erosion. So even in the best case that the community recoups their land, the soil is no longer as fertile for expectations of productivity.

Constant land conflicts also create a problem in the social fabric between members of the local economy. The members of the local community feel one-upped and lose trust in the private sector and government. Companies become impatient when conflicts drag on, and are discouraged from investing more money in Cambodia. It also discourages potential future investors, who may see great benefits in investing in Cambodia, but do not want to deal with the possibility of future land conflicts.

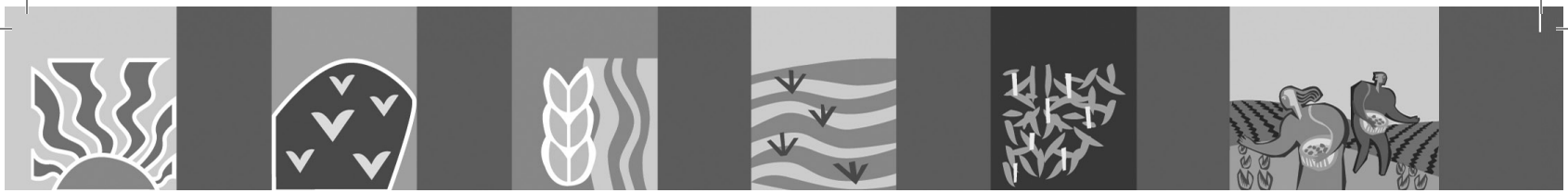
The Pros and Cons of Development – the People and Private Investors:

The allocation of the economic land concession has two major effects: first, on the environment; and second, on the livelihood of the local communities.

The environment is affected through universal climate change and pollution. The northwest region of Cambodia is facing a shortage of rainfall due to deforestation. Near Boosra and Krang Teh communes, native vegetation is being cleared for rubber plantations, which impacts the soil in ways that are not yet thoroughly researched. This can lead to severe and lasting backlashes for the agricultural industry, the tourism industry, and local economy.

The second effect is that traditional Cambodian practices and beliefs are compromised. Not only are sacred lands and long-held practices impacted

“Lack of respect from both government and the private sector for the poor in Cambodia is the core issue amid the conflicts.”



directly, but reduced livelihood among community members fosters the long-term erosion of cultural practices.

Development in this instance is not concretely palpable, whether in the form of roads or other significant infrastructure useful for the community or contributory to their economic status.

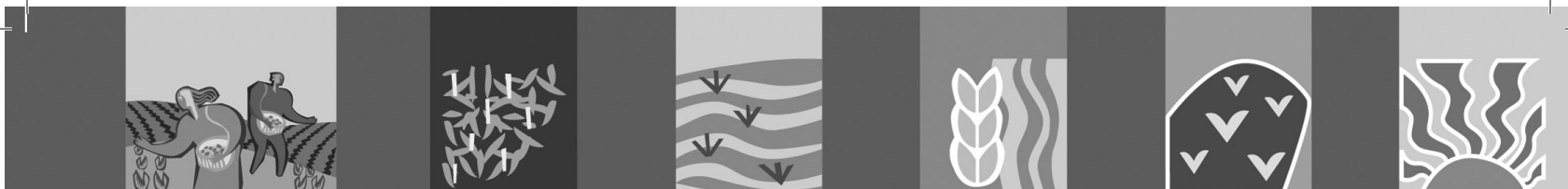
When companies began establishing plantations, they hired some local residents, but not as many as they should have. As the plantations grew, companies stopped hiring local residents and hired from outside the community, usually bringing in company employees from elsewhere. Pay for this work was seasonal, and local residents were paid significantly less than outside workers. In these circumstances, all of the positive results of private development are bestowed upon the companies; all of the negative results are bestowed upon the local residents.

This is not necessarily the only possible outcome. There are companies operating near Boosra commune that are not grabbing land or causing serious difficulties. Setey Coca-Cola, for instance, hires locals, stays on its own land, and does not violate the land or other property of local residents. Companies that behave within the law have the potential to aid the local community and to embrace their manpower as a resource to help the company succeed.

Recommendations

- Authorities should conduct appropriate pre-feasibility studies on land concession before implementing the investment program. The study should include participation from all relevant stakeholders, including representatives of the communities that will be affected.

- Objections from all relevant stakeholders should be considered seriously and mediated before private investment leases are released.
- All stakeholders and local authorities should identify clearly economic concession land. GPS mapping, when possible, should be utilized to establish borders and ensure that future land conflicts do not occur.
- Local authorities should announce widely the provision of economic land concession among the people living in the area to be covered.
- When significant changes are made/solutions reached, all parties should be formally notified.
- STAR Kampuchea should continue to consider Boosra and Krangteh communes as potential training ground for advocates and community leaders. Appropriate proposals and activities that can help find a solution to difficulties of these communes should remain under consideration.
- The future involvement of media outlets, international donors and other parties that could be of service to Boosra and Krang Teh communes should remain on the table.
- Many NGOs have been through this area to ask questions and get information, but there have been few who have remained. One NGO with a solid foundation or a group of NGOs should get firm support from donors and the international community and continue to address this issue until the situation is resolved.



- Donors and the international community should regard this as a case that pits the weakest members of Cambodian society against powerful forces of Cambodian society and international business. This case sets a precedent, especially as private investment continues to grow in Cambodia.
- Private companies should emulate other investors who have come in and taken care not to infringe on land belonging to others. Furthermore, they should consider hiring local people whenever possible, and pay them fair wages. In the long term, this would create popular support for businesses in Cambodia among the population at large.
- If encouraging private companies to hire Cambodians falls on deaf ears, the government should make it obligatory, when appropriate. Private enterprise in Cambodia should benefit Cambodians, too.

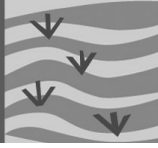
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STAR Kampuchea is an NGO working to build democracy by strengthening civil society in Cambodia. It deals with issues related to land, forestry and fisheries.



INDIA

Case:

Polepally struggles against Special Exploitative Zone

Social Development Foundation (SDF)

In case one wants to see how to destroy nature, a trip to the village of Polepally would be an ideal starting point. The village was one of the greenest hillocks in Mehboob Nagar district, a mere three-hour drive from Hyderabad, the capital of Andhra Pradesh state. Polepally's once lush greenbelt is being 'beautified' with artificial roads and concrete structures. The case of Polepally shows the irony of the development taking place all over India.

Over 1,240 acres (502 ha) of land have been acquired from 350 families in Polepally, majority of whom belong to Dalit Bahujan communities. The land was acquired in 2004 at rates well below the normal standard. Dalits and other backward classes who got their land via government grants were given a measly Rs 18,000 per acre. Those who bought the land were paid Rs 50,000 per acre.

Yahiya, who owned six acres (2.43 ha) of land, was compelled to take the government's "offer" of Rs 300,000 (USD 6,043.00). "The government's representatives told me that I had no choice but to take their offer, since if I refused they would just deposit the money in my bank account," Yahiya said.

He was also repeatedly threatened. "My land is like gold. It is fertile and along the highway. It could easily fetch Rs 30 per hectare at prevailing market rates. Why would I sell it for a measly amount?" he laments.

"We plant rice, *Jowar* (sorghum), cotton and vegetables. One acre of land would produce about

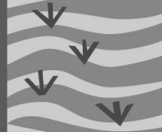


15-20 *quintal* of cotton which sells for Rs 2,500-3,000 per *quintal*. *Toor dal* (slightly sweet, nutty flavored lentil) sells for Rs 1,600 per *quintal* and an acre would easily produce 10 *quintals*," Yahiya shares.

Another farmer, Ramesh Gowda, shares his anguish that nobody takes interest in the cause of the farmers. Ramesh owned a total of eight acres, of which two were acquired between 1998 and 1999 by the TDP government for Rs 24,000 per acre, for redistribution to the Scheduled Castes. The rest (6 acres) were acquired by the government for the SEZ.

Ramesh got Rs 300,000 for the land which he says could have easily fetched nearly Rs 9,000,000 at prevailing market prices.

"We lost our land. We lost our touch with the earth. It was like gold to us as we were able to provide for our family from the fruits of our labor. My elder son is doing MCA. I put my daughters in best schools.



How am I going to continue providing for them? I got Rs 300,000 as compensation. What can I do with that?” he says.

Dalits are one of the biggest affected communities of this “land grab”. Out of the 41 deaths in the past two years, more than 50 percent belong to the Scheduled Caste category, those who own land between one to five acres. A fourth of those who died are tribals or indigenous peoples. Shockingly, the average age of those who died is 46. Most of these deaths are due to shock from losing their land. Therefore, the responsibility for these deaths falls on the government of Andhra Pradesh which is shamelessly pursuing its land grab agenda.

It is therefore a big lie when the government and many experts suggest that Dalits have nothing to



lose in the SEZ. G.Venketesh, a Dalit farmer, has become totally landless and is now looking for work.

“We work as laborers and do not get even Rs 100 per day. It is a difficult job. In the village, the so-called NREGS is basically in the hands of contractors,” Venketesh says.

“We used to have three acres of land, which was given to us by the government, but today that land has been acquired and we were given a measly compensation of Rs 18,000 per acre. Actually, we only got only Rs 16,000, with the rest taken by the authorities.”

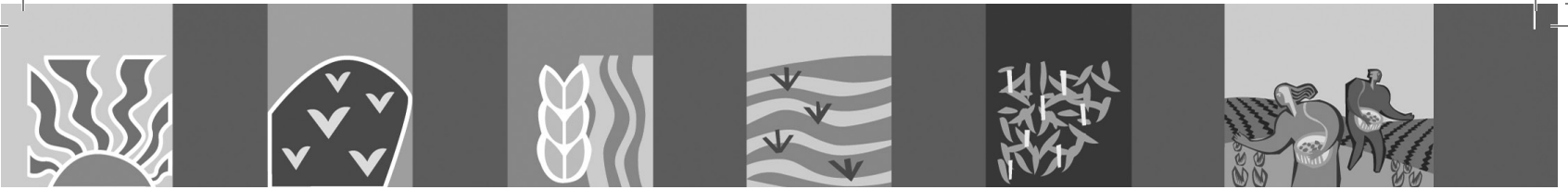
Venkatesh has a family of five. His father cannot work. For him, losing their land also means losing his inheritance. Where to find work and how to feed his family are his immediate concerns.

Bachanna, 55, has two sons. He belongs to the Mala community. He only got Rs 16,000 and for his one acre of land. He is shocked to see the callous attitude of the official who dispossessed him of his land, his only source of livelihood.

Karmaiya, another Dalit farmer, had to give away his six-acre (two ha.) land for Rs 54,000, instead of Rs 108,000, the fair market value.

The compensation packages are not easy to handle for these poor, mostly illiterate farmers. Most of time, they are betrayed by their “own people”, who act as middlemen for government officials. These government officials, in turn, have links with managers of rural banks.

Many farmers did not even get the agreed-upon price. In the end, Yadaiah only got Rs 9,000 for his five acres (2.02 ha) of land, equivalent to the price of two acres. He doesn't know where the rest of the



money went, but suspects that it had been pocketed by the middlemen who play a crucial link between the bank officials, the authorities, and the farmers.

Hivli, a tribal woman, did not even receive a single cent, which highlights the bigger problem with women. The problem with women is manifold. They are victims at home and they work harder. Being either single or widowed only compounds their oppression.

A number of these farmers was arrested when they protested against this illegal land grab. But nobody came to support them. The authorities did not allow them to go near the fields for they are now considered a threat.

Shankaraiah, 34, has five daughters. With his three-acre (1.21 ha.) land now gone, his future remains uncertain. There is no work available in the village. Like other farmer families affected by the “land grab”, his family is in deep distress. The farmers do not really know how to get out of the crisis that mercenaries masquerading as politicians inflicted on them.

Forms of Protest

To protest against the political system, the struggling farmers of Polepally decided to contest the coming bi-election in Mehboobnagar. Their protest is unique. Rather than boycotting the elections, they have decided to contest the poll and force the authorities to take note of their protest. About 70 of them want to contest but money is a big concern. Eighteen of them contested the elections for Indian Parliament and mustered a combined 1,018,000 votes, much higher than the margin between the first and second candidates. While the farmers admit that their

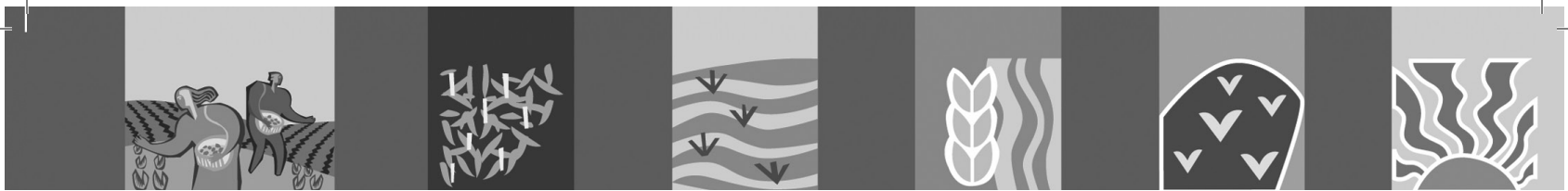


protest did not bring their land back, they consider it a victory for the worldwide recognition it got them. The protest managed to put a blight on the image of the State’s political parties, who failed to take up the issue of these most marginalized people.

The people created their own organization and developed their own forms of protest. They refused to be part of any “big” or “national” movement to maintain the uniqueness of their struggle. They were fighting for their own rights and hence did not want to have linkages with any organized and professional movements. They went to political parties and to the people of the area and made them aware of the growing crisis in the region.

False Promises and Destruction of Life

A visit to Polepally also shows how the biodiversity of the region is slowly being destroyed. People now need to buy water. Large tracts of the land acquired



by the government for the SEZ remain unused, and people now want to reclaim them.

The region's heritage is also threatened. Polepally is home to many priceless idols of the Jain Era but the authorities are not too keen on their preservation. The village has an aura of the Nizam period yet it is on the path of having its uniqueness destroyed. The farmers have become beggars in their own land and all the promises made to them turned out false. These promises include the following:

1. Initially the land was acquired to create a green park in the region;
2. People were informed that a proper public hearing would be organized and their grievances would be taken care of;
3. They were promised market rates for their land;
4. They were promised job in the SEZ ; and
5. They were also promised that nobody's land would be acquired forcibly.

What happened?

1. The public hearing was fictitious and not all were informed. In actual practice, "hearing" meant notifying people that they have to vacate their land, which was to be acquired. It was basically intimidation by the authorities and a violation of all the norms of a "Public Hearing".
2. There was no meeting with the people. There was no proper analysis of an environmental crisis looming over the region endemic to endangered species.
3. None of the farmers were paid the market price for their land. In fact, the lands redistributed to the Scheduled Castes and Scheduled Tribes under the land reform programs were acquired without being given any price under the pretext that they were

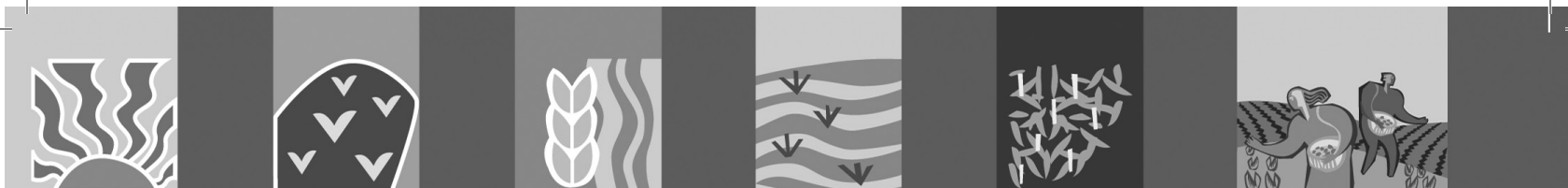
“The people created their own organization and developed their own forms protest. They refused to be part of any “big” or “national” movement to maintain the uniqueness of their struggle.”

government-owned. They were just forcibly asked to sign, then were paid Rs 18,000 (less than USD 450) through their bank account. There was also a condition that if the farmers do not take the money, then it would go back to the government.

4. The green park was never built. Worse, no one was told that pharmaceutical companies would locate in the area. This violates the basic principle of land acquisition and sharing of information.
5. According to authorities, they gave the market price. This is a blatant lie. They even suggested that they cannot give the market price to the farmers as it would be unaffordable for the government.
6. The village is now having a water crisis; people are now buying water for drinking and washing.
7. Since their livelihood, based on land, was taken away, most villagers are now migrating to the cities.
8. Over 50 farmers, young and old, died; either by heart attack or by suicide. This is a result of anxiety over the future after losing their land, their sole means of livelihood.

What Civil Society Can Do

1. Establish linkages with social movements and share their grievances.

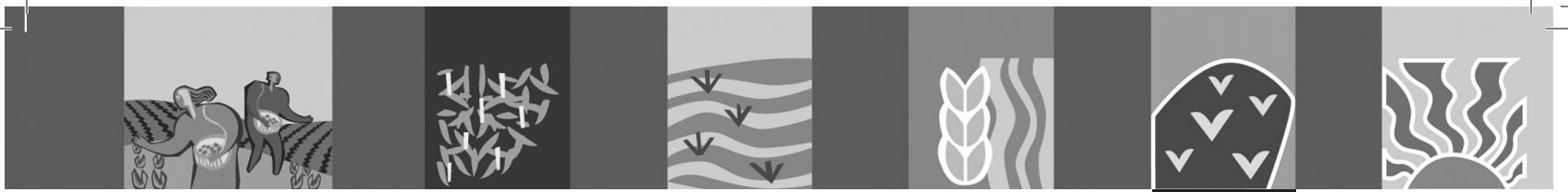


2. Civil society can play the role of providing information, legal aid, and supporting some of the activities or helping the movement leaders in various ways.
3. Civil society can also link these movements to various other movements and start negotiating their issues. The identity of the movement is essential and an issue of great emotional and sentimental value for the farmers. Hence, civil society should not try to make their “assistance” visible.
4. There is a need to start a policy dialogue all over the country and spread it across social movements.
5. Publicize the issue in the national and regional media and organize training programs for activists.
6. Engage and organize talks with government and movement leaders.
7. If possible, provide legal aid and other assistance, including documentation of the cases.
8. Produce more evidence and organize exchange visits within and outside the country.
9. Involve social movements in the land dialogues of civil society and intergovernmental organizations at the national and international level.

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SDF is a humanist organization working to impart scientific education among people to eradicate superstition and myths regarding women and vulnerable sectors of society. Agrarian reform with gender sensitivity is one of the prime focus of SDF.



Land “grabbing” in Chhattisgarh

Ekta Parishad

History of systemic exploitation

The practice of acquiring and converting forest and agricultural lands for industrial, mining and other development or “public purposes” can be traced back to the extant colonial Land Acquisition Act of 1894. And the current trends, policies and practices of a drastic pattern of industrial development at any cost are not surprising. Some of the most affected areas in India are the states of Chhattisgarh, Jharkhand and Orissa in the central and eastern regions.

In Chhattisgarh this trend began in the early 1900s during British colonial rule when manganese, iron ore and later coal were discovered in the region, which was then called the Central Provinces. The commercial hub of this region was, and in some ways still is, Nagpur in Maharashtra, and its geographical hub, Raipur.

Seeing a great economic opportunity, the British divided the area into two sections, running a railway line (the Bengal-Nagpur Railways or BNR) out of Calcutta through Jamshedpur, Roulkela, Champa, Bilaspur, Raipur, Nagpur and on to Bombay, strategically connecting its two principal ports in the Presidencies of Bombay and Bengal via the shortest route possible.

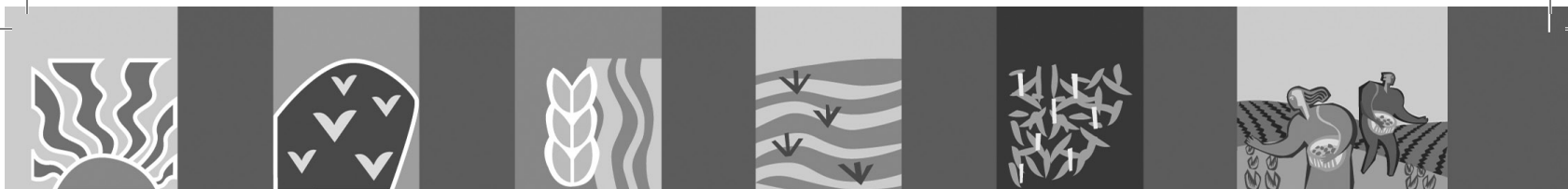
Incidentally, the Sal (*Sohera Robusta*) and Teak (*Tektona Grandis*) forests on both sides of the lines were extensively exploited to the point of near-extinction. The area’s mining industry flourished with the British maintaining total control over

“clean” ores like manganese and iron, leaving the “dirty” ore – coal – to be mined and delivered to power hubs by unscrupulous Indian contractors who exploited cheap labor. (The coal industry was nationalized in the late 1960s.)

