Effects of Large-scale agricultural investments on smallholder farming in Sub-Saharan Africa
(Case study: Ethiopia)

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Abstract: The importance and future of smallholder farming is controversial, with many scholars advocating for its development in order to eradicate poverty, while few others see small-scale farming as an obstacle for development. Regardless of which theory one supports, solving the smallholders issue is not an overnight project rather a long process. While the future of this group, which represents over 80 percent of the Sub-Saharan population, should be handled with great care, evidence shows that they are the main victims of the ongoing foreign and domestic large scale private investments on land. Investments on agriculture, foreign or/and domestic are vital for most Sub-Saharan African countries, but is the government’s responsibility to see that they generate desired social benefits and not increase vulnerability. They should not jeopardize food security but rather strengthen it.

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1. Introduction

During the late 1980s and the first half of 1990s (for about five years), I was engaged together with a partner in an ox fattening business in rural Ethiopia, which created a temporary and periodical employment opportunity for over hundred smallholder farmers surrounding the project. Due to their limited food stock, two to three months each year before harvesting time, the situations of those smallholders was always critical, and were very grateful of our suggestion to buy their harvest in advance, which we did for several years. Our action was purely humanitarian and was not profit motivated, even though they were willing and eager to develop it into business relation.

The controversy surrounding the current large scale investment on agriculture in Sub-Saharan Africa (SSA), took me back 20 years to my time and experience of rural Ethiopia. My partner and I were investors with ten hectares of land surrounded by smallholder farmers. But as we were respecting their cultural and traditional values and always consider their interest, we never had a problem running a profitable business and in the process developing a harmonious relation with the smallholders. Our presence in the area was never seen as a threat, but rather a solution to their seasonal problem. If it wasn’t for lack of interest on our side (due to engagements on other projects), it was crystal clear to me that a lot could be done on partnership basis with the smallholders.

But now as land is becoming lucrative for foreign agricultural investors, many livelihoods are becoming insecure in Sub-Saharan Africa (SSA). The growing interest in agricultural investment in SSA seems to have nothing or little to do with investment needs of small scale farming. This phenomenon is by many diplomatically termed as “foreign investment in land” or “large-scale land acquisitions”; while by critics it is referred as “land grabbing”. Those terms are well defined by Oxfam. “Land acquisition has been defined broadly to include not only the purchase of ownership rights, but also the acquisition of user rights – i.e., through leases or concessions, whether for a short or a long term, while land grabbing has been defined as “taking possession of, and/or controlling a scale of land for commercial and industrial agricultural production that is disproportionate in size in comparison to the average land holding in the region” (Kachika, 2010). According Sheppard and Mittal, “The term land grab refers to the purchase or lease of vast tracts of land by wealthier, food-insecure nations and private investors from mostly poor, developing countries in order to produce crops for export” (Sheppard & Mittal, 2009). Although the engagement of foreign nationals in agriculture in Africa is not new, the dramatic increase of the business in recent years is quite remarkable. The development is seen by many as a major threat to the livelihoods of smallholder farmers and pastoralists while some argue that it is an opportunity for them to benefit from the income generated from the leasing or selling of the land and other internal and external benefits associated with it.

The importance and future of smallholder farming is controversial, with many scholars advocating for its development in order to eradicate poverty, while some others see small-scale farming as an obstacle to development. Regardless of which theory one supports, solving the smallholders issue is not an overnight project but rather a long-term process. As
Smallholders represent around 80 percent of the agricultural sector in SSA, and any rural land policy in those countries needs to handle their issue with great care. All governments in SSA are aware of this fact which they confirmed when the Heads of States endorsed, first, the Comprehensive Africa Agriculture Development Program (CAADP)\(^1\) in Maputo, Mozambique 2003 (Badiane, 2009), and six years later, the Continental Framework and Guidelines (CF&G) on land policy in Africa in Sirte, Libya 2009 (African Union & Economic Commission for Africa 2009).

