

# INVESTMENTS AND LAND GRABS: REDEFINING THE LAND QUESTION IN AFRICA

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In the wake of global problems such as climate change, water and food scarcity, unmitigated population growth rates and the increasing demand for resources, the land question is currently being reappraised and greater importance is being attached to land tenure issues.

The functioning of land tenure systems is crucial for agricultural production and the dynamics of overall social transformation. Africa is no exception. The African land question is replete with issues of increasing landlessness, insecure tenancy, eviction and conflict.

In the context of African Land Tenure and Foreign Land Ownership, commonly referred to as *Land Grabs*, we raise questions as to whether such a phenomenon poses a threat or provides opportunity for sustainable development in Africa. More specifically, we contend that the current land acquisitions by foreign investors have put the land question in Africa back on the global development agenda. We also argue that land ownership and land use in Africa is a highly emotive subject. It is a contested issue, in the sense that it is central to “identity, livelihoods and food security”. The new phenomenon of land outsourcing spawns its own discourse. The African land question, therefore, is replete with issues of increasing landlessness, insecure tenancy, eviction and conflict.

Many researchers are of the opinion that Africa’s land question cannot be understood from the perspective of the mistaken perception that the continent has an abundant and not a scarcity of land resources. On the contrary, the extent of developed arable land available for agriculture is limited despite the continent’s large size.

Notwithstanding the above, these researchers admit that although the land question is central to the African livelihoods, land tenure system is in favour of larger commercial interests. In some reports, it is even suggested that the modern day land question in Africa is characterised by extensive degradation of fragile land resources and increasing elite control of the prime lands under conditions of agricultural land scarcity, and the exclusion of the peasantry from land. Consequently, the discourse of land has been, and continues to be, central to the lives of most Africans, and to the social transformation and political economy of African countries.

The concept of land, therefore, is complex and incorporates many different aspects. Even when land is narrowly defined as a question of control over agricultural and pastoral land (rather than rights to natural resources such as water, minerals or forests, which are linked to, and to a large degree, embedded within the question of land rights), the land question is multi-dimensional, with economic, political, social and spiritual facets – it is as one civil society activist put it, “When one loses their land not only do they lose their livelihood, but they also lose their identity”.

The land question stems from the fact that in Africa, many people have no documentation for their ownership of land. Instead, communities believe that they own their land because they have lived there for thousands of years.

In recent times, though, governments of various African states have begun to embrace tenure dualism in a more proactive and enduring way. Yet, it would seem that even in the contemporary period, the statist approach, through land reform programmes has completely failed to establish functioning land tenure systems for all their people.

Many governments still ignore the interconnection between customary and statutory law, vacillate between semi-feudal, socialist and capitalist experiments with imported legislative blueprints, and allow rent-seeking, corruption and land grabbing by new and old elites.

In fact, during the period 2007 to 2008, when the food insecurity crises pervaded the globe, the land question and tenure systems took on a new meaning and direction. Africa has become the new frontier for global food and agro-fuel production. Billions of dollars are being mobilised to create the infrastructure that will connect more of Africa's farmland to global markets, and billions more are being mobilised by investors to take over those farmlands to produce for foreign markets.

In a rapidly globalizing world, land demands are to an increasing extent driven by factors anchored exogenously. Products derived from land use are often not consumed where they are produced. The globalisation of the economy implies that local land use changes are increasingly driven by demands for products that are part of commodity chains with a large geographical span. Local human needs and local capital input are not necessarily as important determinants for land as was the case in many land use systems before the phenomena of globalisation swept the world. In this respect, the land question in Africa has come to the fore, once again. However, this time around, Africa has become the new frontier of land acquisitions – not by local people, but by foreigners.

Various terminologies have been used to describe the phenomenon of land outsourcing in Africa and other developing countries. Terms such as “commercialisation”, “colonisation”, “new imperialism”, neo-colonialism”, “land grabbing”, “agro- investments” and “new land invasions” are being used to describe the land acquisition process in Africa.

Some investigators contend that the direct control of land by foreign companies is only part of a general trend towards the commodification of land in Africa. They warn that in this period of globalisation, a new inherent tension of security of property rights is born in a hegemonic form, and this in turn, is based on the right to exclude and alienate land. In this respect, it is the peasantry which suffers the most, especially being alienated and evicted from their customary land, once again.

A combination of higher and more volatile global commodity prices, demand for green energy, population growth, urbanization and globalisation and its overall effects on economic development are the main macro-level factors that have contributed to the land grab phenomena. More specifically, though, the strategic programmes for land acquisition are of food security, particularly in the investor countries, bio-fuels for energy markets in the developed world, finance and hedge funds for land speculation, and more recently, biochar production for the carbon market accreditation.