It is notable that Chhattisgarh and Jharkhand States came into being simultaneously, the former on November 1 and the latter on November 15, both in 2000. There are many who trace these statehood movements to the “tribal rebellion” against the British. The British got into minor skirmishes with the tribes and, after having driven them from ore-rich land, wanted nothing more to do with these forest dwellers.

To be left alone in their mining activities, the British granted many territorial concessions, including land tenure and acknowledging their traditional self-governance. The tribal communities, also desiring peace, retreated from their traditional areas into deeper forests. After independence, this “tribal rebellion” was given socio-political status and achieved results through the formation of Chhattisgarh and Jharkhand.

At present, a large, comprehensive, fairly homogenous and ecologically diverse zone of indigenous peoples in the heart of the country is being carved up into smaller units. In this era of “super development”, profit motives and margins have only escalated. It seems nothing has changed from British times, except the managers. Government has come closer – from Delhi to Bhopal to Raipur – and has made the extraction process more intensive and efficient.



The exploitative intentions and practices of vested interests notwithstanding, the decentralized governance structure can also be used by civil society for protection, conservation and regeneration efforts. However, civil society organizations (CSOs) have to effect awareness-building and mobilization at the community level, and back them up with strong and relevant documentation for advocacy at State and national levels. Moreover, to have any real change, CSOs have to integrate all localized efforts on various issues into regional and state level fora.

Chhattisgarh is a comparatively sparsely populated state, with nearly 80 % of the population in rural areas. Of the 4.5 million people in its urban areas, nearly a third live in 1300 *bastis* or slum areas. Statistics show that present and projected rates of GDP are on the rise. It is also clear that industry is treated as the State's primary sector (not agriculture). Mining is a major revenue contributor. Yet, nearly half the population of the State is below the poverty line, with half of that number coming from the Scheduled Tribes and Schedules Castes communities. The State has led the country in the number of farmers' suicide for three years in a row.

“It is thus important for the State to develop a clear strategy on how to deal with corruption and allay the fears and hurt sentiments of its rural population, rather than simply relying on the insertion of development schemes, programs and components, or dealing with it as an internal security or law and order problem alone.”

54 *Lok Niti*

Ever since Chhattisgarh came into being in November 2000, the State has pushed hard for a policy of industrialization and has had consistently high growth rates. But in its rush for industrialization, essential services as well as food and livelihood security have been left behind.

Moreover, 40 out of the 85 Blocks in 9 out of 18 Districts in the State are practically out of bounds due to a raging Maoist insurgency. Naxalism (Marxist-Leninist) in the Bastar region was already existent even when Chhattisgarh was still part of Madhya Pradesh, but since the inception of the new state the radical ML groups have transformed into the more violent Maoist insurgents and nearly overrun half the state.

The reason for this is not merely the lack of “development” in rural areas, but the total disregard for the rights, dignity and well-being of the rural population. This is again reflected in the innumerable cases of circumventing laws to grant licenses, irrational tax exemptions and other perks to industry (including mining) on one hand, and coming down ruthlessly on protests or objection of any kind on the other. Even civil society seems to have lost all faith in the administration and political set up to deliver justice and services to the poor.

It is thus important for the State to develop a clear strategy on how to deal with corruption and allay the fears and hurt sentiments of its rural population, rather than simply relying on the insertion of development schemes, programs and components, or dealing with it as an internal security or law and order problem alone. For this, the State has to recognise the role of CSO in creating democratic space and reaching the poorest of the poor in real constructive terms. Any outreach or engagement effort must aim beyond the realm of right to land, livelihood or essential services and encompass issues of right to self-governance.



The State may be segregated into two main situational realities; one where ecology, habitat and local communities have succumbed to a developmental onslaught and are trying to cope with the disaster; and the other where rural communities are desperately engaged in defending or protecting their habitat and preventing an impending disaster. Areas free of such tension are very few.

Mining & Industry

Social & Ecological Consequences

Mining and industry are two faces of the same coin, a heavy coin for which forests and forest people most often pay the price. In this regard, Chhattisgarh is not an exception but the rule. Much of the mining and industrial activity in this region, which has been going on since British times, escaped close scrutiny partly because it was a part of the Central Provinces at that time, and later part of Madhya Pradesh, with its capital at Bhopal quite distant from the hub of such activities. It would seem that Chhattisgarh State was carved out of Madhya Pradesh not to preserve cultural identity, but to expedite the extraction of its natural resources.

According to the State's Directorate of Geology and Mining, 75,000 ha. are under mining patents. The reason is summed up succinctly enough in one of the Chhattisgarh government official websites: "Chhattisgarh, has substantial coal deposits, which led to its 'power hub' strategy... Chhattisgarh Mineral Development Corporation (CMDC), a government agency, undertakes commercial exploitation and trading of minerals in the State. CMDC welcomes partnerships with public and private sector companies, so that the natural wealth of the State is translated more efficiently into prosperity of the populace. Investors, who come into the State with a plan to add value with downstream industries, are given priority for sanctioning of Prospecting License and Mining Lease".

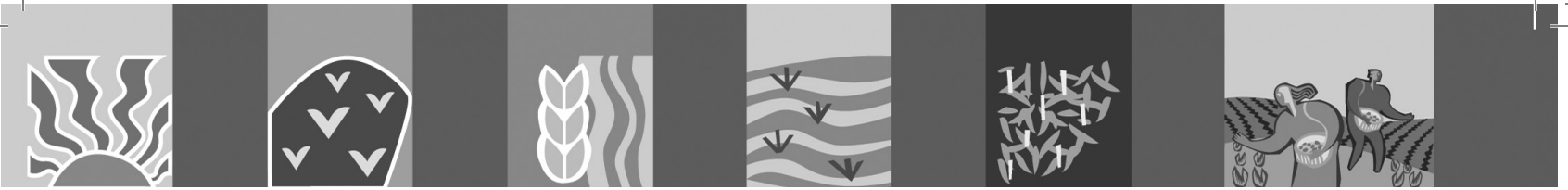
“Ever since Chhattisgarh came into being in November 2000, the State has pushed hard for a policy of industrialization and has had consistently high growth rates. But in its rush for industrialization, essential services as well as food and livelihood security have been left behind.”

From carelessness born of its eagerness and haste to grant licenses, the Chhattisgarh government has paid little heed to two crucial prerequisites to measure eligibility for mining licenses prescribed by the Union Ministry of Mines: the soundness of the applying company's financial resources and the company's mining experience.

To a great extent this explains the policy of turning Central India's Rice Bowl (*Dhan ka katora*) into a cauldron of 204 large industries, diverting about 13,000 ha. within 10 years of its inception in 2000.

The Chhattisgarh government has signed additional MOUs with 115 companies for 543 industrial projects. Added to existing industries on site, a whopping total of 747 projects compete in *Dhan ka katora*. According to official estimates, about 13,000 ha of forest land have been diverted to industry since 2000. These include projects granted forest clearance and those granted clearance in principle. Of the total land diverted, 97% has been for mining, yet the State earned only 12% of the value of minerals mined in the State from 2008-2009.

A State website says that "12% of India's forests are in Chhattisgarh, and 44% of the State's land is



forested. Identified as one of the richest bio-diversity habitats, the Green State of Chhattisgarh has the densest forests in India, rich in wildlife, and has over 200 non-timber forest products, with tremendous potential for value addition.” According to the Forest Survey of India, Chhattisgarh lost 41.3% or 82,300 ha of its forest area between 1999 and 2007.

Recommendations & Accountability

- Communities, CSOs and peoples’ organizations (POs) like Ekta Parishad will have to adopt ways to hold state, industry and investors more accountable, by pressing for policies and best practices of environmental management to rehabilitate and reclaim post-mining areas.
- CSOs and POs, which include conservation lobby groups, will have to work hard at taking a closer and more critical look at national and state mining and industrial policies to ensure compliance not only of CSR projects. They have to ensure that rehabilitation and reclamation of mine areas become mandatory. Failure to do so should be deemed a punishable offense. Policies may need to be redrafted to include a significant increase in re-investment (around 30 % of profits) in environmental regeneration work.
- No further lease or license should be granted especially to old companies unless environmental regeneration and reclamation processes are underway in old and disused mine areas. Local communities could be employed for this purpose providing long-term security with jobs that they can do with dignity instead of the false job promises touted at the beginning of every mining or industry project. In short, the regenerated areas are to be handed back to the communities in nearly the same, or even better, conditions than when they were found.
- The post-mined landscape is safe and stable from physical, geochemical and ecological perspectives.

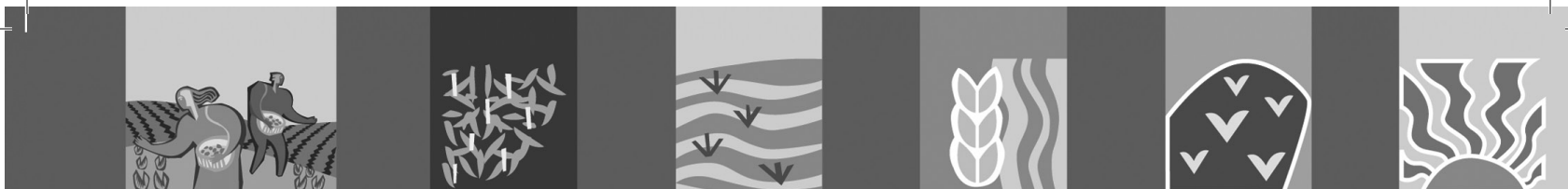
- The quality of the surrounding water resources is protected.
- The agreed sustainable post-mining land use is established and clearly defined to the satisfaction of the community and government.
- Success criteria are agreed with, monitored and reported to relevant stakeholders.

Community mobilization

- Many communities have recently realized that their land and forest are now targeted for mining. At this juncture both the organization workers and community leaders/volunteers need capacity and organization-building inputs to empower them to develop strategies for protecting their land and habitat as well as bargaining on compensation and rehabilitation issues.
- Ekta Parishad and other CSOs working with communities living close to disused or abandoned mines and quarries. These large and medium degraded areas are no longer claimed by anyone and can be reclaimed and rehabilitated by nearby communities.
- Facilitating of regional CSO exchange and sharing exercises like workshops, exposures, consultations, etc. with the aim of initiating teaching-learning processes to understand and use experience in the areas of resisting eviction for mining and/or rejuvenating already exploited mine and quarry sites.

Mobilizing Opinion and Advocacy

- Initiate policy research processes at the State level to examine the effectiveness of laws and regulations related to:
 - Acquisition and leasing of land especially preventing conversion of agriculture land;
 - Rationalizing mining operations and labor regulations;



- Environmental and pollution control measure (including mine closure procedures);
 - Rehabilitation and compensation laws; and
 - Debate on the new MMR proposal of 26 percent returns to communities from mining profits.
- Use emerging issues and demands from these research exercises for lobbying and advocacy for policy change at State and National levels and raising international consensus on these issues.

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Ekta Parishad is a non-violent social movement in India working on land and forest rights at the national level. The structural change that Ekta Parishad is calling for is complete land redistribution to enable the marginalized and downtrodden to escape poverty.

Food barn and energy projects in Merauke, Indonesia

Sawit Watch

Palm oil is one of the most in-demand commodities in the world today. It is used for cooking, as an ingredient in pharmaceutical products, and even as biofuel. Global market demand for palm oil has been steadily increasing. Indonesia and Malaysia, which supply 85% of the demand, have been developing rapidly palm oil plantations.

Taking advantage of this opportunity, many business entities—even companies that did not invest previously in the sector—converted their businesses into palm oil plantations. The Indonesian government, through its “pro growth, pro jobs and pro poor campaign”, facilitated permits for these businesses to expand into palm oil plantations.

The government introduced regulations that granted more benefits to big business. These regulations are detrimental to the garden pattern system, which is being used by indigenous peoples (IPs) and farmers in Indonesia.

In 2008, Indonesia overtook Malaysia as the largest producer of crude palm oil (CPO) in the world. During the first quarter of that year, Indonesia produced **8.17** million tons of CPO.

In 2010, Indonesia produced 21.3 million tons of CPO (Directorate General of Plantation, 2011). From this amount, 6 million tons were used for domestic needs, and the rest were exported to China, India, and the European Union. From its palm oil exports in 2010, Indonesia earned \$9.11 billion or 12% of the state budget (APBN).

While the benefits from palm oil production may be obvious, there are also risks. Since 2000, Sawit Watch documented the expansion of oil palm plantations, which reached 800,000 ha per year. This expansion gave rise to the following issues: (i) land conflicts between palm oil producers and IPs have increased; (ii) environmental problems such as smog and floods have emerged and become perennial; and (iii) food insecurity has been marked due to the cultivation of non-food crops and increase in the price of food.

A study was undertaken by Sawit Watch and SKP from July to August 2010 to assess the impact of large-scale investment through a mega project—the MIFEE (Merauke Integrated Food and Energy Estate) — over the customary rights of IPs, notably the Marind tribe in Merauke district. The head of the district of Merauke, Regent John Gluba Gebze, officially proclaimed the MIFEE on 12 February 2010, the 108th anniversary of Indonesia’s independence. Land clearing for one million ha will be managed by investors from a variety of businesses—rice farming, palm oil plantation, soybean and corn producers, timber industry, fishing companies, and ranchers.

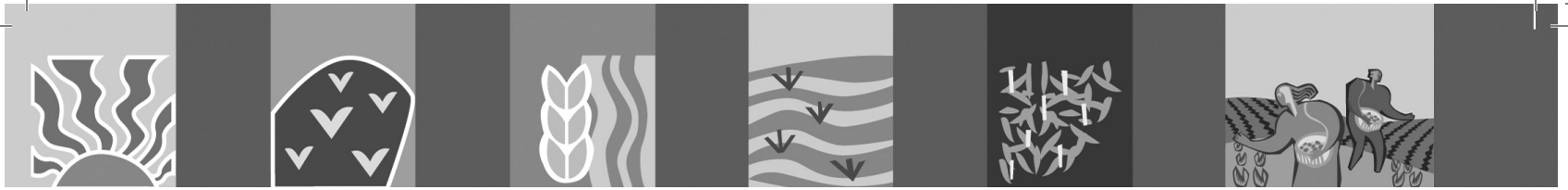
Geographical situation of Merauke District

Merauke is located in the southern province of Papua. It has an area of 45,071 square kilometers, and consists of 20 districts, 8 sub-districts and 160 villages. Merauke district is bordered in the north by Boven Digoel District, in the south by Australia, in the east by Papua New Guinea, and in the west by Mappi district. Its total area for agriculture is 21,318



Merauke Integrated Food and Energy Estate (MIFEE)

No.	Company	No. of Has.	Location
1	PT.Agrinusa Persada Mulia	40,000	Muting
2	PT.Agriprima Cipta Persada	33,540	Muting
3	PT.Agri Surya Agung	40,000	Tubang, Ngguti, Ilwayab
4	PT.Anugrah Rejeki Nusantara	200,000	Tabonji
5	PT. Balikpapan Forest Indo	40,000	Ulilin
6	PT. Bio Inti Agrindo	39,000	Ulilin
7	PT. Berkat Citra Abadi	40,000	Ulilil
8	PT. Bangun Cipta Sarana	14,000	Tanah Miring, Semangga
9	PT. Cendrawasih Jaya Mandiri	40,000	Kurik
10	PT. Central Cipta Murdaya	31,000	Ulilin, Elikobel, Muting
11	PT. Digul Agro Lestari	40,000	Tubang
12	PT. Dongin Prabhawa	39,800	Ngguti, Kaptel
13	PT. Energi Hijau Kencana	90,225	Elikobel
14	PT. Energi Mitra Merauke	40,000	Okaba, Tubang, Ngguti
15	PT. Hardaya Sugar Papua	44,812	Jagebob
16	PT. Hardaya Sawit Papua	62,150	Jagebob
17	PT. Inocin Kalimantan	45,000	Ulilin
18	PT. Indo Sawit Lestari	14,000	Tanah Miring, Jagebob
19	PT. Karya Bumi Papua	30,000	Kurik, Malind
20	PT. Kertas Nusantara	154,943	Ngguti, Okaba, Tubang
21	PT. Kharisma Agri Pratama	40,000	Tubang
22	PT. Medco Papua Industri Lestari	2,800	Kaptel
23	PT. Medco Papua Alam Lestari	74,219	Kaptel, Ngguti
24	PT. Mega Surya Agung	24,697	Kaptel
25	PT. Muting Jaya Lestari	40,000	Tubang, Ilwayab
26	PT. Muting Jaya Lestari	3,000	Semangga
27	PT. Nusantara Agri Resources	40,000	Ngguti, Ilwayab
28	PT. Papua Agro Lestari	39,800	Ulilin
29	PT. Plasma Nutfah Malind Papua	67,736	Okaba, Kaptel
30	PT. Selaras Inti Semesta	301,600	Kaptel
31	PT. Sumber Alam Sutera	15,000	Kurik
32	PT. Tebu Wahan Kreasi	20,282	Tanah Miring
33	PT. Ulilin Agro Lestari	30,000	Ulilin
34	PT. Wana Mulia Sukses Sejati	61,000	Animha
35	PT. Wana Mulia Sukses Sejati	96,553	Kaptel, Muting
36	PT. Wana Mulia Sukses Sejati	116,000	Kaptel, Okaba, Ngguti, Muting
	Total	2,051,157	



ha with a production yield of 89,286 tons per year. The district's average annual economic growth is 8.15%.

Rainy season in Merauke is from December to April, with rainfall between 1,200 to 2,299 mm. Dry season is from May to November.

Customary land border conflicts between communities

IPs are unaware of land use and the area of land to be appropriated by investors to the MIFEE project. This is initially expected due to the limitations of IPs in determining and documenting their customary rights, as well as the absence of political will on the part of the government to protect their rights and welfare, and improve their social conditions.

In the area of the Marind Mbyan indigenous group, two companies—PT. Papua Agro Lestari (PAL) and PT. Bio Inti Agrindo (BIA)—only twice conducted socialization, while merely presenting a concession map. No formal agreement had been accomplished with the community, but the company already made payments to certain people, namely: Mahuze Milavo, Basik-Basik and Kaize, an act which would eventually incite a tribal war.

Meanwhile, PT. Indocin Kalimantan, together with three heads of districts (Ulilin, Muting and Elikobel) set up a meeting with the community to conduct socialization and environmental impact assessment in Jayapura — a considerable distance from Merauke. However, the representatives of the community were not given the opportunity to speak but were asked to sign a document to release their land. Upon returning to their hometown, these community leaders were sued by their own people.

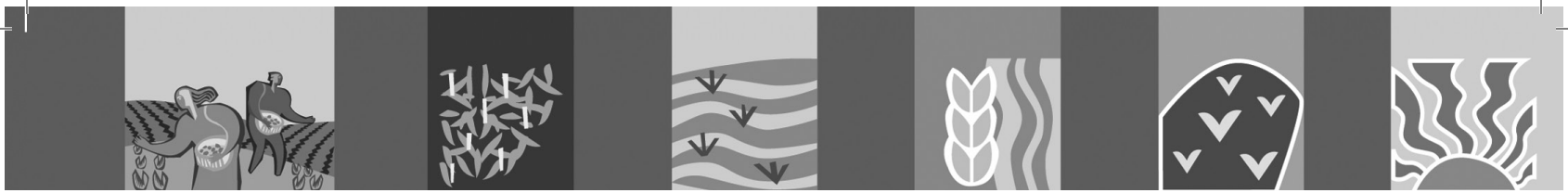
Many people in Merauke were surprised when the Minister of Agriculture, Ir. Suswono came to

Merauke for the launching of MIFEE on 10 August 2010. No prior notice about this activity was given to the local people and the indigenous communities. At the launch, the community members were surprised when the Minister of Agriculture, the Vice Governor of Papua Province Alex Hesegeg SE, the former Merauke District Head Dr. John Gluba Gebze, community leader Joseph Mahuze, and seven representatives of investors, participated in the signing of a document transferring land. One of the investors was PT. Medco Sustainable Industries (MIL), a company that the local community has known for a long time. The community admitted that they never received copies of the document.