CAADP provides a clear direction for African governments to take measures to attain food security, achieve more equitable distribution of wealth through more equitable access to land, knowledge, information, technology, physical and financial resources, and to integrate farmers into the market economy in order to improve their access to global markets. But still, facts in the ground seem to show the contrary; almost none of these recommendations have been taken seriously by governments so far. Smallholders and pastoralists are in some way or another affected by the ongoing agricultural land investments in SSA. What will be the consequence, and what is the future like for pastoralists and smallholders, of which the majorities are women?

Working on this subject, one has to be careful of generalizing. At this stage, I personally am reserved from concluding that all large scale agricultural investments in SSA as “land grabs” and I believe on the existence of some genuine large scale investments on agriculture with socioeconomic benefits to all parties concerned. However, after observing the recent development, there seems to be good reasons to be critical of the ongoing large-scale land acquisitions in SSA, largely due to the problems associated with its implementation.

1.1. Purpose and outline

While international land deals are emerging as a global phenomenon, this paper focuses on Sub-Saharan Africa. The overall objective of the study is to create international awareness on how the existence of smallholders is threatened by the emergence of large-scale agricultural land acquisition in SSA, and how the accelerating trend of commercial investment in agriculture affects the critical and urgent task of improving food security for the population. Moreover and most importantly, the paper defends the right of smallholders by indicating their importance for global food security.

Much has been written in support of smallholder farming while undermining the importance of large-scale investments on agricultural land. On the other hand, we find a great deal of studies promoting large-scale farms as the only way to deal with poverty by totally ignoring the role of smallholders in the process. As the findings of this paper shows, most governments in SSA seem lining towards the second argument in favor of large-scale farms. Favoring those large farms wouldn’t have been a problem if it was not taking place at the expense of smallholders. But as we will find out further in this study, smallholders are getting destroyed

\(^1\) For more detailed content, see Appendix 1.
in the implementation process. While there is enough room for both to co-exist, the interests of the smallholders are totally ignored and are paying the price.

The author of this study believes on their respective roles of both smallholders and large-scale agricultural investments in transforming the agricultural sector of SSA. By developing awareness of this fact, this study intends to be a bridge for future researchers to look at the issue in depth to enlighten governments in SSA of smallholder’s significant role on agricultural transformation process.

Despite plenty of media reports and some isolated examples of forerunner research (particularly GRAIN, 2008), international land deals and their impacts remain still little understood. While more research is done in the acquisition of large farmland, impact study has been given less attention. There is little information on the impacts that land deals have brought on the livelihood of the implemented area and country at large. Hence, investigating the complex reality has significant contribution to understand the rural development scenario and its implication to rural people of SSA.

This study is divided into five sections. Following the introduction and the next section which is previous research, chapter two will focus on the situation of property rights in SSA. Chapter three will look at the effects of “land grabbing” in SSA on more generalized manner. Approaching the case study, the forth chapter provides a background on the political, social, and economic and food security contexts of Ethiopia. Chapter five examines in detail about recent land investment – where, how, and why it is taking place and the magnitude of large-scale farmland acquisition in Ethiopia based on recent research, and will be followed by the conclusion.

As primary and secondary data on land acquisitions in Africa is scarce and often of limited reliability, the evidence and conclusions drawn from the study need to be treated with caution. Nevertheless a picture is emerging of large-scale land acquisitions in Africa.

1.2. Data and Methodology

In the past few years, a considerable number of researches and media outlets exposed the mistreatment of smallholders by their governments in relation to the recent land acquisitions in SSA. Even though the problem started earlier, it accelerated on the aftermath of the 2007-2008 food crises. Private investors mostly backed by their nations are trying to solve the problem through large-scale agricultural investments in developing countries. Even though I understand the importance of large-scale agricultural investments in dealing with the problem, I believe smallholder farmers can be part of the solution and contribute considerably to global food security, but they cannot do it alone. What they need is private investors and countries alike to co-operate with them to create the conditions to move poor rural people out of subsistence farming and into the marketplace. In order to achieve this, the first important step is to secure the smallholders land right in the areas concerned, and that is why I started this study by looking briefly at the historical and current property and land rights situation in SSA.
The study then examines the turbulence followed within the agricultural sector as a result of large-scale agricultural investments. To look at the current situation of few rural communities in each and every SSA country would have given more balanced picture on the impacts of “land grabbing”, but is extremely time consuming not to mention the difficulties associated in acquiring material. This is the main reason behind picking one Sub-Saharan country, Ethiopia, and two communities in two different regions in Ethiopia. Ethiopia might not be a good selection to represent SSA, but with its high proportion of smallholder farmers (over 80 percent of the agricultural sector) and relatively high contribution of agriculture to the GDP (about 45 percent in early 2000), is still an interesting case within the region (African Development Bank, 2008).

