

Land Grabs, Big Business and Large-Scale Damages

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The history of the world is a story of lands conquered by violence. Today, money has replaced weapons. Lands are bought. In very large quantities. The current wave of land grabbing is a phenomenon of hard conquest and a dramatic one for local populations and the environment.

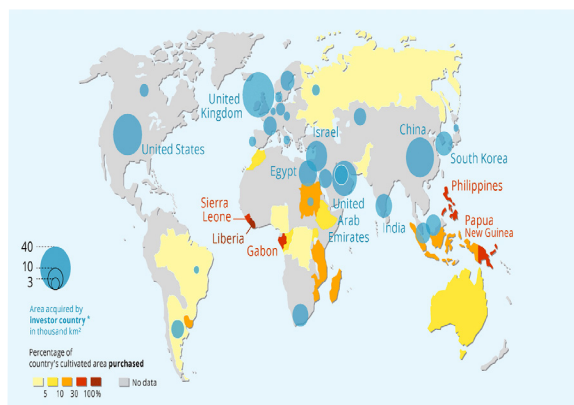
Introduction

The current wave of land grabbing emerged in the second half of the 2000s in a context of increasing food prices and threats of food shortages for importing countries.

It became well-known in 2008 with the release of reports such as *Seized!* by the NGO Grain, and worldwide dataset such as the Land Matrix. Land grabbing has simultaneously been driven by the development of agrofuel crops and by speculative investment into agribusiness, especially after the 2008 financial crisis. A large number of large-scale land deals, involving up to dozens of thousands of hectares, were set up between “host” governments and various businesses, including agro-industrial companies, individuals, investment banks and hedge funds.

The Southeast Asian Case

In Southeast Asia, for example, to maintain their economic growth rates, China and Vietnam need land and natural resources (food, feed for livestock, wood, hydroelectricity), which they “find” at a low price in Myanmar, Cambodia and Laos. In exchange of land concessions, the two advanced economies provide financial resources to the three others, and, no less important, political support to the elites and the regime. At the national level, land grabs hinge on inequalities between, on the one side, power holders including the government, the army, non-governmental armed groups (in Myanmar), political factions as well as private actors connected to them, and, on the other side, ordinary populations lacking the power to assert their original land use rights or to resort to judicial systems.



Map of transnational land acquisitions. © European Environment Agency (EEA).

The imbalance of power between these two segments of population determines the magnitude of land grabs: in Vietnam, formal land tenure (long-term land use rights granted from the 1993 Land Law) has offered relative protection to small landholders from land grabs; in Myanmar, on the contrary, poorly protected land rights have led to the extreme case of hundreds of thousands Rohingyas being deprived of any recognition and expelled from the country.

Environmental Consequences

First, large-scale capital-intensive farming leads to deforestation, erosion and loss of biodiversity as forest areas and agroforestry systems are replaced by monoculture plantations. Input-intensive monoculture is also associated with chemical contamination and water pollution (Balehegn 2015). The territorial expansion of palm oil production on millions of hectares in Indonesia provides ample evidence of such detrimental environmental impact (Bissonnette 2016; see also Spieldoch and Murphy’s contribution in Kugelman and Levenstein 2009: 39–53; Daniel and Mittal 2010; Cotula 2013). Environmental degradation induced by land grabbing has impacted countries in the region differently: while Thailand and Vietnam have witnessed a slowdown in forest loss – and even reforestation in the case of Vietnam – land grabbing has led to an increase in the pace of deforestation in neighbouring Laos and Cambodia (De Koninck and Rousseau 2012: 18). Land grabs must thus be understood as “green grabs”, which is the appropriation of whole ecosystems with natural resource extraction as core rationale.

Second, land grabs force smallholders to resort to farming systems and rapid repayment strategies (or return on investment) that are unsustainable, for instance repeated cultivation of the same plant (because there is a demand) or insufficient fertilizer amendment because they do not have enough financial resource. Moreover, the productive potential of smallholders often remains unachieved, as they have to sell prematurely their harvest (lower output) or to sell it in advance sale (at a lower price).

Social Consequences

The magnitude of land grabbing and the severity of its consequences for communities vary greatly and are contingent on local power constellations. In some cases, communities lose all as they are expelled and displaced without any compensation; in other cases, they are left with some land and time to (try to) adapt. Yet, overall, the early concerns about the threats land grabs pose to small landholders have been confirmed, including negative impacts on income, the undermining of livelihoods, the erosion of community-based social security mechanisms, and the weakening of adaptive capacity and resilience (Hak et al. 2018).



Land grabs are more than the large-scale land deals we tend to focus on. They contribute to broader land redistribution within communities, including grabs, encroachment, conflicts between socio-economic well-off elites allied to local authority and ordinary populations. They also impede pro-poor land reform. Inequalities increase as elites command the financial resources and social capital necessary to engage into new crops and crop-booms-related businesses. The majority of smallholders, on the contrary, suffers loss of farming land and access to the natural resources sustaining their livelihoods, while the new opportunities remain largely out of their reach (Gironde and Senties Portilla 2015). The outcome for many is increasing indebtedness and vulnerability vis-à-vis markets, banks and money lenders, which compels many of them to become wage workers for the better-off.

Conclusion

Compared to the 2000s, one can note today a slowdown of the largest land deals, but an increase of the numbers of overall transactions (Grain 2016). This trend is due to exhaustion of available land accessible lands, the withdrawal of investors discouraged by

unsatisfactory returns, the versatility of agricultural commodity markets and the resistance from communities. However, the smaller and medium-sized land deals persist at a steady pace as in-migrants, businessmen and entrepreneurs acquire lands from vulnerable smallholders – often unable to follow the requirements of commercial agriculture – and encroach on the frontiers of forests, steppes or deserts. The future of land grabbing is therefore hard to predict. Hitherto, the international community has not done anything that really addresses land grabs and their dramatic environmental and social impacts. Laconic calls for good governance and the FAO Voluntary Guidelines for Responsible Investment remain confined to the headquarters and administrations of international organisations, without inducing significant change in the powerful dynamics of land grabs.

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