Indigenous peoples in Merauke

Gardening, fishing in the surrounding seas and swamps, and hunting wild animals in the forest is are all part of a routine that has been going on for generations for the indigenous Marind tribe. Almost 97% of the community's needs are obtained from forests, swamps, rivers, and the sea. Thus, when all customary forests of the Marind are converted for business interests, it is not so hard to imagine that this will be the undoing of the tribe.

The MIFEE mega project will only worsen the situation of IPs who own the customary right, as has happened to the Marind Mbiyan and the Yeinan in District Muting, as well as the Ulilin and Elikobel tribes who faced the same dilemma. The customary rights dispute among tribes/clans and the mistrust of the Marind Mbiyan community of the government are both worsening. The community generally thinks that the presence of investors do not redound to the welfare of the community but only invites disasters. Some communities even held demonstrations to reject the expansion of large-scale investment through the MIFEE mega project. These efforts were for naught as the government still launched the MIFEE mega project in Sirapu village



without the consent of the community and the Marind tribe.

Based on the study, the MIFEE project has affected the indigenous peoples in Merauke in the following manner:

1. Loss of food and forest resources that support their livelihood (bush meat, forest fruits and vegetables, medicinal plants, roofing and building materials, firewood, materials for traditional crafts, etc.);
2. The temporary and short-term nature of promised jobs and the low wages of those working in the plantations;
3. Large debts incurred by those who are 'given' smallholdings and end up being indentured workers to the plantation;
4. Loss of the material basis of many indigenous cultures, even the loss of linguistic diversity and seed diversity, which many observers associate with the expansion of vast areas of monoculture. This also includes the repeated desecration and destruction of ancestral graves;
5. Water shortages which result from clearing of forests and building of canal networks for drainage, all leading to the shutdown of small rivers, increased run-off, and surface evaporation. Water pollution associated with palm oil mills and heavy pesticide and fertilizer use is also observed;
6. Permanent loss of communities' ancestral domains to the state and the companies; and
7. Social conflict that arises within communities between those who support the plantations and those who are against; between communities and companies; and between communities and the government.

Recommendations

The following recommendations are forwarded to the Merauke District government:

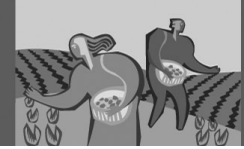
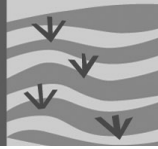
- The Merauke district government and the Jakarta central government must acknowledge and respect the existence of Marind tribe, including its customary laws, values, rules and norms;
- The government must strictly enforce laws against companies that grab lands without the consent of the community;
- The government should respect every decision agreed through consultation with the indigenous community (Free Prior Inform and Consent);
- The government must bring order and issue rules about ownership over customary land for the Marind tribe in its territory; and
- Foreign and domestic investors should not take advantage of IPs lack of access to information about activities concerning their land. They should negotiate fairly with IPs who are the land's rightful owners.

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Sawit Watch (Oil Palm Watch) is an Indonesian NGO concerned with adverse negative social and environmental impacts of oil palm plantation development in the country. Individual members of Sawit Watch work in 17 provinces where oil palm plantations are being developed.

This case study was undertaken by Sawit Watch in partnership with SKP Keuskupan Agung Merauke.



Lang grabbing: Threats for farmers and community rights in Nepal

Community Self-Reliance Centre (CSRC) and NGO Federation of Nepal (NFN)

Land has been the major means of livelihood for 74% of Nepalis. It has also been the major commodity for profit-making for the last 10 to 25 years. Investing in land and land grabbing began in Kathmandu in the mid-1990s and the process expanded slowly to other parts of Nepal. A large area of agricultural land has been grabbed by various groups and converted into housing projects. Sand, gravel, stone, and concrete have been used widely in converting fertile lands into brown desert areas.

Despite commitments made by political parties and the Nepalese government—via the Comprehensive Peace Accord (CPA) and the Interim Constitution—for scientific land reform and protection of farmers and community rights over lands and other natural resources, no progress has been observed in these areas.

Given these circumstances, a study was commissioned to explore the issues related to land grabbing/land transaction to understand further the realities behind the land business to identify the actors and outline the impacts on farmers and community rights. The study identifies the issues from different perspectives. It also makes an in-depth analysis on the future impacts of land conversion. The study recommends follow-up actions to government, peasant organizations, and civil society organizations (CSOs) in order to protect farmers and community rights.

A quick survey was carried out in five districts of Nepal: Morang and Sunsari in the eastern region, Makwanpur and Chitwan in the central region and

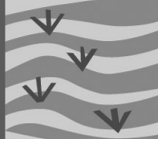
Nawalparasi in the western region. These districts were selected purposively as these were observed to be highly influenced by land conversion.

The study team has met a number of stakeholders, such as government officials related to land and agriculture office, politicians, plotters/land developers, farmers, and landless people during the field visits. Group discussions were the major source of information while reflection with individuals helped the study team enrich the information and arguments.

Land grabbing: Issues and phenomena

Case 1: Reflection from Jhapa and Sunsari

A group discussion with the officials of district level government offices related to land (Land Reform, Land Revenue, Mapping and Agriculture Office) in Jhapa has brought to the fore a number of issues on land grabbing for the purpose of housing development. Some officials shared the opinion that land grabbing is encouraged mostly by state mechanisms as such as the provision of loans through banks and government services like electricity, water, and telecommunications. The government has neither a land use policy nor restriction imposed for land business. Cadres of political parties are also engaged in plotting and have influenced state agencies. According to them, if the government developed a land use policy, fertile land would not have been developed and would not have remained fallow.



They also pointed out that the poor and indigenous peoples have been displaced by land grabbing. The officials have also expressed their doubts and reservations about land grabbing cases put forward in the name of squatters (sukumbasi), as the state/government produce and reproduce sukumbasi time and again in the name of land distribution. Many fake landless cases emerge in the process.

Moreover, a district land mapping officer mentioned that those who began the land business in Kathmandu are the same individuals and companies who began to invest in land plotting for housing in other parts of the country. All have received loans from banks to invest in the land plotting business.

In Jhapa district, it is estimated that 1% of the productive agricultural land falls under land plotting. According to the District Agricultural Development Officer (DADO), land plotting is encouraged mainly by two factors: (i) a sense of insecurity of the people in the south as they want to migrate to a safe place; and (ii) unavailability of agricultural labor and low wage rate in agriculture—as most agricultural laborers prefer to work near market areas as they get higher wages.

Some trends in land grabbing

- Land plotters prefer to buy land adjoining public lands. They use public land as roads, parking areas, and parks. In using public land, the investor saves on land that would otherwise be occupied by roads and parks. In many cases, those who tend to grab public lands near their plotting areas have connections with local authorities.

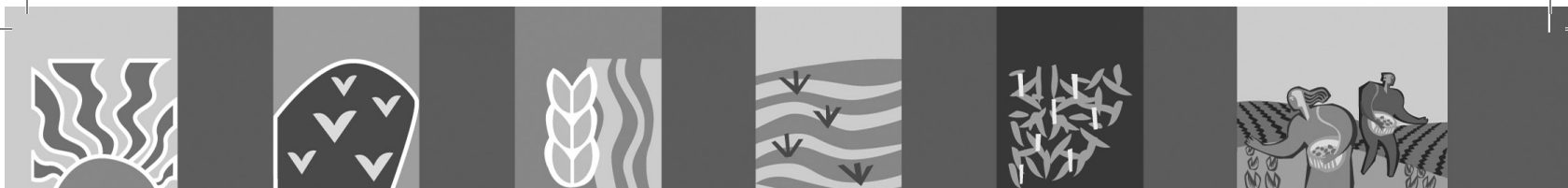


- Cadres of the political parties have engaged in land plotting. They influence service providers.
- Most of the land developed for housing remains fallow.
- People suspect that some of the money coming from land businesses go to the smaller armed insurgent groups and other illegal underground groups.
- Mostly, middlemen buy the land for profit, a trend that increases the price of land.

Case II: Reflection from Makawanpur–Central region

A survey on land grabbing was done in the central region (Makawanpur and Chitwan districts) of Nepal. Land prices have drastically increased in the last few decades. Land has long been considered a commodity to be traded. Many people have been involved in land trading, with brokering (middlemen) becoming a major profit area.

In hilly areas of Makawanpur district, most of the land has been bought by outsiders. The local



communities in the area are indigenous and ethnic minorities such as the Chepang and Tamang tribes. Those who sold their lands were allowed to continue cultivating them, so they do not feel that they transferred legal ownership to the buyers. As reported by land right activists of Makawanpur district, the households who sold the lands felt they were given two-fold benefits as they received money from the businessmen and continued to cultivate their lands.

An officer of the District Land Revenue Office of Makawanpur district admitted that land transactions in the district have increased for various reasons: (i) the conflict in Terai region has pushed the people to migrate; (ii) land has been considered a secure investment; (iii) the banking sector provided loans to land buyers and developers; and (iv) businessmen from Kathmandu bought lands in hilly areas of Makawanpur, speculating that prices will increase over time.

The District Land Revenue Officer also said that a 25% discount for land registration in the name of women is also misused for land grabbing. A big chunk of land was bought in the name of women, then divided into plots by their husbands for commercial use.

Local residents also claim that agricultural lands are occupied in the name of private medical colleges and boarding schools.

Impacts on food production, livelihood, and ecology

Most of the land with plotting has remained fallow for years. Some of these lands were fertile agricultural land with high annual production. Direct impacts are palpable in food production and availability. The effects are not observable in the short term, but

should they persist for a few years, serious problems on food availability could be expected. This is the point of view of Buddhasharan Lama of Hetauda. The present trends of land grabbing/land transaction benefit only the elite. Buddhasharan further says that “those who involved in land business seem to have luxurious life style as having expensive vehicles, buildings, lifestyles and control on the economic activities that may widen the gap between the poor and rich.” Fertile agriculture lands have been replaced by sand, grabble, and concrete while kept fallow, exacerbating ecological impacts.

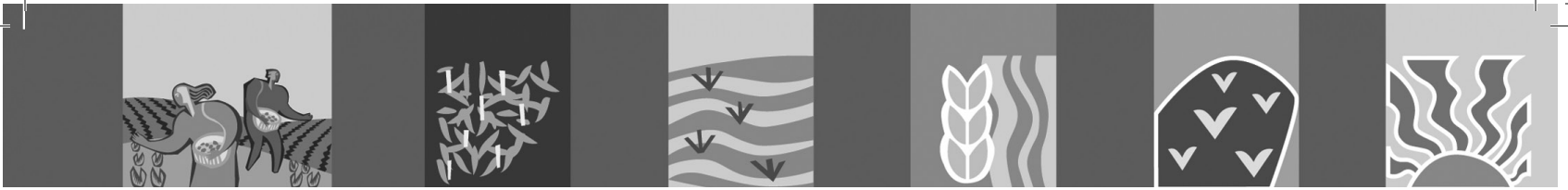
Case III: Reflection from Chitwan–Central region

An interaction was organized with staff members of the District Agriculture Development Office (DADO) of Chitwan district. The overall findings seem to be more or less the same as those in the Jhapa, Sunsari, and Makawanpur districts. Chitwan seems to have been affected directly by dealings and transactions of Kathmandu’s businessmen who have bought most of the land in 9 VDCs or hill areas.

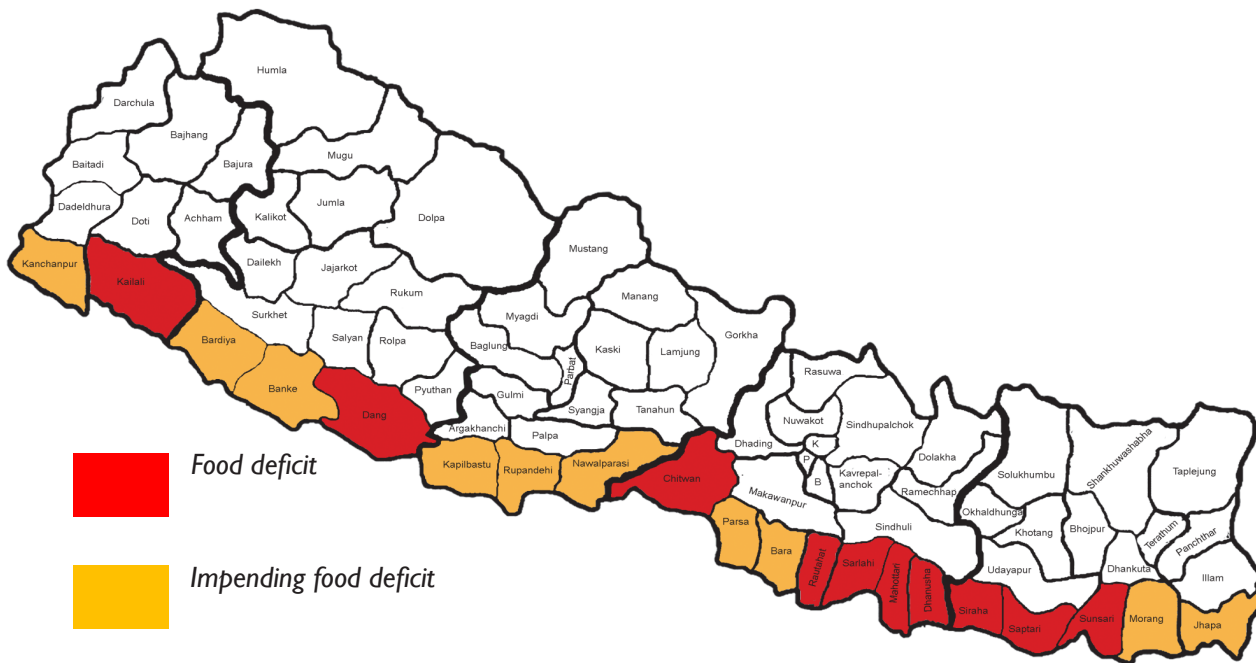
Migration appears to be a consistent trend as in other research areas. According to local people, those who have low income sold their lands in urban areas and migrated to rural areas in neighboring districts (Nawalparasi, Banke, and Bardiya). People with relatively more money migrated to urban areas of Chitwan, some of them buying land and some established businesses. The chief of DADO in Chitwan estimates that around 100 ha of land have been converted in the fiscal year 2009/2010.

The DADO staff recommended:

1. A national land use policy should be developed and enacted immediately.



Impact on food security, land rights and indigenous communities



2. The national land policy should impose restrictions on land transactions motivated by land's commodification and profit-seeking.
3. Investments should be directed to productive sectors rather than land grabbing for housing projects.
4. The land use policy should be implemented strictly by zoning the land in each VDC. Use of agricultural land should not be allowed for other purposes. Incentives for farmers as food growers need to be developed.

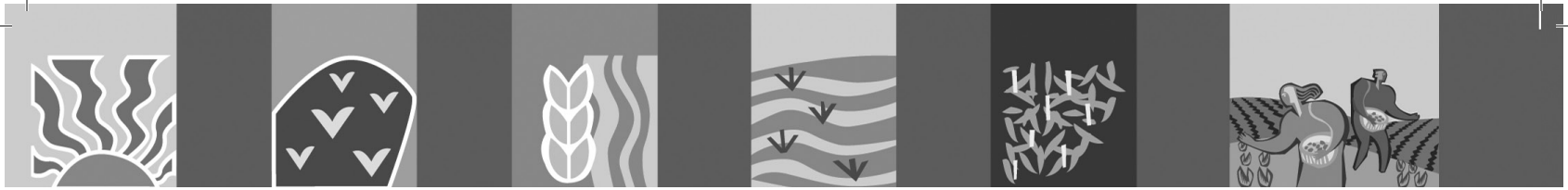
Case IV: Reflection from Nawalparasi district

The research team visited Rajahar, one of the commercial areas in Nawalparasi in the western region of Nepal, where the Cahudhari Group, a large Nepalese conglomerate, has been in business for 20 years. The local people informed the study team that

most of the land bought by the Chaudhari Group was owned by large farmers and landlords. Local reception of the industry appears to be positive, as it provides employment.

Nevertheless, lands in Rajahar, particularly along the East-West Highway, are bought by outsiders and divided into housing plots. According to an informant, businessmen from Kathmandu came to Rajahar and bought large chunks of land, which they also sold for higher prices.

Banana production in Nawalparasi has decreased drastically as most of the land allotted for growing the crop was grabbed and divided into plots for housing purposes. This is another instance where converting land into a commodity could have a long-term impact on nutrition, with the absence of incentives to produce agricultural products.



“The prevalence of land grabbing concentrates capital in the hands of a few members of the elite and further widens the gap between rich and poor.”

Violation of rights: Analysis of farmers and community rights and their probable impact on rights to food and ecology

While land ownership remains the principal source of wealth and social and political power of people, current market-driven ‘commodification’ of land may cause more people to be alienated from land, their principal source of livelihood. On the other hand, the traditional skewed system of landholding continued to be the major cause of injustice, discrimination, and deprivation. The increasing land transaction has added new dimensions and new challenges in order to address several issues of injustice.

The prevalence of land grabbing concentrates capital in the hands of a few members of the elite and further widens the gap between rich and poor. Due to the expansion of markets into rural areas, the shortage of agricultural labor seems to be prominent, with agriculture not seen as a profitable economic activity. Even small peasant farmers have no incentive to cultivate their land and are driven to sell it. Many young people from the rural areas have migrated to urban areas and even to the gulf countries to work.

The demography of rural areas has been changing during the last few years as women, children, and senior citizens now account for majority of the population. Agriculture has been feminized. If more and more people are alienated from their lands,

production and productivity will decrease. The present trend of land remaining fallow indicates that there will be food insecurity in the future. Displacement of communities and farmers—an impact of land grabbing—is an immediate violation of the farmers’ and communities’ rights over land and natural resources.

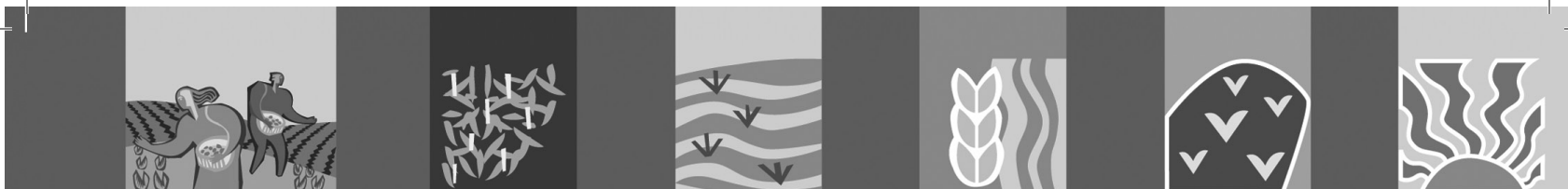
Likewise, encroachment on public land by land plotters in Jhapa district may cause violation of community rights to commons. Since most of the land under plotting was productive agricultural land, the change in the landscape will usher hazards such as the obstruction of water supply and air pollution, ultimately risking the health of local communities.

Land grabbing as a trend undermines investment in the productive and service sectors as it neither generates employment nor regenerates capital. Food sovereignty is the most threatened aspect by current land transactions. As illustrated, small farmers who grow food will be alienated rapidly from their lands in the future.

Recommendations

Given the issues discussed in this case study, the following recommendations were drawn up:

- 1. Protection of farmers and community rights.** A national land use policy must be developed and enacted immediately. Agricultural land must be restricted to agricultural purposes and rendered off-limits to plotting and grabbing. Incentives to farmers should be provided for cultivating land and growing crops, to prevent land conversion for non-agricultural purposes. Rights of smallholders, indigenous peoples, women, and tenants must be upheld. Land usage should be strictly monitored by the land reform office at the district level.



2. ***Strengthening land governance.*** Land administration in Nepal is highly centralized. Land governance needs to be decentralized in order to prevent land grabbing and enhance justice at the local level. Local governments, such as VDCs, DDCs, and municipalities must be empowered in protecting public land as communal property and facilitating the proper use of land in terms of ensuring equity and justice for the local people.

3. ***Facilitating innovative production arrangements.*** Land reform should be taken as agrarian reform that ensures the rights to land and food sovereignty. An incentive structure for agriculture by providing sufficient inputs needs to be developed properly. Livelihood and employment opportunities should be the major factors to be considered in innovative production arrangements.

4. ***Further expanded study on land grabbing.*** A comprehensive study is needed to identify the dynamics of land grabbing and its impact in Nepal. This study is only an anecdotal survey and must be elaborated.

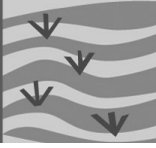
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CSRC is a social-based organization which works directly with the poor and excluded people in order to establish a just and equitable society by tapping the potentials and building a sustainable movement of tenants, landless farmers, Kamaiya, Haliya and other land-deprived men and women.