While preparing to conduct this study, I had a great expectation of material from hand full of government agencies and officials in Ethiopia. But as I later found out, there is an atmosphere of secrecy about the land deals, and government offices are very economical with information. From my several discussions with senior economists in Ethiopia familiar on the subject, I sensed that there are regulatory and procedural issues that the authorities are not willing to acknowledge, and that land transfers were done hastily without adequate considerations of long term consequences. Particularly the earlier allocations, the ones undertaken mainly by the regions before 2008, were not based on well-studied decisions, but rather rushed through with little or no safeguards and almost no obligations on the investors for sound land management. The air of secrecy is more likely a reaction to the barrage of criticism that has appeared in the international media as well as by global activist organizations, on the one hand, and the realization on the part of the authorities that large land transfers to foreign entities is unpopular among the Ethiopian public in general.

Concerning detailed data on the volume of land transferred, despite my repeated effort to get update and detailed information on the recent land acquisitions in Ethiopia, I assume due to the sensitiveness of the issue, the Central Statistical Agency (CSA) was not co-operative. On top of that, I was advised not to use figures from the CSA of Ethiopia because of their highly questionable reliability. Nevertheless, information on agricultural policies, agricultural output and other economic indicators were obtained from relevant government institutions such as Ministry of Finance and Economic Development (MoFED), Ministry of Agriculture and Rural Development (MoARD), both in Ethiopia, and international agencies such as the FAO, IFAD, World Bank, … etc.

Numerous reports and articles both in the international and local media about the global and local “land grab” were quite useful, and other materials of relevance to my study were accessed from the internet.

1.3. Previous research
The debate on large scale land acquisition is hot issue nowadays in development and aid organizations, politicians, academic and the community at large. The views are mixed whether the investment brings meaningful benefit to the local community or not.
Proponents of “land grabbing” argue that, the investment flow provides the desperately needed capital in agriculture sector in the developing world, which leads to infrastructures expansion, creates more jobs and skill, increases the domestic food supply, increases access to market and foreign exchange reserve and these contributes to “sustained” and “broad based development” (World Bank, 2010). But Andersson signaled the dangers associated with Large Scale Land Acquisition in Africa such as, natural resource degradation, loss of indigenous farming practices and increasing food insecurity and conflict (Andersen & Robertson, 2010). Other opponents opposing the recent agricultural land expansion are (Theting & Brekke, 2010; Kachika, 2010; Grain, 2008), by saying that rather than promoting rural development, it neglects the local rights, exploits the natural resources of the host country and impoverishes farmers by not bringing about the promised benefits.

Recent studies from the East and South East African countries Tanzania and Mozambique shows that the large scale investments on agriculture did not result in building the promised infrastructures, and job creation. In the case where farmers were employed the terms of the contracts were set to “bare minimum” (Theting & Brekke, 2010) and due to the mechanized operation of the farm the number of workers were much reduced (Kachika, 2010). In addition, the gender dimensions are ignored in the process. Since women make more than half of the agricultural production in Africa, short of addressing their role in the sector could jeopardize development (Cotula, et al., 2009).

GRAIN argues that today's global land acquisition is only going to make the food crisis worse. Pushing agriculture toward large scale monocultures, will throw out farmers off the land in favor of machines (GRAIN, 2008). Spieldoch & Murphy are concerned about the over use of pesticide and fertilizer which can lead to water contamination (Spieldoch & Murphy, 2009). This has damaging effect, says GRAIN, on the biodiversity and the sustainable management of the natural resources (GRAIN, 2008). In support of GRAINS view, the World Bank on its Report of 2010 have mentioned the concerns and stated that,

“Eagerness to attract investor in an environment where state capacity is weak, property right is ill-defined and regulatory institutions starved of resources could lead to project fail to provide benefits because they are socially, technically and financially are non-viable. This failure could result in conflict, environmental damage and resources curse that, although benefiting a few could leave legacy of inequality and resources degradation” (World Bank, 2010).