Given the recent financial meltdown, all sorts of players in the finance and food industries, investment houses that manage workers' pensions, private equity funds looking for a fast turnover, hedge funds which are driven off the now collapsed derivatives market and grain traders seeking new strategies for growth are turning to land, for both food and fuel production - as a new source of profit. Land itself is not a typical investment for a lot of these transnational firms. Indeed, land is so fraught with political conflict that many countries don't even allow foreigners to own it. And land doesn't appreciate overnight like gold.

To get a return, investors need to raise the productive capacities of the land. But the food and financial crises combined have turned agricultural land into a new strategic asset. Globally, food prices are high and land prices are low and most of the "solutions" to the food crisis talk about pumping more food out of the land that is available. Clearly, there is money to be made by getting control of the best soils, near available water supplies, as fast as possible.

While the benefits for land-seekers are obvious, the benefits to African countries may not be as apparent. For example, one of the most important patterns to notice in these transnational land acquisitions is the limited importance of financial transfers. Recent reports by the Food and Agricultural Organisation reveal that the main benefit to the host country is perceived to be investor commitments like employment creation and infrastructure development.

Similarly, other reports indicate that such land agreements can provide macro-level benefits like GDP growth and greater government revenue, raise local living standards, and bring technology, capital and market access. In addition, improving the productivity of African agriculture undoubtedly serves as a huge point of interest for governments seeking foreign investment and in turn transnational land leases.

Despite the possibility for benefits associated with such land transfers, reactions from land-based movements, civil society organisations and organisations like the Oakland Institute and GRAIN have been highly critical and the perceived costs to the local land users appear high. Complaints about the lack of transparency in land agreements are widespread, a problem which can easily spur corruption and unfair negotiations. Many reports describe unbalanced power relationships where rich governments or international companies have an obvious advantage in negotiating with African nations that may not always be politically stable or respectful of the rights of their citizens and may lack the institutional frameworks necessary to enforce contracts.

Similarly, the issue of land tenure comes up repeatedly, as African governments are criticized for failing to protect their agricultural workers from exploitation in this regard and accused of leasing land that they only "nominally own." Land deals are often done in secret without informing the current land users, which causes them to be suddenly dispossessed. Such a position is defensible because in Africa, where much of the land is held under customary tenure, the government is the 'owner' of the land, and they may not always consult with or get the consent of people who will be affected.

Land grabs in the contemporary period are reminiscent of the colonial era with foreign nations again staking a claim on the continent. Moreover, since African governments are partnering with foreign investors in the land grab, onlookers are left to question if this is another case of corrupt African leaders selling their citizens short or simply governments pursuing an

economic development opportunity. Evidence suggests a marked disparity in the benefits received by those involved in and affected by these transnational land acquisitions, particularly for those originally dwelling on the land. Such a problem deserves both increased international attention and country-level debate to ensure such agreements provide more equal benefits to all parties involved.

The new phenomenon of land outsourcing spawns its own discourses and prescriptions as to how land should be held and how disputes and conflicts should be adjudicated and the institutional frameworks that should underpin such systems. Thus holistically viewed, land outsourcing has to be understood within the context of two mutually inclusive processes, i.e. the macro level (global, regional and national levels) and the micro level (the peasantry and the intermediary administration). In this respect, it is essential to understand nuances and narratives at the intersections of the two, in order to establish what is really going on within the land acquisition process.

The possibility of volatile land conflicts also loom large within the context of the land acquisition process. Given that most of these acquisitions are for macro scale crop production, it is highly likely that a large number of vulnerable rural inhabitants will be displaced. As long as the African peasantry feel and experience economic exclusion, they are more likely to protest politically about their lack of access to land.

Finally, we contend that the new phenomenon of land acquisition begs the question of how to make the new agreements consensual endeavors as opposed to unwelcomed “land grabbing” that infringes upon the rights of local land holders. While there are definite possibilities for macro level economic benefits for African countries from foreign investment in agriculture and land development, these gains may not be felt by those originally dwelling on the land. The issue must be seriously and immediately debated by African governments, civil society organizations, policy makers, politicians and scholars.

Business educators can contribute significantly by introducing issues of social responsibility and social justice in their programmes, especially when they deal with investment portfolios. Certainly investors can make huge profits through new international hedge funds, but at what cost?

We welcome any suggestions, questions or critique.

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