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NGO Federation of Nepal (NFN) emerged as an umbrella organization of NGOs in the aftermath of democratic political change and establishment of multiparty parliamentary system in 1990. Since its establishment in 1991, the NFN has an outreach of 5,227 NGOs working towards promoting human rights, social justice and pro-poor development.



Forest land management in Nepal: Community forestry and rural livelihood

Global Alliance of Community Forestry (GACF)

Background

The community forestry policy of Nepal is regarded as a progressive method for establishing the rights of local people over forest resources. However, the promotion of forest-based enterprises has been limited. Recently, more Community Forestry Users Groups (CFUGs) are initiating poverty alleviation activities, helping to establish community forestry as a recognized pro-poor program.

Community forestry user groups constitute about 35% of the country's total population. The achievements of the community forestry program can be seen in terms of better forest condition, better social mobilization, income generation for rural development and institutional building at the grassroots level. It has been recognized that community forestry has the potential to improve people's livelihood and alleviate poverty (CFD, 2006 as cited by Kandel, 2006).

There has been extensive discussion of the links between forests and livelihood in recent years. It is clear that rural people in Nepal make extensive use of forest resources for their livelihood. This includes: direct consumption of forest products (food, timber for construction, fuel wood, fodder for livestock, water, and land for farming); collection of forest products for sale (hunting, NTFP collection); and the use of forest products for food security in times of seasonal shortages, drought and economic stress.

Nepal's Land Use Pattern

Nepal's land stretches across 147,181 square kms. and is divided into three distinct ecological zones, namely: Terai¹ in the south, hills and mountains in the middle and the Himalayas in the north. It is home to nearly 23 million people (2001 census), comprising 100 ethnic groups each with its own distinct language, culture and lifestyle. Land use in Nepal necessarily adapts to the diverse topography. Based on the agriculture census of 2001-02, 94.1% of total landholdings are agricultural land, which is 24.98 million ha.

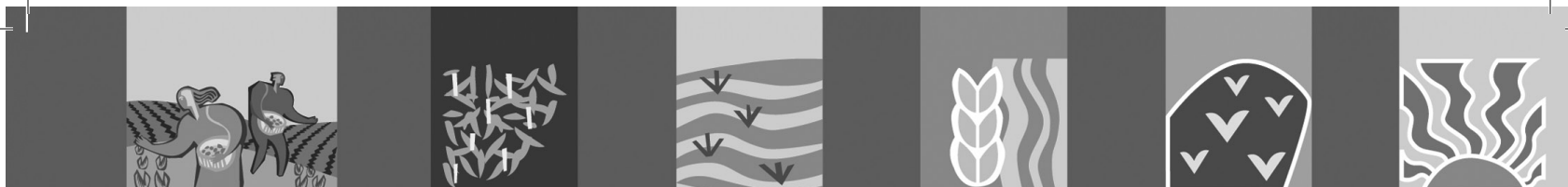
Study site

Makwanpur district is rich in biodiversity due to its varied altitude and climate. Forest and shrub cover 59.14% of the district's total area. The average volume of growing stock is 152 square meters per ha (DFRS, 1992). Major forest types found in Makwanpur are sal forest, terai hardwood forest, chirpine forest, upper mountain hardwood, quercus forest and riverian forest. Sal forest is the most dominant forest, comprising 50 % of the total volume of reachable forest in the district.

Community Forestry in Nepal

Community forestry broadly refers to the transfer of national forests to local communities organized in CFUG for protection, management and utilization

¹ The plain land of the southern part of the country



Nepal's Land Use Pattern								
Land Use Types (Ha)	Year 1991/1992				Year 2001/2002			
	Himal	Hills	Terai	Total	Himal	Hills	Terai	Total
Cultivated land (Total)	207,761	1,721,450	1,038,806	2,968,017	210,635	1,798,158	1,081,987	3,090,780
Non-cultivated land	494,998	436,300	55,600	986,898	517,309	448,491	64,590	1,030,390
Forest (Total)	233,346	4,435,809	1,158,845	5,828,000	228,100	2,890,606	1,149,494	4,268,200
Shrub	137,800	511,608	39,000	688,408	167,800	1,254,178	138,132	1,560,110
Grass land	132,644	1,589,278	35,423	1,757,345	137,644	1,592,093	36,423	1,766,160
Other	796,618	1,667,919	24,894	2,489,432	946,212	2,024,775	31,474	3,002,460
Grand Total	2,003,168	1,036,2364	2,352,568	14,718,100	2,207,700	10,008,300	2,502,100	14,718,100

Source: Adapted from CBS, 2008, Environment Statistics of Nepal

of forest resources. A community forestry program has been implemented in Makwanpur district since its creation in 1978. Since then, community forestry has been a source of income for the district's rural communities. A total of 362 community forestry units has been formed, covering 62,304.46 ha. CFUG practices technical forest management activities guided by the country's forest department. Controlled burning, thinning, pruning and cleaning are done with technical inputs provided by forest officials from the district forest office. CFUG in the district has been successfully implementing various income-generating activities for livelihood and conservation. This study focused on the Sundar Community Forestry Users Group which is near the city.

Sundar CFUG

Sundar CFUG, established in 2053 B.S, lies in Hetauda municipality ward 1 and 2. The Sundar Community Forest is prominently recognized as the greenery of the city. It covers 109.5 ha. and is inhabited by 300 households, of which 103 are

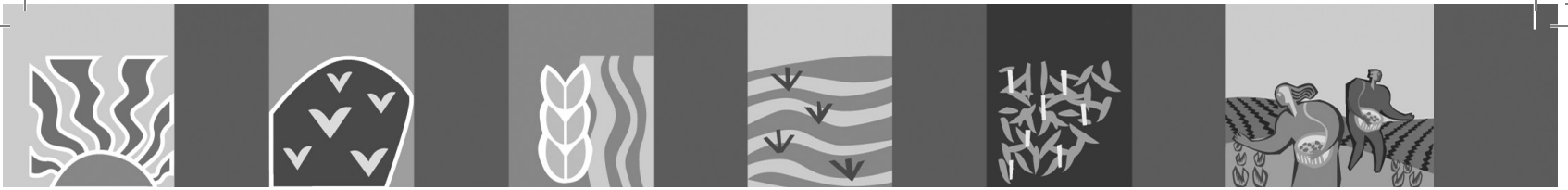
comprised of indigenous peoples. Most of the CFUG's members are engaged in farming and livestock (77.73%). Sundar CFUG has a working committee of 11 members, seven female and four male.

Income generating activities

From the beginning, Sundar CFUG has been focusing on farming and livestock. Among other income-generating activities of the CFUG members are: Amriso plantation, handicraft, furniture (wooden chair), NTFP farming, vegetable farming, goat herding, sewing and fire fighting.

Key Lesson & Emerging issues in CFUG

The livelihood study of this CFUG shows that the community forestry program has been supporting rural livelihood in a sustainable manner. Improved participation in decision-making and varied income generation activities are enhancing the community's interest to develop new schemes for further improvement of their livelihood and forest



conservation. This CFUG shows that rural farmers are dependent on forest resources for their income.

However, while there are numerous benefits, the CFUG members face different issues from time to time. It may be amendment to forest policies, land rights or taxes. Although there are available income-generating activities, a nagging problem is the market for the community's produce. In the case of Sundar, the CFUG established a number of small-scale businesses engaged in production of nontimber products such as brooms, *Muda* (wooden chair) and vegetables, but find it difficult to market these products. Training on marketing is still much needed.

Another issue is that majority of CFUGs are not utilizing the forest to its full potential (in terms of income generation). While trends in resource degradation have been arrested, and in many cases forest cover has improved, the livelihood of the poor and disadvantaged has not improved as expected.

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FECOFUN is a formal network of Forest User Groups from all over Nepal. It emerged from the idea that forest users from all parts of the country should be linked (to each other and engaged) in order to strengthen the role of users in policy-making processes.



Implications of land grab on food security and local economy

Mobilization and Development Nepal (MODE–Nepal)

Land grabbing in Nepal, despite its domestic nature, has foreseeable implications on regional food security. The main drivers of land grabbing in Nepal are: politics, cross-country border security, military and armed security forces, commercial operations, the local elite and organized crime groups (mafias). This case suggests the formulation or revision of people-centered land policies by the government, with special attention to the needs of women, indigenous peoples, pastoralists, users of common resources, tenants, farm workers and people affected by armed conflict.



Introduction

In recent years, land grabbing and food security have become global concerns due to the soaring demand for agricultural land by wealthier countries to shore up their food supply, meet the surging demand for agrofuels, for manufacturing sites or simply as investment (in land and the commodities market).

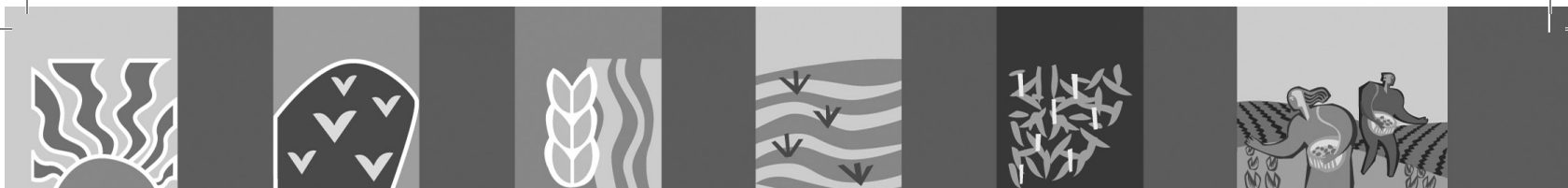
From mid-2008 to date, over 180 instances of land grabbing have been reported. International Food

Research Institute (IFRI) further estimates that foreign investors secured 37 to 49 million acres of farmland in the developing world from 2006 to 2009. Spain-based NGO GRAIN takes credit for drawing first attention to the issue of land grabbing in October 2008, and thereafter has continued to document scrupulously the issue, combing through databases of media organizations for coverage related to the issue.

Nepal's case stems from domestic issues and concerns that have long-standing socioeconomic and historical contexts. Land grabbing has a profound impact on Nepal's socioeconomic backbone since the country is largely dependent on subsistence agriculture, which makes up 38.1% of its GDP (CBS/Government of Nepal, 2008). Over 24% of its population is landless, with 7% semi-landless or owning less than 0.2 acres (UNDP, 2004). About 8% or 300,000 people are practically landless and work as daily wage earners or periodic or semi-attached workers (ploughmen, herdsmen, farm laborers and bonded laborers).

Drivers of Land grabbing

The emergence of land grabbing in Nepal is somewhat different from that in the global context. Land grabbing in Nepal takes the following forms: "land grab" across the porous border with India, the feudal habit of holding large tracts of land, seizure of land by peasant unions, landless people's unions and freed bonded laborers, encroachment of forest lands with the backing of political forces, investment in land by individuals and real estate companies in urban and semi-urban areas, and aggressive seizure



Losing pattern of productive farmland in study site					
Description	Total Land (kattha)	Low Land	Up Land	Barren Land	Self Farming own Land
Now (n = 35)	285 (9.5 ha.)	208 (6.9 ha.)	26 (0.86 ha.)	54.5 (1.8 ha.)	239 (7.9 ha.)
10 years ago (n= 35)	1,401 (46.7 ha.)	1,266 (42.2 ha.)	149 (4.9 ha.)	0	1,267 (42.2 ha.)
Sold land	37.2 ha.	35.3 ha.	4.04 ha.		

Source: Field Survey 2010

of land by the military and other armed forces to expand their territories.

Land grabbing in the Nepalese context, as highlighted above, has an immediate impact on scarcity of land, evictions, speculation, increased rent, landlessness, cyclical poverty and skewed landownership patterns leading to food insecurity.

In this context, this paper delves into the “real”, “ground-level” issues supported by several cases and stories. We anticipate the effort to contribute to positive public debate, to come up with recommendations on how best to move forward and successfully remove the thorns of past injustices that have served as impediments to economic growth.

Foremost among these is the informal land market. Informal brokers deal with the sale and purchase of land. As a result, there are disputes and cheating. The country’s land mafia controls the land business, and encroaches on both private and public land.

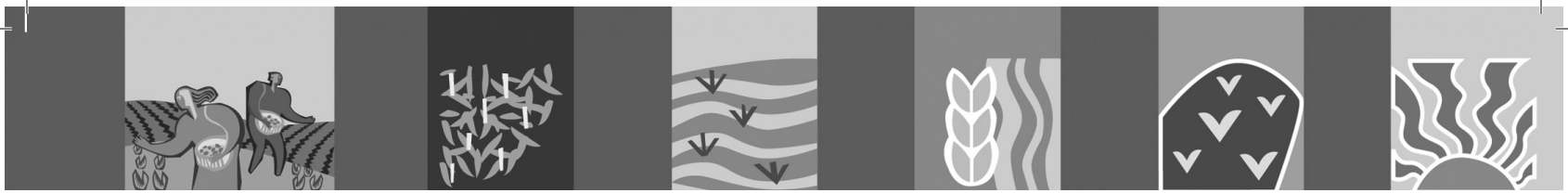
Processes of Land grabbing

Several issues and discussion agenda on farmland grabbing have emerged. Formal actors such as political parties, border guards, security forces and corporations; informal actors like the local elite and the land mafia; along with weak government mechanisms and corruption can be taken as drivers of land grabbing. Other recent issues such as land

acquisition by private corporations, multilateral institutions and even government agencies for development projects can be examined from the perspective of policy. Essentially, four different types of land grabbing have been noted:

- (i) Land grab led by political parties: From 1996 to 2005, the Maoist UCPN armed group has enforced its own form of land grab, resulting in the displacement of cadres of other political parties, families of civil servants, local elites and ordinary people. Over 7,000 ha were “grabbed” by armed groups supported by different political parties from 2009-10, despite strong protests from several political parties, the victims and CSOs.
- (ii) Border-related violations and land grab: Indian encroachment on Nepalese land has been a constant strain on the relationship of the two countries. While cases of border encroachment have been spelled out in bilateral agreements signed by both, land grabbing still occurs in 37 open border points. Recent surveys show that over 20,000 ha of farmland have been grabbed by Indian local elites with the support of border security force.

One such case is Susta village wherein, according to border experts, Nepal lost over 14,000 ha. of land, which rendered 50 families homeless. In June 2009, disputes at bordering villages in the



Dang district resulted in the displacement of over 2,000 people. Out of 26 bordering districts, 22 districts have experienced some form of border encroachment. Reports show that nearly 60,000 ha of Nepali land have been taken over by India through relocation of boundary pillars. Further, the Rasiyawal Khurdalotan dam built by India along the border has resulted in flooding on the Nepali side, leaving about 300 houses and 200 ha of cultivated land waterlogged.

The 22 km-long Laxmanpur barrage, constructed within 300 meters of the international border, is a clear violation by India of international law, practices and norms (source: <http://www.sandelman.ottawa.on.ca/lists/html/dam-1/2000/msg01929.html>). Over 15,000 people in 33 villages were affected and thousands of ha of arable land were inundated.

The National Interest Preservation Committee of Nepal's Constituent Assembly, the political parties and CSOs visited the area, marched in rallies, handed protest letters to the Indian embassy and attended a meeting at the CA secretariat to discuss the encroachment on Nepali land by Indian security forces.

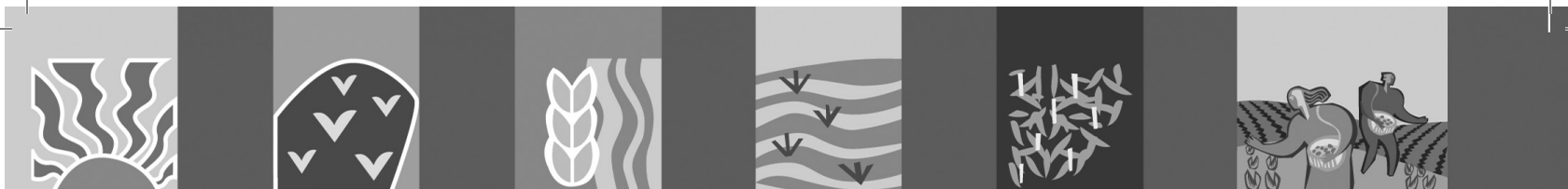
- (iii) Land grabbed by security and armed forces: The Nepalese security forces grab any land of their choice for their barracks, each of which requires over 200 ha. People in general are not informed of this “grabbing”, despite a government task force and the natural resource committee of parliament having conducted various studies. Clear reports have not been disclosed to date. Despite protest actions by local residents, people have lost productive land without being compensated.
- (iv) Township, urbanization and land grab: Land grabbing has been intensified in land

“In recent years, land grabbing and food security have become global concerns due to the soaring demand for agricultural land by wealthier countries to shore up their food supply, meet the surging demand for agrofuels, for manufacturing sites or simply as investment...”

acquisition for pooling, which push people to leave the land in the name of urbanization, or the creation of townships. Land grabbing in the name of urbanization has accelerated due to the following overarching factors: rural to urban migration, including displacement due to conflict; capital inflows, including remittances, and weak governance, that is, ineffectiveness against the real estate sector. The rapid growth of urbanization in many towns of the country has been guided by factors like concentration of employment opportunities and availability of basic services in and around urban areas as well as natural disasters, unemployment, social stigma and insecurity in rural areas (Shrestha, 2010). Nepal's real estate sector has boomed in recent years, and the immediate driver of this boom has been an enormous rise in land prices—as much as 300% since 2003 (according to the Nepal Land and Housing Association).

Case study of Triyuga Valley in Eastern Hill

Once a green field until the late 1990s, Triyuga valley today is home to over half a million people. The valley was the site of intense land grabbing from 1998 to 2009. To illustrate the extent of land grabbing, 37.2 ha. of farmland were lost by



35 households, and 35.3 ha. of paddy land were rendered unproductive. Cropland was reduced threefold. The average size of landholding decreased from 1.33 ha. to 0.27 ha as local elite, in connivance with land brokers, “motivated” the poor to sell their land at low prices. Some 7,121 parcels of farm land have been divided 10 times in the last 10 years, indicating that the land has been fragmented for house building.

Impact of Land grabbing on Food Security and Local Economy

Grabbing fertile agriculture land in the name of urbanization has resulted in dwindling food production and increased food insecurity. Such a situation can be observed throughout the district headquarters where urbanization has accelerated in recent years. Vivid examples can be seen in the Triyuga valley (in Udayapur district) of the eastern hills, a fertile stretch of land with an average paddy yield of 3.77 MT. However, when agricultural land was converted to housing projects at the rate of 13.3 ha per year starting 2005, the valley now experiences a 12.6 food deficit; or a 0.15% (356.9 MT) loss of food production each year. As a result, 3,324.38 MT of food is now imported by the valley each year.

People now depend on internal remittance for livelihood as over 30% work outside the district. Indigenous peoples have lost ownership over their customary land, as brokers easily encourage them to sell due to acute poverty. In extreme cases, these indigenous peoples have even been displaced, as what happened to the Tharu and Danuwar.

Policy Recommendations

Conservation of agricultural land and food sufficiency are directly related. Loss of productive land means having to import food. People below the

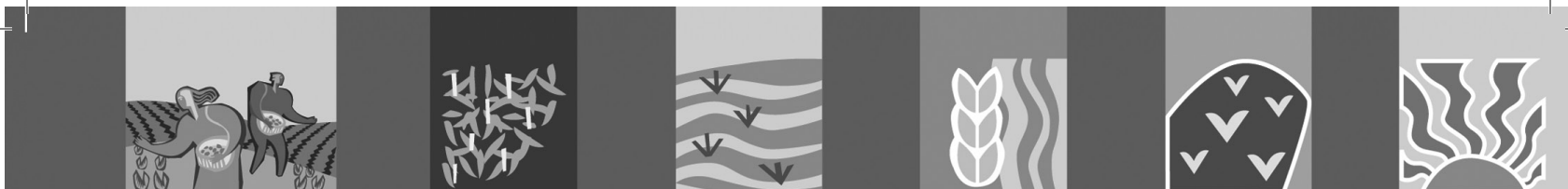
poverty line spend 78% of their income on food. In this situation, the marginalized are deprived even more because food importation results in increased food prices. Low quality of imported food is also the cause of health hazards. Given this situation, and considering the subsistence agriculture system of Nepal, policies protecting agricultural land, land rights and food security need to be adopted, and in an integrated manner. Preserving land can help farmers stay in business.