When writing this paper, I made a great use of many previous researches and media reports. But extra attention was given to some of the materials, among them,

**Kachika, 2010: Land grabbing in Africa, an Oxfam project.** A kind of report which focused on how land grabbing is seriously threatening the livelihoods of marginalized groups in Ethiopia, Ghana, Mali, Mozambique, Senegal, and Tanzania. Particularly by focusing on those land deals for food and energy security objectives, Kachika looks at the rise of land deals in SSA and examines the extent to which “land grabbing” is proving a risk to the
promotion of agriculture and its impact on mostly marginalized pastoralists, smallholders with extra attention given to women.

Based on his findings, Kachika came to a conclusion that as long as African governments are focusing on foreign agricultural investors who have energy and food security interests, it will be difficult if not impossible for them to realize their objective of eradicating poverty out of their own population. He also reflects his concern about the fact that African regional and national governments are directly or indirectly behind the “land grabbing”.

This well-done research which is entirely based on secondary data exposes clearly the sufferings of the marginalized groups as a result of the “land grabbing”, and in line with my argument, he calls for the protection of smallholder farmers. What is lacking on Kachika’s paper is a reasoning why smallholder farmers in SSA should be protected. I don’t think they should be protected for the only reason that they represent the great majority of the SSA population. I believe that they have a constructive role to play on food security, if they are seriously considered and included in the agricultural investment and development program. This study will try to fill the gap by providing an argument on this particular issue.

**Cotula, Vermeulen, Leonard and Keeley 2009: Land grab or development opportunity?**

An outcome of collaboration between International Institute for Environment and Development (IIED), Food and Agriculture Organization of the United Nations (FAO) and International Fund for Agricultural Development (IFAD), this report discusses key trends and drivers in land acquisitions, the contractual arrangements underpinning them and the way these are negotiated. On top of that, the report looks at the early impacts on land access for the rural population in recipient countries.

In the cases of Ethiopia, Ghana, Madagascar, Mali and Sudan, the report is based mainly on national inventories of approved and proposed land acquisitions since 2004, on literature reviews and qualitative interviews with key informants internationally, while in the cases of Mozambique and Tanzania, the study was based on qualitative case studies and on legal analysis of applicable law and of a small sample of land deals.

Despite limited access to material on the subject, the report is very informative with impressive findings, such as:

- Even though foreign investments are dominating the land deals, the study found that domestic investors are also playing a major role in land acquisitions, a phenomenon that has received far less international attention so far.
- Since 2005, land based investments became more intensified, with an upward trend in both project numbers and allocated land areas in all quantitative study countries and anticipated growth in investment levels in future.
- The private sector is dominating the land deals, though often with strong financial and other support from government, and significant levels of government owned investments.
The report concludes by making an important point on the perception that land is abundant in certain countries in SSA and suggests these claims to be treated with caution. In so many cases, says the report, land is already being used or claimed, yet existing land uses and claims go unrecognized because land users are marginalized from formal land rights and access to the law and institutions.

By identifying the main actors in the “land grabbing”, this research made a significant contribution to the subject. Moreover, discussing the impacts of “land grabbing” on the marginalized groups, to my comfort the study recognizes lack of properly defined land rights in SSA as the core of the problem and to protect the smallholder farmers, one has to deal first with land rights issue. But as Kachika’s paper, this well prepared research fails to come with any sort of argument why smallholders should be protected. It lacks a clearly defined explanation on the present role of smallholder farmers in SSA and their potential contribution to global food security in the future. This study will touch the missing area and will try to provide information available in order to strengthen the smallholder farmer’s position on their importance.

