

Competing for Land: Future Trajectories for Rural Development**

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Summary

The question of how to feed a growing global population without further compromising global resources has become perhaps the single most pressing issue of the 21st century. In recent years, concerns over high food prices and food insecurity have propelled investors of various kinds, including national governments, hedge/pension funds, individuals, and corporations to seek out new land for the purposes of producing flex crops (i.e., crops that can be used for multiple purposes, including food, fuel, and industry). Referred to by some as a “global land grab,” investments in land have increased dramatically in the past decade, particularly in less-affluent countries, characterized by what the World Bank calls a “high yield gap” where land is under cultivation but maximum crop yields are not attained. While increased production on land with low productivity may be necessary to sustain a future global population of 10 billion, significant concerns have been raised regarding these new large-scale land acquisitions (LSLA). In particular, community advocates, development practitioners, and researchers have argued that LSLA have thus far tended to benefit investors (often foreign) over local communities, displace small farmers, threaten ecological integrity, and even reduce local food production. In response, opponents have proposed regulatory mechanisms to oversee land investments and championed pro-poor measures. Such measures support small-scale agroecological farming methods that mimic nature to sustain diversified productive landscapes over the long term. Whether LSLA and such pro-poor, small-scale measures are necessarily oppositional, it is clear that the global community needs a multidimensional response to the overlapping problems of low productivity, poverty, ecological fragility, and rural-urban maldevelopment.

Current realities

The first decade of the 21st century has served as a wake up call for those concerned with the future of food. High, volatile food prices and widespread food insecurity have become the new normal: in 2006–2007 and again in 2011, food prices increased rapidly, doubling or tripling the cost of key food items and leading to protests and anti-government riots in more than 60 countries. In 2007, a historic 1 billion people were characterized as food insecure, and fears of continued population growth and changing diets generated concerns for geopolitical stability and global food supplies. As researchers, policy makers, and politicians sounded an urgent call to double world food production by 2050, the food crisis gave way to a rush for land. Soon dubbed a “Global Land Grab,” by social movement activists, or the “new scramble for Africa,” public and private investors have acquired large tracts of land for the purposes of increasing food and fuel production. These acquisitions made international news in 2009 when protestors took to the streets in Madagascar, mobilizing against the Ravalomanana government’s decision to lease almost one-third of its arable land to a South Korean firm, Dae Woo Logistics. As more information was collected on LSLA (e.g., landmatrix.org), it became clear that something significant was happening. In one year, from 2008 to 2009, conservative estimates suggested the amount of land changing hands increased between 15- and 20-fold over the annual average for the preceding 40 years. All available research suggests that there is little reason to believe that such LSLA will diminish in number in the foreseeable future. For a wide range of investors (e.g., sovereign wealth fund managers in the Middle East, national governments such as China and India, and private investors), one of the most lucrative asset classes today is land.

As LSLA have increased and gained international attention, opposition has grown. While there are potential positive ramifications to increased investment in LSLA, such as increased investment in infrastructure, agricultural technology, and local development in the host country, as

well as increased production of food and fuel, there are also real concerns. If left unchecked, LSLA could push up land prices, divert food from the poor and hungry (both because of dispossession and diversion of production to export markets), promote industrial agriculture at the expense of more sustainable local agricultural practices, degrade fragile environments, and exacerbate inequalities between rich and poor socioeconomic groups, regions, and countries. Instead of asking how we can increase production to feed the world, we might ask how we can feed those who go hungry. The majority of the world's poor reside in rural areas of less-affluent countries and many suffer ongoing or seasonal food insecurity even as they work on the land. The rural poor also tend to live in fragile environments where survival is a choice between migration to over-crowded slums or continued degradation of the local environment.

In this context, there has been increased interest in promoting sustainable, pro-poor rural development as a response to the combined effects of the global food crisis, climate change, and land degradation. Highly organized mobilizations by civil society groups and multilateral organizations worldwide have resulted in a focus on the “right to food” and food sovereignty and on the potential for increasing productivity and diversity on smallholder plots, such that the rural poor might eat better and grow crops in ways more consonant with the ecological and social systems in which they live. Advocates emphasize that increases in productivity and resource integrity can be made possible by adopting some combination of principles referred to as agroecology, sustainable intensification, or conservation agriculture, including no-till (or minimum disturbance), cover crops (dead and alive), intercropping, and diversification.