Suggested action

In order to strengthen land governance, all stakeholders need to be engaged in strengthening land rights of the poor. CSOs should play an active role in building a land policy through the participation of farmers, pastoralists, communities, the government and private sector at local, regional and national levels. For the protection of IPs, vulnerable groups and community rights, the local CBOs and the CSOs are required to enforce the strong land rights policy, linked with food security and rural economy. Sufficient access to land should be given for women, indigenous peoples and pastoralists, users of common-pool resources, tenant farmers, farm workers and people affected by armed conflict. CSOs should be involved in all aspects—planning, implementation and research.

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MODE-Nepal, a non-political, non-profit making and non-governmental organization (NGO), is primarily dedicated to the sustainable development of Nepal. It aims to foster mobilization, bottom up planning, participatory approach and social equity for betterment of all sections of the society.



Corporate agriculture farming in Pakistan

Society for Conservation and Protection of the Environment (SCOPE)

Pakistan is a vulnerable country for the worldwide trend of land grabbing due to its fertile land, abundant water supply and insecure tenurial system. The official corporate agriculture farming policy (CAF) to attract foreign investment is a magnet to land grabbers from the corporate sector and other entities that produce food for export back to their countries. Large-scale acquisition of land continues in the country, although official data are hard to come by for the civil society organizations who are working against this trend.



Overview: drivers of land grabbing

Pakistan is country of about 80 million people, with around 47 million below the food poverty line. Agriculture is the mainstay of the country's economy, accounting for 25% of GDP, 60% of export earnings and 48% of employment. Some 20.9 million ha. of land (26% of the country) are cultivated, of which 76% are irrigated by a vast network of canals, dams and barrages of the Indus River System. The land ownership pattern in Pakistan is highly disproportionate, as about 25% of big land

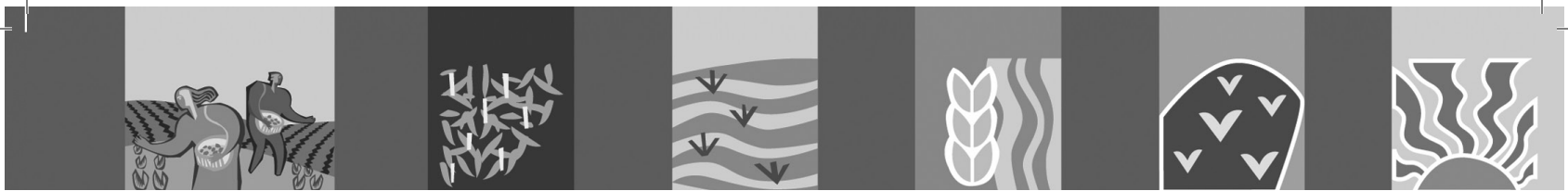
owners own 75% of land and, conversely, 75% of small farmers have access to only 25% of the land.

The main constraints facing the poor include: inadequate access to productive resources, i.e. agricultural land and farm credit; illiteracy and poor skill levels; weak rural infrastructure; inefficient technical support services; and poor organization and empowerment.

Corporate Agriculture Farming (CAF)

The issue of corporate agriculture farming (CAF) surfaced when the annual budget for 2000-2001, drawn up by the then military-backed government of President Pervez Musharraf, announced policy measures to facilitate corporate farming in order to increase much needed foreign investments in the country. The policy was made extremely attractive and lucrative to investors by offering generous concessions and exemptions by the Pakistani government.

The policy included a 50-year lease of government-owned lands to foreign companies, renewable by another 49 years. In July 2002, the federal cabinet decided to allow duty and sales tax-free import of equipment for use in corporate farming. A tax holiday for irrigated, rain-fed and cultivable areas was announced. Under the 1977 Land Reforms Act, the land ownership ceiling was 100 acres (40.47 ha). In order to lure investors, an amendment to the law was proposed to do away with the maximum limit. The country has a primitive system of agriculture, with low productivity per hectare. Therefore



planners believe that Pakistan needs a technological revolution, which may be brought in via the CAF.

Process

In order to implement CAF, the government moved fast to remove obstacles in the business, making it favorable to investors. Attractive incentives were put in place.

The Ministry of Food, Agriculture and Livestock (MINFAL) asked all provinces to provide details of cultivable barren lands in their respective areas for utilization in corporate farming. Although the media has been constantly speculating on the government's offer of millions of hectares to prospective investors, and there were press reports of large-scale land deals, the government has not officially confirmed any land deal.

An eight-point concept paper on corporate farming was prepared. The Federal Ministry of Industries and Production, the Board of Investment (BOI) and the Ministry of Food, Agriculture and Livestock (MINFAL) were supposed to look after the industrial part of the plan. Local and foreign companies incorporated under the Companies' Ordinance Act of 1984 will be entitled to corporate farming. Provincial revenue departments were to take care of taxation as corporate farming is to be covered by the provincial agriculture income tax law. The ministry of labor and MINFAL were put in charge of drafting special laws to deal with possible labor problems.

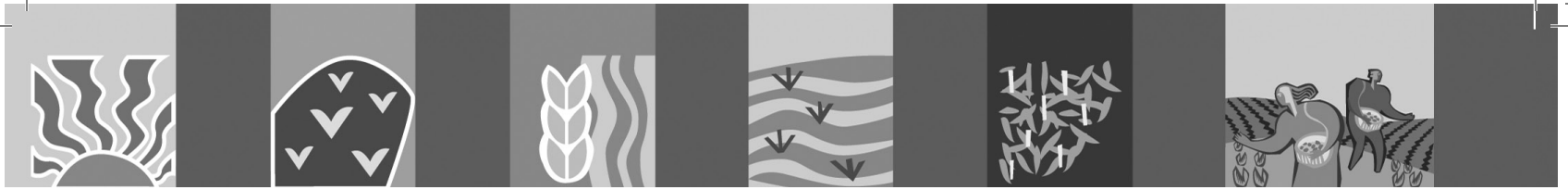
Out of the country's total land area of 79 million ha, 57 million ha have already been surveyed. The remaining 22 million ha have yet to be adequately documented. The initial results of the survey show that there are about eight million ha of fertile, cultivable land in four provinces, aside from barren land, which can be used for corporate farming.

“In order to implement CAF, the government moved fast to remove obstacles in the business, making it favorable to investors. Attractive incentives were put in place.”

The Board of Investment (BOI) came up with a list of landholdings available all over Pakistan, in compact blocks of (202.34 ha.) or more, which have been reserved for corporate farming in the districts of Muzaffargarh, Rajanpur, Bahawalpur and D.G. Khan, all in Punjab Province. The total area available is 31,111 acres (12,590.18 ha.). In addition, 6.6 million acres (2,670,925.24 ha.) of land are available in Cholistan, of which two million acres (809,371.28 ha.) are relatively flat land but without irrigation. The Punjab Board of Revenue has identified a compact block of 25,000 acres (10,117.14 ha.) for corporate farming in Cholistan (a desert inhabited mostly by nomadic pastoral communities).

Several livestock farms are also on offer in Punjab. These include a 1,538 acre (622.40 ha.) farm in Sargodha, a 900 acre (364.22 ha.) farm in Khushab, four farms totaling 8,943 acres (3,619.10 ha.) in Bhakkar, two farms with a total area of 3,488 acres (1,411.54 ha.) in Bahawalpur and two farms totaling 1,639 acres (663.28 ha.) in Khanewal. Total land area of available livestock farms available is 22,170 acres (8,971.88 ha.).

In Sindh province, the total cultivable area being offered is 29,841 acres (12,076.22 ha.), mostly forest land. Balochistan has the largest area being offered at 1.4 million acres (566,559.90 ha.), but most of them are cultivable waste, meaning land that has not yet been used for agriculture.



“Many critics of CAF stress the need to make it more responsive to the needs and interests of Pakistani farmers. Pakistan needs to protect its poor and small-scale farmers from the onslaught of globalization and CAF by making policies pro-poor.”

Most of the companies interested in acquiring large tracts of land for CAF in Pakistan are from the Gulf in the Middle East, as these countries have limited land for cultivation and water for irrigation. Such constraints create priority concern for food security among these countries. With limited land for growing food, these countries are concerned about their food security. They are also concerned about the high cost of their food imports, which is a huge dent on their petro-dollar reserves. Thus, these sultanates are switching from being food importers to food growers. The fact that they have little arable land is not an obstacle since their poorer neighbors, like Pakistan, are only too willing to accommodate them.

A case in point: the United Arab Emirates (UAE), which imports 85% of its food, purchased 324,000 ha. of farmland in the Punjab and Sindh provinces of Pakistan in June 2008. (Kerr, S. and Bok, F. “UAE investors buy Pakistan farmland.” *Financial Times*. May 11, 2008.)

In Pakistan, farmers do not have strong institutional representation. However, a small but vibrant civil society sector represents small farmers and peasants. This sector has been severely criticizing the CAF.

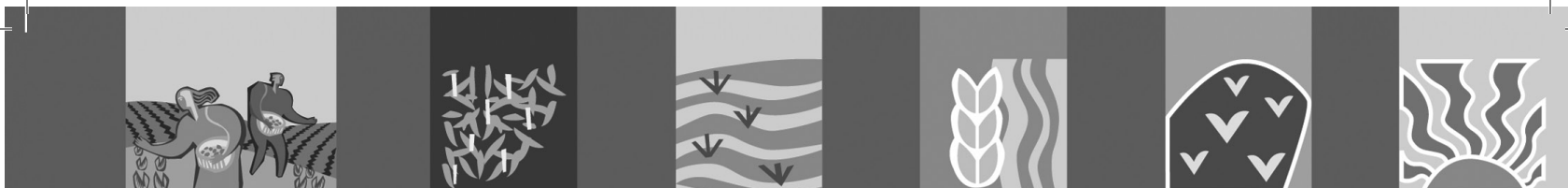
The Sustainable Agriculture Action Group (SAAG), an umbrella organization of 15 civil society organizations working for the rights of farmers, has expressed concern over the introduction of CAF in the country. According to SAAG, the CAF goes against land reform and the labor laws of Pakistan. There is no limit to how much land can be bought by corporations and labor laws could not be observed. Also, no duties will be imposed on agricultural equipment imported by the corporate farms. The CAF essentially gives transnational corporations (TNCs) and feudal lords a free hand to take full advantage and make as much profit, while denying poor peasants their right to food.

The Punjab Communist Mazdoor Kissan Party (PCMKF) has strongly condemned the CAF, arguing that it will only strengthen the multinational corporations (MNCs). The PCMKF claimed that CAF will also change the status of tenants from agricultural labor to “slavery”, and added that it would help the feudal lords to “corporatize” their big landholdings, depriving the tenants of their rights under the 1997 Tenancy Act. The PCMKF further said that the CAF negated the concept of agricultural reforms, that the introduction of mechanized farming would increase unemployment on one hand and reduce the fertility of land on the other.

Recommendations

Many critics of CAF stress the need to make it more responsive to the needs and interests of Pakistani farmers. Pakistan needs to protect its poor and small-scale farmers from the onslaught of globalization and CAF by making policies pro-poor.

Some experts suggest “contract farming” rather than corporate farming. The Gulf countries and their corporate entities should buy crops like wheat, rice, vegetables and fruit produced by Pakistani farmers; under an agreement that these customers will be



allowed to take a stipulated portion of the produced food items in return for providing technology. This approach will also help Pakistan incorporate new technologies in irrigation systems, seeds, farm management and food supply management into its own agriculture sector.

Pakistan and Gulf countries, along with other interested corporate entities, may sign bilateral deals to form companies that will establish farms on barren lands with small farmers as their shareholders.

The current CAF policy requires serious overhauling to make it more in line with Pakistani interests and conditions. Agricultural land must not be treated as a commodity; sale to a foreign or local entity must be banned. Leasing must only be allowed in cases where small farmers are also shareholders.

The policy of offering concessions to investors must also be revised. This policy is a disadvantage to domestic industries. There are many industries in Pakistan that badly need concessions from banks and other financial institutions to be able to compete in the world market.

Concessions like exemptions from labor laws and income taxes will have a negative impact on the local people so this policy must be reviewed and revised. The government cannot allow foreign entities to make huge profits from Pakistan without paying taxes and duties. CAF must be brought under the national tax net to help increase Pakistan's annual revenues.

Finally, CAF must conform to the long-term policy framework of the country, which provides a coherent approach to the economy, such as the Vision 2030 Program of Pakistan.

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SCOPE focuses on land rights and environmental protection. SCOPE has consultative status with UN ECOSOC and accredited with UNEP, GEF, UN CSD, UNCCD, HABITAT and many other UN and international environmental conventions, committees and bodies.

Facing Goliath: A municipality takes on the race for land in Quezon, Bukidnon

Xavier Science Foundation (XSF)

Quezon is a landlocked municipality in Bukidnon, Northern Mindanao, spanning 71,128 ha and with a population of 91,119. It was earlier inhabited by the Manobos, Bukidnon and Talaandig tribes. Mountain ranges, lush farmlands, natural spring waters and a relatively mild climate make Quezon a sleepy yet prospering tourist town.¹

Nicknamed “Sugarland” owing to its first major investor, the Bukidnon Sugar Milling Co., Inc. (BUSCO), sugar has been the main produce of Quezon. For over three decades, sugarcane farming has dominated Quezon as the only major investment. BUSCO is credited for propelling Quezon to the status of a first class municipality. The corporation generated employment, residence, and further investments.

After years of being the main industry in Quezon, sugarcane is now taking a backseat. This is due to an emerging mass produce with a growing export market – pineapples.

Recently, Quezon has become a magnet for large-scale pineapple growers. Coveted lands are mostly those that have been primed for planting, cutting production costs for the investors. With less costs required, pineapple-exporting companies are flooding Quezon, bringing in new investments and the promise of development for the community.

The first large-scale pineapple investment arrived in Merangeren, Quezon in 2007. Davao Ventures

Corporation (DAVCO), which had already been operating on an 800-ha piece of land in the neighboring municipality of Don Carlos, rented 700 ha from tribal claimants to plant pineapples on what were originally corn and sugarcane fields. A year after, Nature’s Fresh Pineapple Inc. (NFPI) expressed interest to plant pineapples in Quezon, eyeing the barangays (villages) of Merangeran and Butong. NFPI’s intention to expand operations would later be challenged by protests from the local community.

Close ties

Provincial Order 9305, which encouraged non-pollutant industries to invest in Bukidnon, set in motion the entry of new pineapple investments in Quezon. Certain requirements precede the approval of any multinational investment. However, a transparent and official process for registration of agricultural investments that is separate from other business entities is nonexistent.

According to Joseph Durotan, a municipal councilor, there is an ideal and appropriate process or Standard Operating Procedure, which investors must follow.

However, interviews with people close to the projects reveal that the investments were upon the invitation of the former provincial governor. By simply having the endorsement of a bureaucratic higher-up, investments were approved acquiescently.

Sangguniang Bayan (Municipal Council) Secretary Elisea Galbo admitted that DAVCO started operating

¹ Facts and figures are from the Municipal Profile of Quezon dated 2007



Diagram: Process for approval/disapproval of investment proposal



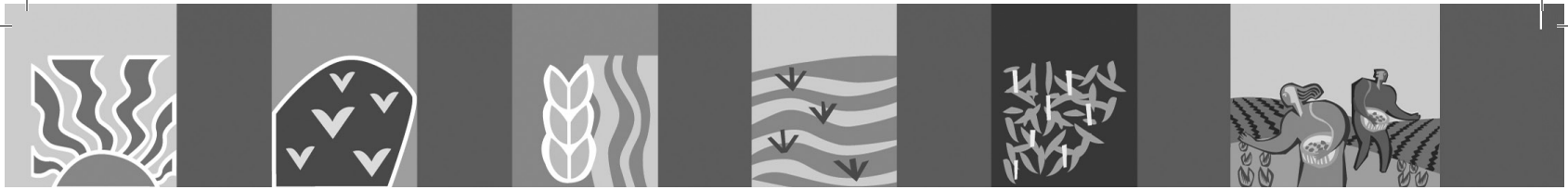
in Merangeran, Quezon without completing its registration with the local government unit. Del Monte Philippines, Inc. (DMPI) already surveyed and prepared the proposed site for its pineapple plantation and packing house in Sitio Kiantig, San Jose, even before acquiring official rights to operate. Currently, DMPI operates on a 900-ha pasture land converted into an agro-industrial zone by the Department of Environment and Natural Resources (DENR) on the condition that part of the land must be put under forest conservation. True enough, only 500 ha are used by DMPI for its pineapple production, while the remaining 400 ha are being utilized as a forest and wildlife reserve.

In its quest for land, NFPI, another company closely linked with high officials, found a 412-ha parcel of ancestral domain awarded to the Quezon Manobo Tribal Association (QUEMTRASS). The land up for grabs is managed by the Samahang Kabuhayan ng Manobo Pulanguihon (SAKAMPU) under a

Community Based Forest Management Agreement (CBFMA), and is currently planted to sugarcane and other crops. Since the land belonged to QUEMTRASS, it can be leased only by a legitimate member of the holder clans, such as Bae Kayang, a tribal chieftain of the Manobo Pulanguihon tribal community.

Presented with rents amounting to millions of pesos, Bae Kayang allegedly held exclusive negotiations with NFPI. Since the CBFMA allowed indigenous peoples (IP) control of the land for only 25 years, Bae Kayang sought the conversion of the land into a Certificate of Ancestral Domain Title (CADT)²,

² A Certificate of Ancestral Domain Claim (CADC) is the land tenure instrument issued by the Department of Environment and Natural Resources, which recognizes the claim of indigenous cultural communities to land, resources, and rights within a defined territory. A Certificate of Ancestral Domain Title (CADT), on the other hand, is a title formally recognizing the rights of possession and ownership of indigenous peoples over their ancestral domains that have been identified and delineated in accordance with the Indigenous Peoples Rights Act (IPRA).



which ensures the lifetime tenure of IPs over the land. The NFPI deal was sealed in September 2008 with a Memorandum of Agreement between NFPI and Bae Kayang under the guidance of the Provincial National Commission on Indigenous Peoples (NCIP), prior to formal negotiations with the local government unit (LGU).

Mad crowd

In December 2008, a faction of SAKAMPU raised a manifesto of opposition against the conversion of their land from CBFMA to CADT citing that Bae Kayang had been long excluded from the group after committing “gross violations for the rampant subleasing and selling of lands.” The petition also indicated that the field activities done by the Provincial NCIP personnel in their area “had been conducted without our consent.”

Two months earlier, the Sangguniang Barangays (Village Councils) of Poblacion, San Jose, Libertad, Merangeran and Minsalirac passed a joint resolution supported by the Liga ng mga Barangay (league of villages) of Quezon, vehemently objecting to the establishment of multinational companies involved in banana and pineapple production in the QUEMTRASS areas in Barangays Merangeren, Butong and Poblacion.

According to the Resolution, Barangay Butong served as the source of groundwater for the nearby villages, and a runoff of chemical fertilizers associated with commercial plantations could contaminate the ground water source, risking the health of the communities.

This is not the first time the community has kept a vigilant eye on their natural resources. Earlier, Merangeren and its neighboring villages filed a petition requesting the LGU to assess the possible risk of DAVCO’s pineapple plantation to the

environment and the people. Since the plantation is located on a slope farther away from the potable water source, the LGU decided to allow DAVCO to complete its land lease process.

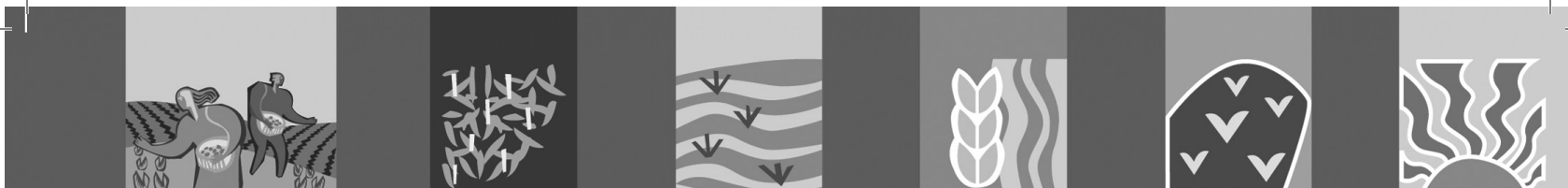
In the case of the NFPI investment, however, the community believes firmly that their water supply comes from the groundwater directly beneath the area of the proposed plantation. Such fact derives primarily from community knowledge, which is backed by scientific study.

In the heat of the controversy, peoples’ groups assumed the support of the parish and put up a streamer that read “No to Pineapples” at the church gate. But the church distanced itself from the issue. Rev. Fr. Herminigildo Alinas, the parish priest, claimed the church does not take any sides but favors whatever will be best for both the community and the investors. The conflict led the Basic Ecclesiastic Community to run a signature campaign opposing the projects.