**Rahmato 2011: Land to investors: Large-scale land transfers in Ethiopia.** This study is based on a wide variety of source material, the most important of which include findings from field work in several communities affected by investor projects in Gambella and Oromia regions, interviews with smallholders and others in the communities concerned, interviews with public officials at federal, regional and district levels, documents and data from federal and regional public agencies. Even though his work is mainly based on primary data, Rahmato also made use of secondary sources, both published and unpublished, material from web sources, and articles from both the local and international media.

Due to his access to firsthand information, Rahmato came out with reliable information that the government of Ethiopia has already transferred about 3.5 million hectares of land to investors and is now taking measures to transfer a similar amount in the next five years which will by the end of 2015 change the country’s agrarian structure significantly. His worry is that the shift from small-scale to large-scale farming, dominated by foreign capital with privileged status, will pose a serious threat to the long term sustainability of the rural economy, the livelihoods of smallholders and pastoralists, and to the goals of achieving food security. Rahmato is critical that the state has used its hegemonic authority over the land to disposes smallholders and their communities without consulting them and without their consent. In most cases, says Rahmato, “the land deals lacked transparency and accountability therefore they have had the effect of eroding confidence and trust among the people and their communities” (Rahmato, 2011).

Another point of justification for Rahmato’s objection to the “land grabbing” is that “the government of one of the most food insecure countries in the world is handing over vast land and water resources to foreign investors to help the food security efforts of their home countries, or to gain profits for their companies, without making adequate safeguards that the investment projects will contribute the food security needs of its own people” (Rahmato, 2011).
The reasons for making more use of this research than my other sources are,

1. The study is mainly based on information gathered from primary sources. There are of course more surveys done in Ethiopia on the subject based on primary sources. But as I am familiar with rural Ethiopia, on evaluating the different surveys, I found Rahmato’s method more efficient and his sources relatively more reliable. With his team, they interviewed key informants, held focus group discussions, and discussions with a number of local officials, unscheduled discussions with towns’ people which I believe is very important, and collected data from regional and wereda (district) offices.

2. The survey sights of his choice (Gambella Region and Bako Wereda of Oromia Region in Ethiopia), with their land cover consisting of several varieties of woodland, high forest, shrub-land, savanna grassland and permanent and seasonal wetlands, fairly represents rural SSA.

Despite most of the impacts associated with the land transfers are well described in Rahmato’s study, it failed to come up with concrete suggestion how to overcome the problem. If foreign or domestic large scale agricultural investors are to co-exist side by side with smallholders, it is crucial to identify and recognize the cause of the current problem and find a solution. As I believe lack of properly defined property and land right to the smallholders is the main cause of the problem, looking at the situation in SSA on the subject might clear the way to eventual solution.
2. Property rights in Africa

2.1. Overview
Population growth, urban expansion, wars and conquests, technological development and changes in governance are among the reasons for changing land tenure systems in Africa. As a result, land tenure systems are diverse and constantly changing. From colonial times to the present, land tenure in Africa has been an object of policy intervention. The unequal patterns of land ownership which we find today in much of Africa are the result of statutory land laws imposed by colonialism, which have little to do with customary law and practice (IIED, 2006).

Most land is not titled in Africa. For those using resources, access to land is obtained through diverse combinations of both customary and statutory principles, and on the basis of social status, kinship, government allocation, monetarised transactions, and other means. The constantly growing predominance of market mechanisms are the main problems for African poor in securing tenure.

The Commission for Africa\(^2\) recognizes the need for land registration and titling in the belief that it can promote investment, reduce poverty and encourage better natural-resource management. But because of their expensive nature, on top of being complex and slow to implement, attempts at setting up conventional land registration systems have not worked well. If costs are to be borne by the person or group seeking formal title, this will benefit rich and powerful interests at the expense of the poor (Commission for Africa, 2005). Then one important issue is, will land titling and registration under the present circumstances in SSA benefit and safeguard the livelihoods of poorer groups such as the smallholders and pastoralists who are responsible for most agricultural production and make up the majority of all households? Will it support the secondary land-use rights of farmers and pastoralists? Will it be supporting the local systems and institutions that currently manage common property resources?

