The *Rush* for Asia's Farmland

and its impact on land rights and tenure security for the rural poor

by Antonio "Tony" 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 & 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 to be "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.

Transnational land acquisitions seem much larger in scope than previously reported. A new 2012 publication by the International Land Coalition reports that 203 million hectares worldwide have been acquired in the period 2000-201. Of these, 71 million hectares have been cross-checked and verified. Also, 78 percent of the lands acquired were for agricultural production, while the remaining 22 percent were for other purposes, including logging and mining, livestock production, and tourism.

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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-importing nations. Thus, wealthy import-dependent countries decided to acquire farmlands overseas to directly produce their own food needs, and to avoid the risks associated with dependence on world markets for food supply. Negotiations for land overseas continue, even while global food prices have moderated. This is an indication that 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 that drives 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 lowered 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 main crops grown for biofuels. Although 70% of global palm oil production ends up in food, the biofuels industry is growing rapidly. In 2008, Indonesia overtook

[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)

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]

The *push* from investing countries

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

China has 20 percent of the world's population but only 8 percent of the world's arable land. With a total land surface of 960 million hectares, only about 20 percent is cultivable, and nearly 90 percent 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, feedgrains 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. 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

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[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 oil palm companies, mostly from Malaysia, Singapore and the Middle East. From the report of KPA, 22 June 2011.

[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.

Philippines, Malaysia, Cambodia and Indonesia. Special financing facilities have been set-up by China's state banks to support overseas agricultural investments and enterprises.

In 2002, the China-ASEAN Agreement on Comprehensive Economic Cooperation was signed, reducing tariffs from 30% to *zero*, for all traded agricultural products – including grains, vegetables, tubers, fruits and nuts. Also, the 2004 China-ASEAN Trade in Goods Agreement 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. Japan is heavily dependent on food imports, 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. Yet, the practice of overseas farming is not all new. Prior to World War II, Japan had previously established food production bases in 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" which supports agricultural investments abroad by Saudi companies, for promoting food security. (Cotula, 2011)

What makes the new *land rush* different

The new 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.

This new wave differs from the 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. Also, the investments are much larger in *scale*, and 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 embroiled in political conflict – thus raising questions about the terms and impacts of such acquisitions.

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 USD83 billion are needed annually for developing countries to meet their food needs by 2050. But with dwindling ODA and national budget deficits, many cash-strapped governments have to increasingly rely 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).[6] In most Asian countries as in Indonesia, agriculture accounted for 40% of GDP in 1970, but by 2008, this figure was less than 14%

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.

[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)

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 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 hectares) 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 understanding the concession maps. The company then made payments to certain local people, thereby triggering local conflict and tribal war. (SawitWatch 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."

Pakistan: Corporate agriculture farming

In Pakistan, a Corporate Agriculture Farming Policy (CAF) was instituted by the military government in 2002 that 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 scrutiny and debate in a country where agriculture accounts for 48 percent of employment, while a large majority of farmers remain poor and landless. Yet this hasn't happened, largely because much of the land deals have been done in utmost secrecy and outside of public scrutiny. It was media that sparked controversy when it dug out reports about huge land sales/lease done through secret deals involving foreign parties.

In September 2009, the government announced that 8 million hectares of fertile, cultivable lands was 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.

Some incentives under the Corporate Agriculture Farming (CAF) Policy of Pakistan:

- 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.

Government says that new investments are needed, given that banks are reluctant to lend to farmers due to the 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.[7]

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 of central Asia.[8] 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 hold 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 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. (Siddiqa)

Philippines: sidelining agrarian reform

In the Philippines, the most notorious example of international land deals is the Philippine-China Agreements of 2007 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)

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[7] As reported in *Financial Times*, 11 May 2008. (SCOPE, 2010)

[8] 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.

production; projects related to fisheries production, and others.[9] The deals included a promised infusion of US$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 be 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 limit of 1,000 hectares for 25 years. Meanwhile, the existing Comprehensive Agrarian Reform Program (CARP) imposes a ceiling limit of 5 hectares on private agricultural landholdings.

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 not disclosed nor monitored publicly, even though 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.

Oftentimes, foreign land deals involve agrarian reform farmer-beneficiaries who are lured to lease 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 US$105 per hectare per year for 10 years, for jatropha production. The farmers were promised full up-front payment of US$1050 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.

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[9] 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)

In other cases, foreign corporations take leases from large private landholdings that are due for redistribution to poor farmers under the ongoing Comprehensive Land 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 as the "new colonialism" and the "international landgrab". 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 countries themselves have growing populations that are chronically short on food supplies and dependent on imports? Doesn't the scheme compete for the same lands as with local farmers and producers? Faced with burgeoning debts and poor economic conditions, economic planners often resort to quick-fix solutions to bringing 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 200,000 acres in Tharkapar District for *jatropha* cultivation.[10]

[10] As reported in *Daily Times*, 7 July 2010. (SCOPE 2010)

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 100 acres (40 hectares) for individual ownership. This attempt was later aborted for fear of a public outcry and political backlash.

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 – resulting from forest clearance, the building of canal networks, water runoffs and evaporation, and the closing of small streams. In palm oil 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 comes the right to withdraw the water linked to it, as water has no price and investors can take it over for free. Thus, farmland sales also essentially "lock-up" the 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 caught unaware until the moment when they are evicted or land clearing operations begin. And as the new land deals are not transparent, this 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 fold-up. Land converted from smallholder production to plantation agriculture will not likely revert to its original users, and farming skills may be list within a single generation.

Some of the companies are said to 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 recognise, protect, or properly compensate local communities' land rights. It is usually the rural poor who suffer the most, when the land they have relied on for food and for their livelihood for generations is taken away and when they are not sufficiently compensated.

International calls and demands

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

Key questions for foreign land acquisitions must focus on questions related to: 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

There is need for an international code of conduct highlighting the need for transparency, stakeholder involvement and sustainability, and which emphasizes concerns for domestic food security and rural development. 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 and other Natural Resources* has been prepared in response to 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 not a reaction to 'land grabs,' nor are they adequate defense against large-scale land purchases. Being voluntary, they will not 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 production, but also for mining and industry, for 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". It is this commodification of land that fuels the rush for the world's farmlands.

On the other hand, Asian governments entice foreign investments to come in, claiming them as a cure for many of 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.

Given this context, it is imperative that citizens exact transparency and account-ability from their government, ensuring that government regulates foreign investments so that its citizens derive maximum benefits – that people's needs are prioritized and their rights are protected. Governments must develop clear policies on foreign land investment that take into account 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; this makes land ownership and governance equally a matter of food security, livelihood, dignity and human rights, access to needed resources, and sense of community. Among the rural poor, land is much more than just an economic commodity. □ *(ABQ)*

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Six policy considerations to halt the disenfranchisement of the rural poor

1. Acknowledge & respect the resource rights of rural people in large-scale land transactions
2. Legally recognize the land rights of the rural poor, including over the commons
3. Put smallholder production at the center of strategies for agricultural development
4. Make international human rights law work for the rural poor
5. Make decision-making on land inclusive, transparent & accountable
6. Ensure environmental sustainability in land & water-based acquisitions and investments.

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