As the issue grew more intense, some religious groups and people’s organizations approached then former Mayor Gregorio Gue, asked him to appeal to the governor. Gue, being an advocate of the environment, consulted with experts from Xavier University.

The meaning of political will

The deluge of resentment forced a reaction from the province widely believed to have prodded these contentious investments. To defuse the tension, the Provincial Government of Bukidnon commissioned the Provincial Environment and Natural Resources Office (PENRO) to assess NFPI’s proposed location. The PENRO conducted an ocular inspection of the 412.17-ha proposed project site and recommended the exclusion of only 85 ha, which constituted part of the Luan-Luan Spring sub watershed. It also



recommended that NFPI submit an environmental impact statement of its project.

Residents of the affected communities were not convinced by the PENRO assessment. To them, an exemption of 85 ha is grossly inadequate to protect their major source of water from hazardous chemicals used in commercial pineapple growing.

In a show of support for the predicament of the community, the Sangguniang Bayan (SB) of Quezon unanimously approved a resolution strongly supporting the joint resolution earlier passed by the five Sangguniang Barangays. The SB also “most humbly appeal[ed] to the Honorable Governor to extend utmost support on the matter.”

A month after passing the resolution, the SB decided to hire private experts to conduct an investigation on the proposed pineapple plantation site. Since the PENRO study was tainted with controversy, as there were testimonies of pressure by the provincial government on PENRO personnel to turn in favorable results, the SB chose an institution that was to its members free from the tentacles of the province’s bureaucracy.

The College of Agriculture of Xavier University carried out an impact study. Consistent with the indigenous knowledge of locals for whom the spring’s features are instilled, results of the impact assessment showed that an 85-ha exemption cannot fully satisfy the preservation of the connecting watershed. At least 1,500 ha should be spared from the pineapple project to protect the cool and clear waters of the Luan-Luan Spring, the report said.

During the presentation of the results of the Xavier University study, NFPI reciprocated with a desire to conduct its own research. The Provincial Government reacted by commissioning the Bukidnon Environment and Natural Resources

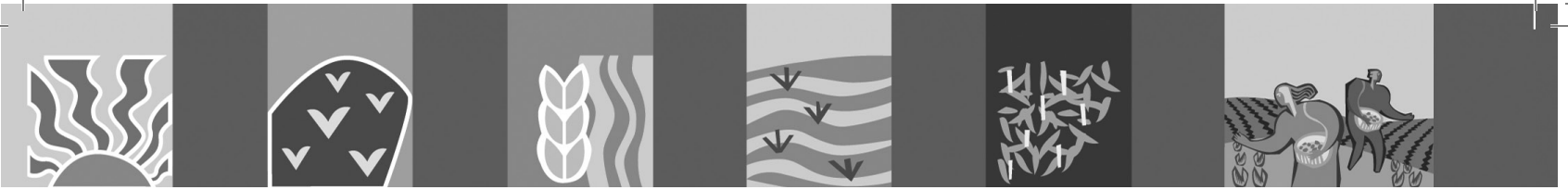
“In the heat of the controversy, peoples’ groups assumed the support of the parish and put up a streamer that read “No to Pineapples” at the church gate.”

Office (BENRO) to conduct another risk assessment. The results of the BENRO pegged 116 ha to be exempted from the pineapple plantation.

Amid blatant support for investor groups from the Provincial Government, the Municipal Government of Quezon put its foot down. On 05 November 2009, the SB adopted “by a unanimous accord and for the greatest benefit of the constituents of the municipality of Quezon, Bukidnon” the results of the report submitted by Xavier University discouraging pineapple plantations in the indicated areas. The situation remains volatile and the SB can still reverse its decision if another study can disprove the findings of Xavier University. Until then, no pineapple plantation can come into fruition in the QUEMTRASS areas.

As of writing, NFPI has given up on its pineapple plantation and is now considering planting hybrid corn or sugarcane, then leasing the remaining land. Just a year after the community expressed resistance, the Municipal Government of Quezon has proven that it can enforce fundamental change quickly.

Bukidnon has one of the highest poverty incidences in the region at 44% (NSCB, 2006). Had the pineapple investment pushed through, unemployment rate would have increased. As Mayor Gue calculates, only a farmer or two is employed for every hectare of pineapple plantation, while eight to 10 farmers are needed to tend to the same area for sugarcane.



“Local leaders who practice participatory and pro-people politics should be lauded and supported.”

Also, compared to sugarcane, pineapple poses greater environmental risks as it requires more chemicals to thrive.

When policy meets science

The NFPI case may someday be regarded as a textbook example of the importance of research in supporting decision-making processes. It is worth noting how the local government of Quezon, particularly the SB, which approves ordinances and passes resolutions, put science at the center of its policymaking.

It was the GIS-aided impact assessment report that convinced the Municipal Government that what Quezon needs is not a monoculture pineapple plantation in the upstream area of Luan-Luan Spring, but more trees and a long-term conservation program to sustain the quality of their prime water source.

However, government-conducted researches are often perceived to “justify” instead of determine policy. There were rumors that studies commissioned by the Provincial Government were biased towards the interests of the investors.

True or otherwise, this highlights the importance of collaborating with agencies independent from the influence of government bureaucracy. The move of the SB to hire Xavier University in Cagayan de Oro to do the impact assessment over equally capable research institutions within Bukidnon was a carefully

calculated decision that showed the willingness, even fearlessness, of the legislators to generate a report that is as objective as possible.

However, academic and research institutions can only go as far as making recommendations. It is clear that policy and planning remain the central concern of our local leaders. At the end of the day, it is still the government who has the obligation to make a decision.

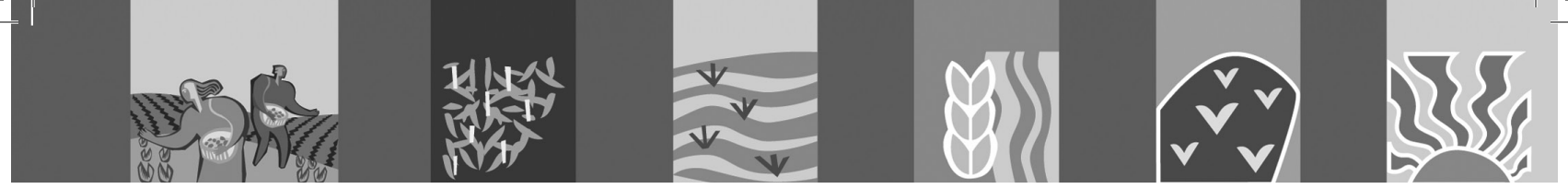
What (more) can be done

There are many the local government should do. It should be impartial to investors and promote good for the majority. It should ensure the efficient delivery of basic services and facilities. It should maximize the use of resources and revenues for development programs that will contribute to the achievement of national development goals. All these are what local governments are expected to do, but we are accustomed to politically savvy leaders, while patronage politics has been entrenched in our system. Procedural lapses in the entry of investments in Quezon point to an imbalance in authority. Investors may come and go as they wish without having to adhere to policies, while those in higher power enjoy personal gains.

Local leaders who practice participatory and pro-people politics should be lauded and supported. The public does not only stand to criticize but also to acknowledge the achievements of its government. We don't always have to focus on the woes. The resolution passed by Quezon's SB discouraging pineapple plantations in QUEMTRASS areas is a small victory worth celebrating.

1. Focus on Good Governance

The value of scientific research surfaced greatly in assessing the impacts of large-scale land investments, but it should not be limited to that. Research needs



“Local governments should be impartial to investors and promote good for the majority. It should ensure the efficient delivery of basic services and facilities.”

to be structured in a manner accessible to the local communities. At this point, academic and research institutions come in. Since resource-poor farmers can not pay for the conduct of research, the government should provide for this need through collaboration or outsourcing as part of its duty to enhance the livelihood of the poor.

National government agencies like the Department of Agrarian Reform (DAR), Department of Agriculture (DA), and the Department of Environment and Natural Resources (DENR) with the LGU can also institute similar efforts. Collaborations between them and the academe, civil society, and nongovernment organizations present greater opportunities to mobilize resources, create support groups, and monitor transparency of land deals while guiding farmer-beneficiaries throughout the development process.

These decisions have to be made official and publicly known by the LGU, thus the need to improve information dissemination and communication strategies. Readily available and localized materials should be dispersed throughout the entire municipality explaining the various situations of the community.

2. Improve land use planning

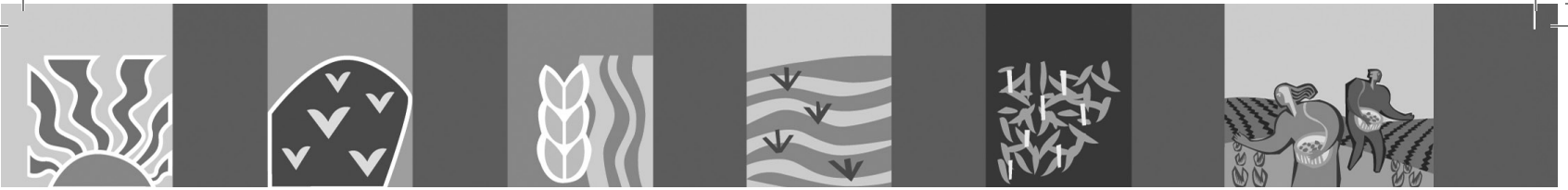
The LGU should have a clear and effective land use plan. This important document can bar legislators with private business interests from suddenly

coming up with ordinances reappropriating vast agricultural lands for non-agricultural purposes, putting farmers at risk of being displaced and losing their livelihood.

3. Shift to a localized orientation of food industries

What has gone unnoticed in this scheme is the rationale behind these investments. Land leasing, in general, has been allowed to address the alarming food insecurity. Clearly, the operations of these large-scale investors do not respond to that concern, as they are more drawn to the increasing export market. With the situation of those in the grassroots going from medial to worse, how can communities ever attain development? LGUs could shift to programs geared toward capacitating and enhancing the skills of the local people for market and resource sufficiency. Only then can these leases be justified.

In sum, the LGU of Quezon could take to heart three lessons, which are reinforced by related cases around the world: (a) safeguarding the welfare of those in the grassroots entails dynamic communication; (b) the basis for decision-making generally revolves around studying all aspects of the community, i.e., economic, social and environmental; and (c) systems and processes should not be taken lightly as they can result in complications. Transparency, technicality and principle in all transactions should not be treated as mere recommendations, but serious obligations.



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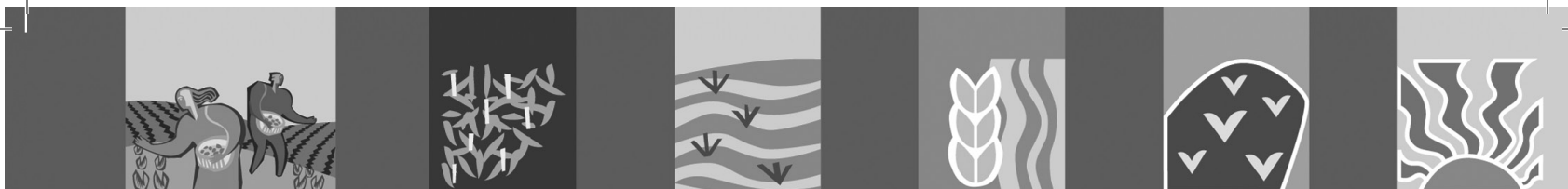
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Impacts of Special Economic Zones on indigenous peoples in the Philippines

Philippine Association for Intercultural Development (PAFID)

A Special Economic Zone (SEZ) is a geographical region where the economic policy and other related laws are more liberal and free-market-oriented than a particular country's typical or national laws. These zones are primarily established to attract investors in the hope of generating employment and income. SEZs are hailed by governments for their contribution to economic development.

A package of incentives is offered to lure investors. These incentives often include (but are not limited to): income tax holidays, duty-free importation of capital and equipment, exemption from export tax, and simplification of customs procedures.

The Philippine government enacted Republic Act No. 7916, providing the legal framework and mechanism for the creation, operation, administration and coordination of SEZs in the Philippines. For this purpose, the same law also created the Philippine Economic Zone Authority (PEZA).



Data from the PEZA show that as of March 2011, there are 243 operating economic zones and 94 proclaimed economic zones in the Philippines.

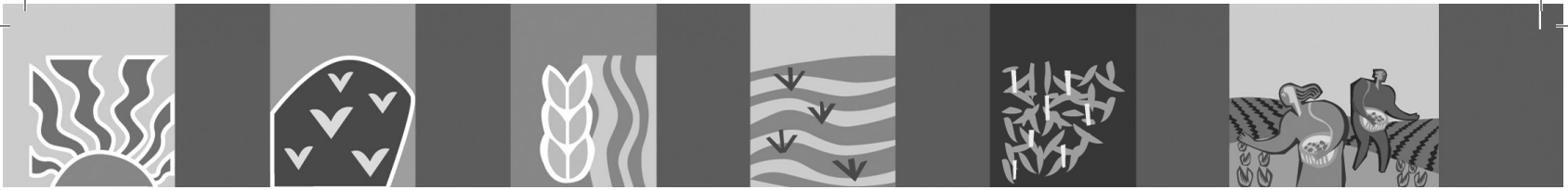
While arguably these zones bring in much needed investments and capital to generate local employment and boost the local economy, at least in the Philippine experience, their adverse effects on other parts of society, especially on indigenous peoples and their ancestral domains, are less studied. It is thus important to look at these social impacts and how indigenous peoples are coping with these economic changes.

Case Study Sites

This paper looks into the cases of the indigenous peoples inhabiting better-known economic zones such as the Subic Bay Freeport Zone and the Clark Special Economic Zone. Owing to the greater controversy surrounding its creation, this document devotes more discussion to the case of the recently created Aurora Pacific Economic Zone and Freeport (APECO).

The Subic Bay Freeport Zone

The Subic Bay Freeport Zone (SBFZ) covers about 67,000 ha of the former US Naval facility in Subic Bay in Olongapo City, Zambales. In anticipation of the pullout of the US Naval base facilities, the Philippine government enacted Republic Act 7227 (Bases Conversion and Development Act of 1992) on 13 March 1992. This act created the Subic Bay Metropolitan Authority (SBMA) to operate and



develop the naval facility into the Subic Special Economic Zone.

Government reports indicate that the zone has been a consistently growing Freeport. Cumulative investments since 1992 reached \$2.3 billion. Exports generated stand at an average of \$1.0 billion. Jobs generated reached 60,000 or twice the highest number of jobs available when it was still a US Naval Base. From 2006 to 2009, the SBMA managed to attract 314 foreign direct investment projects worth \$2.5 billion.

The Clark Special Economic Zone

The Clark Special Economic Zone (CSEZ) in Angeles City, Pampanga is a re-development of the former Clark Air Base of the United States Air Force, covering 32,000 ha. Following the departure of the American forces in 1991, the Philippine government decided to convert the base into “an airport-driven urban center targeting high-end IT-enabled industries, aviation and logistics related enterprises, tourism and other sectors.” The base eventually became the site of the Clark Freeport Zone.

The transformation of the former Clark Air Base into a Freeport zone was completed on 20 March 2007 with the enactment of Republic Act (RA)

No. 9400, which amended portions of RA 7227 (Bases Conversion and Development Act of 1992). It is administered by the Clark Development Corporation (CDC).

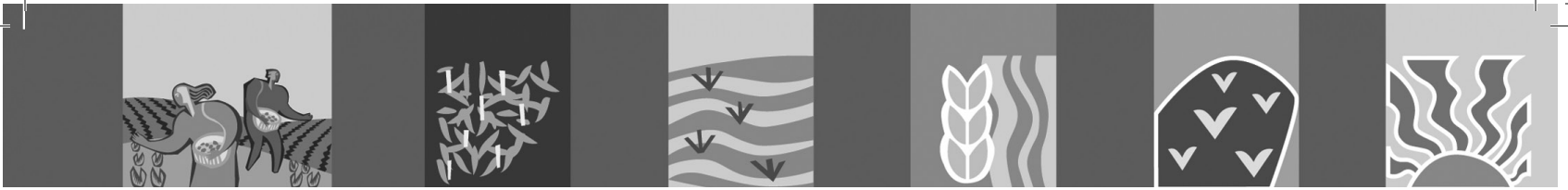
The Aurora Pacific Economic Zone and Freeport

The Aurora Pacific Economic Zone and Freeport (APECO) was created through Republic Act No. 9490 on 27 June 2007, and amended by Republic Act No. 10083 which lapsed into law on 22 April 2010. Just like Subic and Clark, APECO was to be managed and operated as a decentralized, self-reliant, and self-sustaining center for optimized development in industrial, commercial trading, agro-industrial, tourist, banking, business outsourcing, financial and investment industries. It covers about 13,000 ha of land mainly located in the municipality of Casiguran in the province of Aurora. It is managed by the Aurora Special Economic Zone Authority (ASEZA).

Issues Against the Economic Zones

The three SEZs encroach on the ancestral domains of at least 23 Aeta and Agta communities in Central and Northeastern Luzon. The Clark Special Economic Zone alone covers 14 Aeta communities. The Subic Bay Freeport covers two Aeta communities. The recently created APECO affects five Aeta communities. At least 15,000 individuals are affected by these economic zones. It should be noted that half of the area of the Subic Bay Freeport Zone is actually indigenous land.

The affected indigenous peoples’ communities complain that there was absolutely no free, prior, and informed consent for the establishment of these economic zones. For instance, in the case of Subic and Clark, when the Americans decided to establish their military facilities, the colonizers forcibly took the lands of indigenous peoples. When the bases were



converted into SEZs, the Philippine government and its instrumentalities (SBMA and CDC), followed the American lead and disregarded the claims of the indigenous peoples to their lands. The situation is similar in the recently created APECO zone.

Consequently, the indigenous peoples do not have formal representation in the corresponding governing bodies (SBMA, CDC, and ASEZA) established by law to manage these zones. These bodies have representatives from the civil society, the business and industry sector, and from the local government units (LGU) concerned. The indigenous peoples absolutely do not have participation in the formulation of any or all of the development plans for the SEZs.

These economic zones are also a threat to the environment and biodiversity. The SBFZ and APECO cover environmentally critical and key biodiversity areas for their extensive forest cover. In SBFZ, the economic zone includes the Subic Bay Forest Reserve, which is a protected area owing to its high biodiversity of flora and fauna. It is among the very few tropical lowland *Dipterocarp* forests left in the country, while mangrove forests extending from the beaches to the mountaintops make for one of the rarest sights in the country.

The APECO in Aurora encroaches on the ancestral domains of the Agta in Casiguran. The mentioned territory is contiguous to the southern section of the Northern Sierra Madre Nature Park, the last remaining close canopy forest system in Luzon.

The relationship of the people with these economic zones has been a tortured history of conflict and hostility. In the case of Subic and Clark, the Aetas suffered the first instance of displacement from their traditional territories when the Americans decided to establish their military facilities there. The conversion of these military facilities into economic

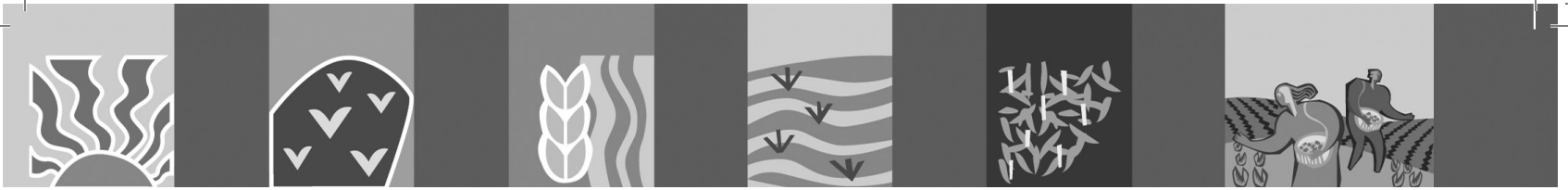
zones following the departure of the Americans continued this policy of displacement.

The Clark Development Corporation (CDC) opposes the ancestral domain claims filed by the indigenous peoples. While the authority had full knowledge of the claim's existence, the CDC continues to build unilaterally new structures inside the area. The Aeta communities have long protested the heavy-handed treatment they often get from the armed security guards of the CDC.

Despite the Aeta community's legal tenure over 4,374 ha of land within the former US Naval Base in Subic, the SBMA continues to issue its own land use certificates as incentives for investors inside the ancestral domain. The Aetas endure the humiliation of having to cross fences erected by investors who built factories in their ancestral domain. Their movement has been restricted because many of these areas were designated off-limits.