Scientific opportunities and challenges

Despite the somewhat sensational label of a global land grab, there is a great deal of uncertainty as to the motivations, dimensions and implications of LSLA. Perhaps most importantly, there is little consensus on how to define a “land grab” or how to differentiate a bad investment or investor from a good one. This difficulty stems from ideological differences, in part, as some argue that all LSLA are bad by virtue of being large-scale while others argue that the purpose of production is more important. But the difficulty also comes from the lack of empirical data; most of these LSLA are nontransparent, intentionally obscured, or simply transacted without sufficient oversight. Concerns about transparency are particularly evident in Africa, where roughly two-thirds of recent LSLA are located. In this region, more than 90% of the land is under customary tenure and investors have taken advantage of legal and institutional pluralism to engage in covert deal-making and corruption in the acquisition and leasing of land.

Notwithstanding the lack of definitional precision and data, there are some things upon which most researchers and policy-makers agree. There has been a significant increase in investments in land for the purposes of producing flex crops (e.g., sugar, oil palm, soy, corn) for food, fuel, feed, and industry. These LSLA tend to be very large — more than 50,000 and 100,000 hectares, and the dominant production model is monocrop, industrial agriculture targeting export markets. LSLA also look different in different places: in Latin America and Southeast Asia, acquisitions tend to be purchases and include promises of conservation; in sub-Saharan Africa, acquisitions are long-term leases often accompanied by promises of local development and employment. These promises are attractive but difficult to fulfill, in no small part because so many LSLA are not yet productive. It is estimated that three-quarters of all LSLA are not producing or not making money because of delays in building necessary infrastructure (e.g., roads, ports, storage facilities), the difficulty of manipulating local environments for the intended crops, resistance from local communities, and the likelihood that some of these investments were purely speculative.

While more information is needed about LSLA, more information is also needed about the potential for increasing productivity and reducing negative environmental impact on already-existing farmland (in both large and small farms) around the world. It seems clear that global food supplies could be increased simply by supporting the rural poor, promoting fairly

straightforward changes in plant breeding, production practices, harvesting techniques, and building improved storage facilities and transportation networks. The information required arguably pertains more to the political challenges of increasing production among the rural poor than the technical challenges.

Policy Implications

- Support research on LSLA and alternative agricultural programs. There are organizations dedicated to data collection on this topic (such as the Land Matrix and the Land Deals Politics Initiative) and they need to be supported and linked to policy makers and practitioners.
- Provide and/or encourage regulatory oversight for LSLA; the Voluntary Guidelines on LSLA put forward by the Food and Agriculture Organization of the United Nations (FAO) need public support by national governments.
- Protect people's rights to land and to adequate representation and voice in the face of external interests in land and natural resources. Provide training and resources for promoting tenure security through strong norms, policies and rights.
- Fund research and extension in production methods (for small and large farms) that prioritize sustainability rather than short-term yield. Support the development of national extension agencies and agents such that they are equipped to promote sustainable production methods and able to reach a significant percentage of their target population.
- Promote policies and programs that conceptualize farming as part of a broader socio-economic system that links rural and urban communities. Evidence from a wide range of programs suggests that the best answer to malnourishment and hunger is not simply increasing on-farm productivity but promoting multidimensional rural development that articulates health, production, markets, literacy, safety nets, and popular consumption by bringing together civil society, government, and the private sector.
- Rebuild public plant breeding and agronomy capacity that works with the private sector but is not dominated by it. Target public plant breeding efforts towards sustainable production of local food and fiber crops (not simply commodity crops), including grains, tubers, and legumes. Research has become dominated by the private sector (e.g., Britain's public plant breeding institute being sold to Unilever) such that the main purpose is arguably profit rather than food security. Much objection to GMO crops stems not from the potential environmental risk but rather from the prospect of monopoly control and subjection to the dictates of market forces. If these political issues were addressed, international attitudes towards GMO crops might improve significantly.
- Impose or support pro-poor conditions on aid, including bilateral government aid and nongovernmental aid. Most of the world's poor live in rural areas in less-wealthy countries and many of those governments (e.g., Mozambique) are profiting from rapid resource extraction while receiving significant foreign aid. As countries grow economically, particularly from the profits of natural resources, the aid community should demand that governments match aid contributions with basic services.

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