The laws that created these economic zones do not at all mention indigenous peoples' rights. Not a single provision that recognizes ancestral domains





and traditional territories is embedded in all the laws that created these SEZs.

In economic zones the management authority can choose areas and compel people to be relocated. The government can impose eminent domain, which effectively forces relocation by virtue of invoking territorial ownership by virtue of an issuance by the management authority that the area is of import. Occupants have no recourse but to vacate.

Most damagingly, communities of indigenous peoples are torn by emerging, conflicting loyalties and divisions within, due to the appearance of new authority. This is particularly true in Casiguran, Aurora where the lead claimant was employed by the APECO and now no longer wants to pursue the ancestral domain claim to the detriment of the whole community.

The Aurora Pacific Economic Zone (APECO)

The APECO project is located in the municipality of Casiguran in the province of Aurora, on the northeastern part of Luzon, which is about 350 kilometers northeast of Manila. Rice, corn, fishery and coconut production comprise the bulk of the local economy in Casiguran.

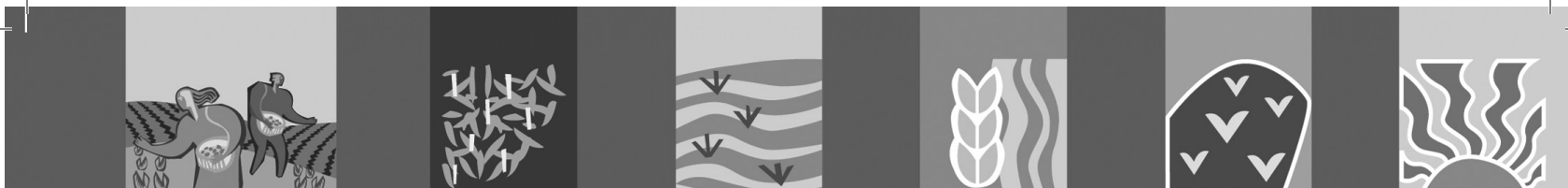
It is estimated that around 250 Agta/Dumagat families and more than a thousand non-Agta families in five barangays (villages) in the municipality of Casiguran in Aurora Province are currently affected as a result of the implementation of the billion-peso industrial project – the APECO.

The APECO aims to convert around 12,500 ha of rice farms, coconut plantations, forests, mangroves and coastal areas, and human settlements in these barangays, including the whole ancestral domain of the Agta people of the San Ildefonso Peninsula. The APECO is seen to uproot and cause systematic displacement of the Agta/Dumagat and numerous farmers and fisherfolks and would bring deleterious effect on their livelihood sources.

There are five Agta/Dumagat settlements in the five villages within APECO's coverage. In addition to those staying in these settlements, around 70 Agta/Dumagat families live in other minute settlements dispersed within and adjacent to these areas.

Aside from the Agta/Dumagat, about a thousand non-Agta families live in the areas that APECO covers. According to a research conducted by Tom Headland, an American anthropologist who made an extensive study on Casiguran Agtas from the 1960s to the 1980s, the influx of these settlers is the indirect but primary factor that greatly contributed to the decline of the Agta/Dumagat population. With no legal tenure over their various lands possessions, these non-Agta families face the higher risk of getting displaced. They are expected, however, to simply move and resettle into the remaining portion of the ancestral domain and further displace the Agta.

About 70% of the San Ildefonso Peninsula is covered by forest dominated by broad-leaf species. Mangrove patches are also found along the low-lying areas of Culat and Coso. The existing vegetation makes the peninsula environmentally significant,



although some sections have been recently logged by the Industrial Development Corporation (IDC), a logging company which operated in Casiguran until the establishment of APECO. Apparently, APECO had already purchased the logging rights of IDC for PHP 120 million and paid PHP50 million in advance to have the logging concession converted into an Industrial Forest Management Agreement (IFMA).

In the San Ildefonso Peninsula, the narrow, flat coastal sections already occupied by settlers are planted to agricultural crops dominated by rice fields and coconut farms. A significant number of swidden farms are found in the low-lying hills, while the hilly and mountainous interior is densely canopied by various forest species. The peninsula has a pristine character and its scenic coast on the Pacific Ocean makes it highly coveted by developers.

APECO started its operation on 01 August 2008 with the appointment of Ambassador Joseph D. Bernardo as the first chairman of the economic zone. An office was opened in Makati City on 18 November 2008.

Groundbreaking ceremonies to start the various development projects of APECO have been simultaneously launched in the first quarter of 2011. These include a housing project for those who will be displaced, an airport, a ferry port and ongoing construction of the APECO Administration Building.

A contract between APECO and the Department of Energy (DOE) has also been signed to construct a PHP220-million solar power plant to light up 1,000 households. The Department of Agriculture (DA) plans to install 32 fish cages at the proposed mariculture park, which will be supported by a three-ton-capacity mini-ice plant and a refrigerated truck, also to be provided by the DA.

Issues Raised Against APECO

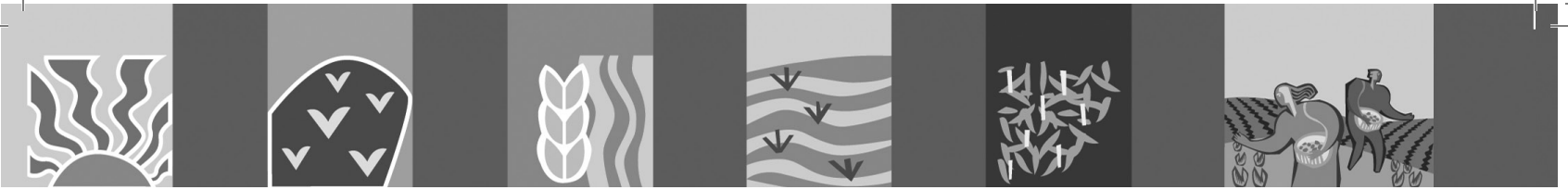
The APECO proponents see it as the solution to the underdevelopment and lack of progress in the province of Aurora. On the other hand, its critics and opposition groups argue otherwise. They present the following:

- The law that created APECO violates at least four (4) other national legislations. These are Republic Act 7160 (Local Government Code of 1991), RA 8371 (Indigenous Peoples Rights Act of 1997), RA 8435 (Agriculture and Fisheries Modernization Act of 1997) and RA 9700 (Comprehensive Agrarian Reform Program Extension and Reforms Act of 2010).

APECO was created without proper consultation with the affected communities. This is a clear violation of the Local Government Code. There was no approval from the affected local government units affected as required RA 7160. A number of farmers displaced by the construction of the airport and APECO office have not been relocated to appropriate relocation sites.

The law that created APECO effectively abolishes local government units in a manner inconsistent with the prescribed procedure for such under the





Local Government Code of 1991. The affected local government units would practically be diminished or effectively abolished with the establishment of the economic zones.

The creation of APECO also runs counter to the Indigenous Peoples' Rights Act of 1997. The ancestral domain of the Agta/Dumagat in the San Ildefonso Peninsula was marked off for inclusion into the SEZ without the required consultation to obtain the free, prior, informed consent (FPIC) of the affected indigenous peoples.

The APECO also covers prime agricultural lands, which are protected areas under the Agriculture and Fisheries Modernization Act (RA 8435). The alteration or destruction of these areas is prohibited under this law.

The law that created APECO contradicts public policy on distinguishing between private and public lands, non-consolidation of ownership, food security, preferential use by small fishers of marine resources, and confiscation of private properties without due process.

- The law was railroaded. The stakeholders were not invited to the public hearings. The Senate and

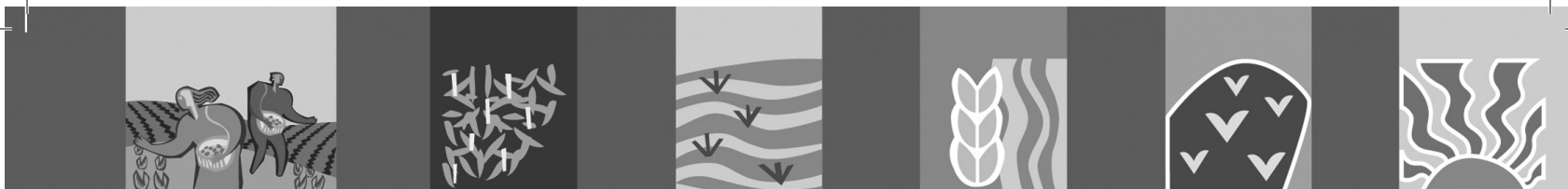
the House of Representatives did not conduct committee hearings to discuss extensively the pros and cons of the project.

- The area covered by the economic zone is excessive for its current need. There are no records or evidence to support the need to expand right away the area from 500 to 13,852 ha, given fundamental questions on the previous law and the pending proof of its feasibility and economic potential from APECO.
- Harassment and misinformation on the ground. According to local residents, a massive disinformation campaign by APECO proponents is ongoing to confuse the small farmers and indigenous peoples and drive them away from their lands using the new law.

In addition to the aforementioned issues, those opposing APECO believe that ultimately only the rich and powerful will benefit from it, while the poor and marginalized groups will be systematically displaced, foremost of them the Agta people. Media sources disclosed that majority of the board which shall oversee APECO are members of the ruling political elite, the Angaras. Some sources also reveal that the Angara political clan owns and continues to buy various landholdings, the value of which is expected to rise once the APECO goes full blast.

The establishment of the APECO has already sowed disorganization and division among the ranks of the Agta people, which are already on the road to extinction caused by the heavy depletion of their traditional food base. With their inadequate skills and education, only a few will be hired, with the rest eventually forced out by an expected surge of outsiders who will be lured in by APECO.

To counteract mounting opposition, the APECO management has employed as consultant the most



influential Agta leader, and pays her PHP25,000 a month (from personal interview with this Agta personality). Her job is to convince the Agta to consent to relocation and abandon their claim on their ancestral domain.

With the APECO, the application of the Agta for an ancestral domain title, submitted way back in 1995, and which now remains pending at the National Commission on Indigenous Peoples (NCIP), is doomed. The long delays in the approval of their CADT application already constitute an injustice to the Agta people. The delay is not their fault, considering the difficult and slow process and lack of political will on the part of NCIP to attend to their concerns. The APECO proponents had taken advantage of this state of helplessness and uncertainty to include the Agta domain into their schemes.

Conclusion and Recommendation

The benefits that APECO will bring are inconclusive. A place as remote as Casiguran, lying across the path of devastating typhoons, does not paint a haven of sure returns for investors. Even when paved, the road to Casiguran is very fragile. A strong typhoon can render many sections of the road impassable for days and even weeks. A dozen sections are too steep and aggravated by hairpin bends inaccessible to huge trailer trucks. The regularity of electrical power cannot also be guaranteed, especially during typhoon season. More infrastructure damage is expected as a result of climate change. Besides, Subic and Clark are ready alternatives for investors. These more famous SEZs have superior location and infrastructure than APECO could ever have.

The people of Aurora would indeed find employment opportunities, but there are no guarantees. It would be of great relief if indeed companies would be built to support the coconut industry, coastal fishing, and

even wood processing. But building them does not require an economic zone of this scale.

Tourism meanwhile could be promoted even without an economic zone.

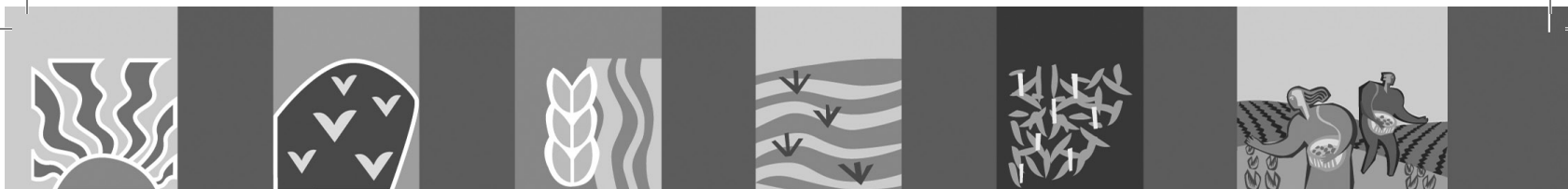
Some people happily attribute infrastructure improvements to APECO. The road networks in the province have been seeing repair. But building good roads and bridges are primary tasks of the government, with or without an economic zone.

There is no assurance that APECO would be able to maintain the pristine environment in the area. The influx of multitudes of people would certainly bring more pressure to the environment, and disturb traditional cultures and heritage of the indigenous peoples.

It is therefore recommended that civil society groups take a two-pronged approach. Direct assistance should be provided to the affected families, both Agta and non-Agta, to help them in their struggles, particularly in the processing of their application for the obtention of security of tenure over their lands and resources. On the advocacy level, the support groups should work more closely with the affected people to persuade government authorities to suspend all APECO activities – particularly those within the ancestral domain and the agrarian reform areas – until such time all the pertinent issues are resolved.

In more specific terms the following courses of action should be undertaken:

- Build the capacities of communities to engage the government
- Demand the mandatory appointment of IP representatives to all governing bodies of economic zones.



- Demand transparency on the financial status of the SBMA and CDC to enable the Aeta to compute for the proper royalty payment due to the community.
- Enhance community organizing for the consolidation of the ancestral domain claim to build and strengthen the communal values of the Agta.
- Facilitate further information dissemination on the impacts of economic zones to enable the indigenous peoples to learn from the experiences of other communities faced with similar problems.
- Review international instruments, treaties, and policies that could favor the cause of affected IPs.

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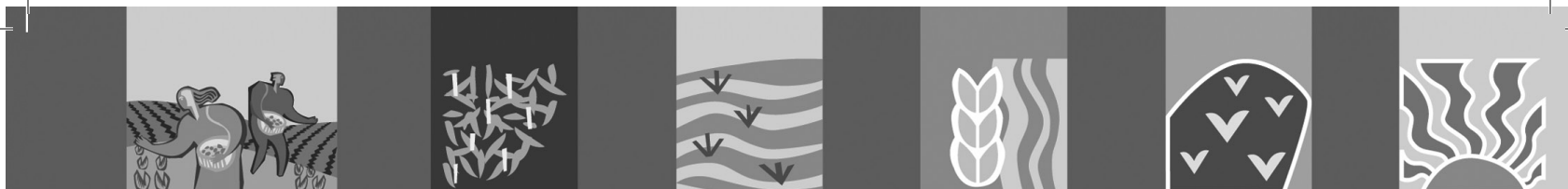
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PAFID is an institution with over 140 members engaged in the development of indigenous social organizations, ancestral domain management, community-based natural resources management planning, community mapping, agroforestry, technical services and policy advocacy.

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The involvement and responsibilities of International Financial Institutions in Asian farmland investment

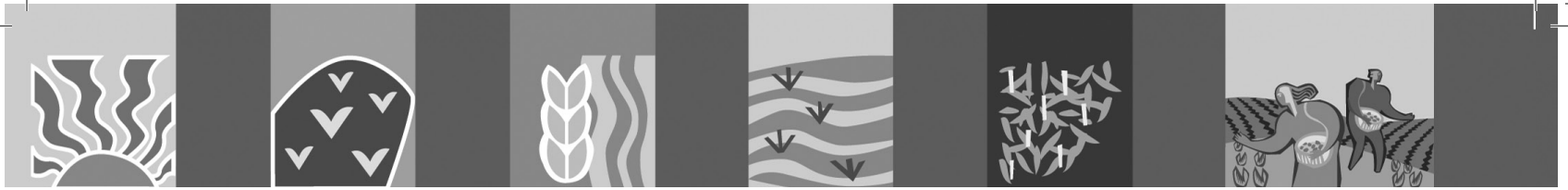
This article is the executive summary of a study (same title) that the Allard K. Lowenstein International Human Rights Clinic prepared in July 2011 for the Asian NGO Coalition for Agrarian Reform and Rural Development (ANGOC). The team members include Megan Corrarino, Paul Linden-Retek, Laureen Oleykowski and Chelsea Purvis. The full report is available at http://www.law.yale.edu/International_Financial_Institutions_and_Asian_Farmland_Investment_Report.pdf

Abstract: Large-scale agricultural investment projects in South and Southeast Asia pose significant risks to the human rights and food security of people in project host communities. Nevertheless, international financial institutions (IFIs) continue to finance, support, and promote such projects. Current IFI mechanisms, ostensibly designed to protect host communities, fail to provide effective mechanisms for reconsidering or halting problematic agricultural investment projects and for safeguarding the rights of affected people. There is a gap between the mandates of IFIs – to promote development and reduce poverty – and current agricultural investment practices, which threaten the livelihood of some of the world’s most vulnerable people. To bridge this gap, IFIs must (1) increase transparency and host-community participation, (2) emphasize human rights and smallholder empowerment in agricultural investment projects, (3) provide support and funding for host-country governments to enact best practices and monitor land acquisition in their countries, and (4) convert principles on human rights in host communities into enforceable policies.

Large-scale land acquisition in South and Southeast Asia

Global population growth and the corresponding strain on global resources have created increased pressure to expand land cultivation and agricultural productivity.¹ At the same time, public spending and

¹ KLAUS DEININGER & DEREK BYERLEE, WORLD BANK, RISING GLOBAL INTEREST IN FARMLAND: CAN IT YIELD SUSTAINABLE AND



development assistance for agriculture worldwide have declined.² In many countries, increases in agricultural productivity have not kept pace with the demand for food and other agricultural products.³ International financial institutions (IFIs) and governments of developing countries have long considered private investment in agricultural land to be a solution to the growing demand for food and an opportunity for investors to increase the productivity of agricultural land.⁴ International farmland investment became increasingly common following the global food crisis in 2007-2008.⁵

Agricultural land acquisitions often occur, however, without coherent oversight or effective policies to protect the rights of affected communities. These acquisitions allow speculators to take already-scarce land resources out of the hands of small-scale farmers who depend on land for their livelihood. Furthermore, they undermine national and local food security in developing countries.⁶

EQUITABLE BENEFITS? XXIII (2010), available at http://siteresources.worldbank.org/INTARD/Resources/ESW_Sept7_final_final.pdf.

² ROEL R. RAVANERA & VANESSA GORRA, INTERNATIONAL LAND COALITION, COMMERCIAL PRESSURES ON LAND IN ASIA: AN OVERVIEW 5 (JANUARY 2011), available at <http://www.landcoalition.org/fr/publications/commercial-pressures-land-asia-overview>.

³ FAO Investment Center, <http://www.fao.org/tc/tci/whyinvestinagricultureandru/en/> (last visited Mar. 17, 2011).

⁴ *Ibid.*

⁵ Luisa Guarneri, *Raise Farm Production to End Food Crisis: FAO Director General Testifies Before Italian Parliament*, FAO NEWSROOM, Sep. 28 2008, <http://www.fao.org/newsroom/en/news/2008/1000922/index.html> (last visited Mar. 17, 2011).

⁶ SHEPARD DANIEL & ANURADHA MITTAL, OAKLAND INSTITUTE, (MIS)INVESTMENT IN AGRICULTURE: THE ROLE OF THE INTERNATIONAL FINANCE CORPORATION IN GLOBAL LAND GRABS (2010). See also, e.g., RAVANERA & GORRA, *supra* note 2; JOACHIM VON BRAUN & RUTH MEINZEN-DICK, INTERNATIONAL FOOD POLICY RESEARCH INSTITUTE, "LAND GRABBING" BY FOREIGN INVESTORS IN DEVELOPING COUNTRIES: RISKS AND OPPORTUNITIES (APRIL 2009), available at <http://www.ifpri.org/publication/land-grabbing-foreign-investors-developing-countries>; U.N. Special Rapporteur on the Right to Food, *Large-scale land acquisitions and leases: A Set of Core Principles and Measures to Address the Human Rights Challenge*, 3 (June 11, 2009), available at <http://www2.ohchr.org/english/issues/food/docs/BriefingNotelandgrab.pdf>.

Detailed information on land deals and investments in South and Southeast Asia is difficult to obtain. Little information from governments or investors is available to the general public about who is purchasing and leasing land, from whom, and for what purposes; governments and IFIs themselves lack comprehensive data on regional or national land acquisition.⁷

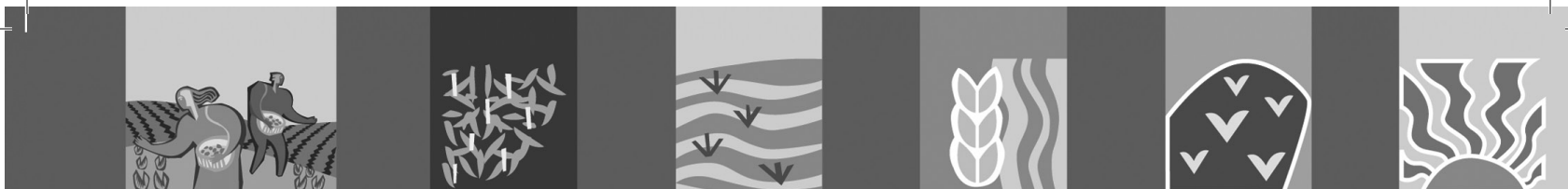
Although Asian governments play an active role in facilitating investments, such investments seldom take the form of large-scale land *sales* (as they do in other places, notably Africa).⁸ In most of Asia, the amount of unoccupied arable land available for acquisition is small.⁹ Moreover, domestic legal frameworks – through statutes and constitutional provisions that limit land sales to foreigners – often prevent large-scale land acquisition.¹⁰ As a result of these constraints, foreign investment in agricultural land tends to involve contract farming,

⁷ MICHAEL TAYLOR & TIM BENDING, INTERNATIONAL LAND COALITION, INCREASING COMMERCIAL PRESSURE ON LAND: BUILDING A COORDINATED RESPONSE (JULY 2009), available at http://ilcsite.landcoalition.info/sites/default/files/publication/821/09_07_cpl_discussionpaper.pdf. In a series of interviews in Manila, Philippines, government officials and representatives of the Asian Development Bank and the World Bank confirmed that there was no comprehensive data on large-scale land acquisition or leasing. Interview with Cristino Panlilio, Undersecretary for Industry and Investments, Philippines Department of Trade and Industry's (DTI) Board of Investments, Manila, Philippines (Jan. 17, 2011); interview with Marriz Agbon, President, Philippine Agricultural Development and Commercial Corporation, in Manila, Philippines (Jan. 20, 2011); interview with Bert Hofman, Country Director, World Bank Philippines, in Manila, Philippines (Jan. 20, 2011); interview with Michiko Katagami, Project Economist: Agriculture, Environment, and Natural Resources Division (ADB Roundtable), in Manila, Philippines (Jan. 20, 2011).

⁸ Interviews with government and IFI officials, *supra* note 7. For descriptions of land grabs in Africa, see, e.g., ALISON GRAHAM ET AL., FOODFIRST INFO. & ACTION NETWORK [FIAN], CSO MONITORING 2009-2010, ADVANCING AFRICAN AGRICULTURE (AAA): THE IMPACT OF EUROPE'S POLICIES AND PRACTICES ON AFRICAN AGRICULTURE AND FOOD SECURITY: LAND GRAB STUDY (2010), available at <http://www.fian.org/resources/documents/others/report-on-land-grabbing/pdf>.

⁹ U.N. Special Rapporteur on the Right to Food, *Large-scale land acquisitions and leases: A Set of Core Principles and Measures to Address the Human Rights Challenge*, *supra* note 6, at 3.

¹⁰ Interview with Michiko Katagami et al., *supra* note 7.



long-term leases of consolidated areas of land, or business partnerships between foreign investors and local enterprises. Foreign investors sometimes collaborate with local companies to form and share ownership of new domestic companies that can, under national law, purchase or lease large holdings of land.¹¹ However, some governments have begun to take actions that suggest they are reducing legal barriers to large-scale land sales, and IFIs frequently encourage such policies as part of open-market and free-trade reforms.¹²

The role of International Financial Institutions (IFIs)

The World Bank Group and the Asian Development Bank (ADB) influence large-scale land acquisition in South and Southeast Asia in at least two different ways: (1) actual, direct participation in the financing of land acquisition projects and projects related to agricultural development, agribusiness, and the development of transportation or processing infrastructure (each of which might affect the rights to food and to access to land); and (2) indirect effects on these rights through the influence of the banks' development guidelines and policies on practices of developing countries' governments.¹³ Nevertheless, the full extent of IFI involvement is often difficult to determine, for two reasons. First, banks and financing parties disclose only limited details concerning land acquisition. Second, because bank policies are often implemented as part of wide-reaching regulatory reforms, it is often difficult to demonstrate empirically that general bank policies have caused specific local outcomes.

¹¹ Raul Q. Montemayor, *Overseas Farmland Investments—Boon or Bane for Farmers in Asia?*, in *LAND GRAB: THE RACE FOR THE WORLD'S FARMLAND 99* (Michael Kugelman and Susan L. Levenstein, eds., 2009), available at http://www.wilsoncenter.org/topics/pubs/ASIA_090629_Land%20Grab_rpt.pdf.

¹² See, e.g., RAVANERA & GORRA, *supra* note 2, at 7.

¹³ Interviews with government and IFI officials, *supra* note 7. See also, e.g., RUMU SARKAR, *DEVELOPMENT LAW AND INTERNATIONAL FINANCE* (1999).

Despite this lack of information, IFIs clearly play a critical role in agricultural investment practices in Asia.¹⁴ They help to design and fund joint ventures between governments and private investors, and they work with host governments to identify, implement, and monitor investment projects in some of the region's most vulnerable agricultural communities. However, despite their enormous power and their mandates to promote development and reduce poverty, IFIs have failed to identify and implement meaningful safeguards to protect the rights of the poorest communities and most vulnerable people.

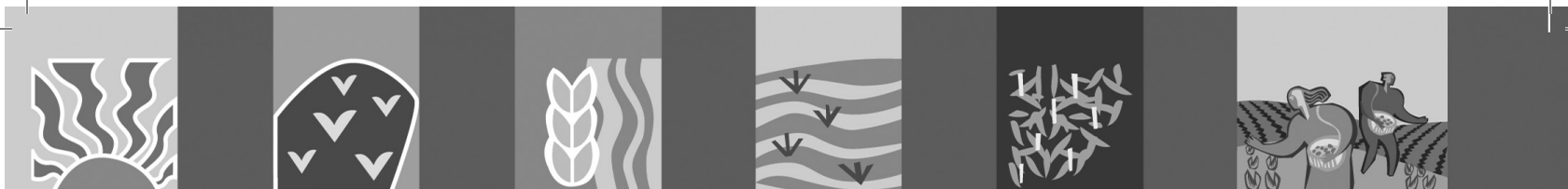
As a result, bank practices in Asian agriculture entail a significant risk of increasing, rather than ameliorating, the problems of food insecurity and hunger. This paper details key problems with IFIs' current approaches to agricultural investment and provides recommendations for reforms that would improve protection of human rights in IFI-funded agricultural projects.

Problems & Recommendations

Current IFI agricultural investment practices lack effective safeguards to protect the human rights and livelihood of host-community members.¹⁵ If they are to protect the very people their policies

¹⁴ See, e.g., LORENZO COTULA, INTERNATIONAL INSTITUTE FOR ENVIRONMENT AND DEVELOPMENT, *INVESTMENT CONTRACTS AND SUSTAINABLE DEVELOPMENT: HOW TO MAKE CONTRACTS FOR FAIRER AND MORE SUSTAINABLE NATURAL RESOURCE INVESTMENTS 1* (2010), available at <http://pubs.iied.org/pdfs/17507IIED.pdf>; ROS-B GUZMAN, PESTICIDE ACTION NETWORK ASIA AND THE PACIFIC, *GLOBAL LAND GRABBING: ERODING FOOD SOVEREIGNTY 14* (DEC. 2010), available at http://www.panap.net/sites/default/files/TurningPoint_GlobalLandGrabbing.pdf.

¹⁵ CTR. INT'L ENVTL. L. & ACCOUNTABILITY COUNSEL, *A CALL FOR REFORM OF WORLD BANK GROUP AGRIBUSINESS POLICIES AND PRACTICES 24* (2011); DANIEL & MITTAL, *supra* note 6; DEININGER & BYERLEE *supra* note 1, at 84. For a discussion of the need to include host communities in project development early, beginning in the negotiation stage, see U.N. Special Rapporteur on the Right to Food, *Agribusiness and the Right to Food*, Human Rights Council, at 13, U.N. Doc. A/HRC/13/33 (Dec. 22, 2009) (by Olivier De Schutter).



are meant to lift out of poverty, the World Bank Group and the ADB must undertake the following policy reforms: (1) improve transparency and the participation of stakeholders; (2) emphasize human rights and smallholder empowerment in agricultural projects; (3) support host countries in identifying and implementing best practices for agricultural regulation and investment; and (4) adopt best principles and practices as enforceable policies. Until such reforms are implemented, IFIs should observe a moratorium on large-scale agricultural investment and on the promotion of pro-investment policies.

First, the World Bank Group and ADB lack adequate measures to ensure transparency and the participation of stakeholders. The current framework for financing agricultural investments fails to create sufficient transparency and community participation. There is little or no information about local governments' involvement in negotiating investment deals, about individual deals themselves, or about the overall volume of land transactions undertaken by local governments. When the banks release information about a particular investment, it is already late in the investment and development process, often too late to make meaningful changes. Information is routinely provided only on bank or government websites and thus available only to those with access to the Internet. This effectively excludes civil society and community groups from influencing development policy and finance decisions and makes existing participatory mechanisms, in practice, largely superficial formalities.¹⁶

Despite these problems, the ADB and the World Bank Group have great potential to bring about increased transparency and participation in Asian land acquisitions. They can contribute human, financial, and technical resources to help domestic governments create information-sharing mechanisms

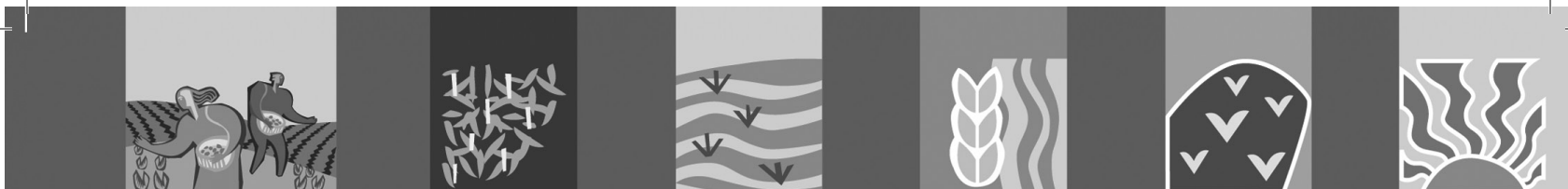
¹⁶ *Ibid.* See also Interview with Dr. Avilash Roul, Dir. Forum on ADB, in Manila, Philippines (Jan. 18, 2011).

that will increase transparency in land acquisitions, and they can help NGOs and CSOs participate in decision-making about land acquisitions. Meaningful community participation requires consultation with communities at the earliest possible stages of project development, as well as actual community influence on project details. Providing for such increased transparency and participation would further the banks' own principles requiring disclosure and community consultation. To improve transparency and participation, we recommend that IFIs:

- (1) increase transparency in land acquisitions by (a) providing effective and meaningful access to project information by all stakeholders and (b) publicizing the full extent of the consultation phase of any project; and
- (2) increase local stakeholder participation in land acquisition processes by (a) strengthening comprehensive mechanisms for civil society involvement, (b) implementing consultative processes and communication plans *before* approval of development projects, (c) simplifying and streamlining complaint mechanisms by which communities can object to projects or project terms, (d) strengthening their ombuds offices, and (e) providing technical assistance to improve mechanisms for community participation and civil-society involvement.

Second, the development banks fail to emphasize human rights and smallholder empowerment in their projects and development priorities.¹⁷ A growing body of literature finds that a rights-based approach to development can best address the needs of the poor and vulnerable, providing, among other benefits, community empowerment, better risk-

¹⁷ See, e.g., CTR. INT'L ENVTL. L. & ACCOUNTABILITY COUNSEL, *supra* note 15; DANIEL & MITTAL, *supra* note 6; OXFAM, PRIVATE SECTOR AGRICULTURAL LAND INVESTMENTS: IMPACTS ON SMALL MEN AND WOMEN FARMERS AND ON FOOD SECURITY (2010).



management capabilities, better development outcomes, and more sustainable economic development.¹⁸ According to the U.N. Special Rapporteur on the Right to Food, the people who face the greatest food insecurity today are “[s]mallholders in developing countries, cultivating small plots of land often with little or no public support.”¹⁹ Bank policies often fail to empower these smallholders or to protect rights of host communities. As a result, some civil society representatives have called for the banks to suspend agricultural investment until they implement a better rights framework.²⁰ Other critics recommend that the banks, particularly the International Finance Corporation of the World Bank Group, permanently stop financing large-scale land acquisitions.²¹ If projects involving large-scale land acquisitions are to continue in a manner consistent with emerging international norms on rights and development, the banks must give rights protection greater weight in project assessment, design, and implementation.

Many policymakers at the World Bank Group and the ADB have shown increased commitment to smallholders’ rights and local food security. However, without a systemic, institutional commitment to a smallholder-oriented approach to agricultural investment, it will be impossible for the banks to fully realize their mandate to promote development in the most vulnerable communities. To improve human rights protection and improve support for smallholders, we recommend that IFIs:

- (1) adopt principles, policies, and practices that reflect a rights-based approach to food security and access to land by (a) recognizing

- the importance of human rights as a measure of success, (b) conforming to the highest environmental and social standards, and (c) empowering local communities; and
- (2) work with governments to strengthen projects that *directly* benefit small-scale farmers and landholders, including (a) technical training and assistance, (b) access to improved inputs, and (c) access to financial services.

Third, IFIs and their partners frequently fail to adjust their project plans to take account of problematic regulatory environments in host countries. Many World Bank Group and ADB projects provide important technical and financial support for development. Frequently, however, bank projects also interact with host-country governments in one of three troubling ways: they promote agribusiness projects and facilitate investment without first understanding the nature of land acquisition in host countries²²; they rely on insufficient domestic regulatory infrastructure for enforcing rights²³; and they lay the groundwork for pro-land-acquisition policies in host countries.²⁴ To improve development of host government capacity, we recommend that IFIs:

²² See *supra* n.7 & accompanying text.

²³ The ADB and the World Bank regularly rely on host governments to ensure host-community approval of ADB-funded projects. OXFAM, *supra* note 17. Yet host governments frequently fail to provide notice and comment processes, either because they lack the capacity to do so or because they have already decided to push through project approval. Interview with Dr. Avilash Roul, *supra* note 16. See also Interview with Michiko Katagami et al., *supra* note 7 (proposing greater involvement from civil society to cover gaps between Asian countries’ strong regulatory frameworks and generally poor enforcement mechanisms).

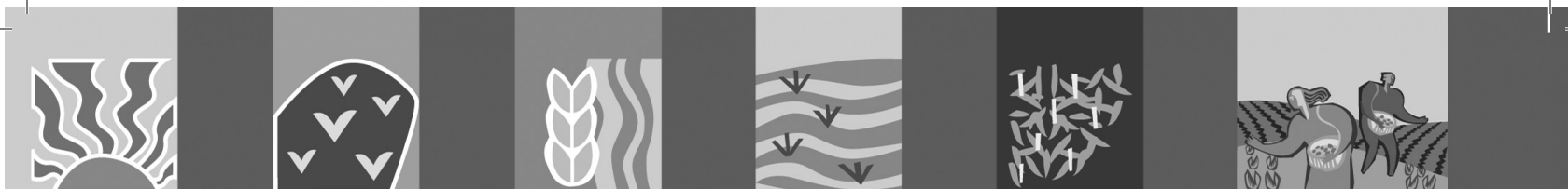
²⁴ See, e.g., LYNN HOLSTEIN, TOWARD BEST PRACTICE FROM WORLD BANK EXPERIENCE IN LAND TITLING AND REGISTRATION (1996), available at www.landnetamericas.org/docs/World%20Bank%20Experience.pdf. Some World Bank projects, such as land-titling schemes in Lao PDR and elsewhere, were explicitly designed to attract foreign investment in agriculture and agribusiness. These projects often undermine existing community land-holding arrangements that provide long-term food and livelihood security to smallholders. *Ibid.*

¹⁸ See, e.g., WORLD RESOURCES INST., A ROADMAP FOR INTEGRATING HUMAN RIGHTS INTO THE WORLD BANK GROUP 3 (2010).

¹⁹ U.N. Special Rapporteur on the Right to Food, *Agribusiness and the Right to Food*, *supra* note 15, at 11

²⁰ See, e.g., CTR. INT’L ENVTL. L. & ACCOUNTABILITY COUNSEL, *supra* note 15.

²¹ See, e.g., GRAIN, *A Word from Grain*, in DANIEL & MITTAL, *supra* note 6.



- (1) take the lead in understanding the extent of land acquisition in Asia by (a) conducting a regional study and (b) assisting national governments in monitoring and reporting on land acquisition; and
- (2) develop principles, policies, and practices that support food security by (a) working with host governments to develop effective regulatory frameworks and (b) ensuring that bank-supported development projects do not lay the groundwork for future land grabs.

Fourth, the human rights protections in existing World Bank Group and ADB principles and policies are incomplete, inconsistent, and poorly enforced. A complex patchwork of principles and policies govern World Bank Group and ADB projects. However, these principles and policies incompletely reflect international human rights norms and often fail to effectively protect the rights of vulnerable people.²⁵ Furthermore, the complexity and variety of these principles and policies make it difficult for even high-level bank officials to be aware of the latest developments. This suggests it would be almost impossible for affected populations to have a complete picture of their rights and remedies under

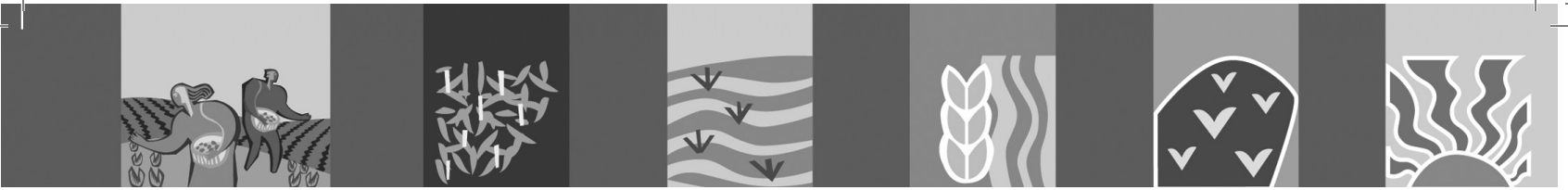
²⁵ For one of many critiques, see, e.g., LEONARD A. CRIPPA & REBECCA ALEEM, COMMENTS AND RECOMMENDATIONS ON THE IFC'S PROPOSED POLICY ON SOCIAL AND ENVIRONMENTAL SUSTAINABILITY AND PERFORMANCE STANDARDS (July 2010).

²⁶ For example, although the banks have mechanisms by which host communities can bring complaints to about projects, these are often highly bureaucratic, happen too late in the project development process, take up to six years to reach decisions (time in which projects might be proceeding), are often fail to account for host communities' resource limitations and need for immediate access to subsistence agriculture. Consequently, they fail to provide a meaningful forum in which host communities can seek remedies for rights violations. OXFAM, *supra* note 17. See also Interview with Dr. Avilash Roul, *supra* note 16 (civil society must advocate strongly and on an ongoing basis for complaint mechanisms to ever work); *ADB Safeguard Policy Update*, INTERNATIONAL ACCOUNTABILITY PROJECT, <http://www.accountabilityproject.org/article.php?list=type&type=40> (last visited Feb. 13, 2011) (expressing concern about a global "race to the bottom" in the development of bank accountability mechanisms).

bank policies.²⁶ Finally, although the World Bank recently developed a set of principles to govern land-acquisition projects, they are, as principles, not binding unless they become bank policy.¹

To improve safeguards within IFIs, we recommend that IFIs adopt policies and practices that incorporate a rights-based approach and are enforceable by (a) identifying best policies and practices under the rights-based approach outlined above and (b) adopting best practices as enforceable policies.

²⁷ Interview with Bert Hofman, *supra* note 7.



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organizations working together to promote secure and equitable access to and control over land for poor women and men through advocacy, dialogue and capacity building.

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Founded in 1979, ANGOC is a regional association of 17 national and regional networks of non-government organizations (NGOs) in Asia actively engaged in food security, agrarian reform, sustainable agriculture, participatory governance and rural development. ANGOC member networks and partners work in 14 Asian countries with an effective reach of some 3,000 NGOs and community-based organizations (CBOs). ANGOC actively engages in joint field programs and policy debates with national governments, intergovernmental organizations (IGOs), and international financial institutions (IFIs).

The complexity of Asian realities and diversity of NGOs highlight the need for a development leadership to service the poor of Asia—providing a forum for articulation of their needs and aspirations as well as expression of Asian values and perspectives. ANGOC seeks to address the key issues related to food sovereignty, agrarian reform, sustainable agriculture, participatory governance, and rural development in the region.

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