The controversy surrounding land titling in SSA is observed by the International Institute for Environment and Development (IIED) which stated on its report,

> “The pressure of population growth and increasing commercialization of land-based activities have increased pressure on land and raised the monetary value of land, undermining its social, cultural and spiritual significance. The process of and pressure for privatization and efficient land use have increased the individualization of tenure. Different forms of land sales also take place more and more. When indigenous forms of property undergo formalization, exclusivity of rights tends to be strengthened benefiting the primary right holder at the expense of others. When rights are formalized, some right-holders are privileged, others marginalized” (IIED, 2006).

\(^2\) The Commission for Africa, also known as the Blair Commission for Africa, was an initiative established by the British government to examine and provide impetus for development in Africa. Initiated in spring 2004, its objectives include the generation of new ideas for development and to deliver implementation of existing international commitments towards Africa. African leaders form a majority of the 17 commissioners.
The central to the agricultural economies of most SSA countries has been and still is the family farm which has proved to be productive and responsive to new markets and opportunities. However today, the poor majority are exposed for dispossession from a major “land grab” because a high proportion of land which they use is not registered and the customary land management in which they traditionally rely on is under pressure. The challenge now facing most SSA countries is how best to secure family land rights, in order to enable smallholders to address global competition more effectively.

As is already observed by the Commission for Africa, due to their lack of local knowledge and financial resources, a just, large-scale national land registration system is beyond central governments capacity in Africa. Even though support to local institutions to undertake intermediate forms of land registration has been shown to be better in many places, enough weight is not given to the needs of those with the least power such as women, migrants, tenants and pastoralists. But still these locally grounded systems can provide the foundation for more formal registration systems, as needs and government capacities develop.

2.2. The Nature of Land Rights in SSA

I found Toulmin’s description on the different nature of land rights very accurate for the current SSA. First settlement, conquest, long occupation or market transaction, and allocation by government, are the common different natures of land rights in most SSA countries. In some cases these rights are transferable to heirs or can be sold, in others, permission must be sought from the underlying rights-holder (Toulmin, 2008).

**First settlement**: Rights to rural land in many areas in Africa has its origin with the first settlers, who cleared the land and converted it from bush to field. Commonly, these rights pass down through the male or female line and the current occupants claim that the land belongs to them because their great-great grandfather settled their and started farming.

**Conquest**: Emperor Menelik’s conquest and settlement of the present day Southern Ethiopia in the nineteenth century brought large tracts of land under feudal authority, to be allocated to loyal generals and thousands of their followers (army and army families). In the pre-colonial period, the great West African empires of the Hausa, Mossi and Ashanti established control over extensive areas of land. Similarly, the colonial conquest enabled the British to acquire land in Eastern and Southern Africa for settlement by white farmers. However, land claims based on conquest are subject to contest when political circumstances change.

**Allocation by local or national government**: Governments grant rights to land, such as for irrigation projects, or as grants of land to investors. In most SSA countries, large land holdings in government hands constitute a valuable asset for gift to political allies and foreign investors, and such administrative allocations are at risk of corrupt practices. In most SSA today, land is owned by the state and the land right of the smallholders is “weak” in many and “strong” in just a few countries. What I mean with “weak” land right is, when the hegemonic authority of the state dis-empowers the smallholder farmers and their community. Under such land rights, the state is the sole active agent with huge insecurity shadowing the small-holders over their property and the fear of losing it at any time. As a result, the small-holders and their
community become passive recipients of decisions from above. Regardless of the damage it might cause to smallholders livelihoods and the natural environment, government authorities can give away land to investors without consulting land holders or their communities. Thus, the land right “enjoyed” by small-holder farmers which represents over 80 percent of the total population is a “weak” land right, as they have no right of defending their surrounding resources except at best defend only the land under cultivation.

On the other hand, what I consider a “strong” land right is a user right which enables smallholders to have effective control and use of the land they cultivate as well as the surrounding natural resources, which are essential for the livelihood of individuals and households in their community. One cannot see individual land holders and their community separately, because the farmland used by each holder is mostly insufficient without the right on common resources by custom and/or long usage. Woodland or forestland, water sources, pasture and grassland, sources of useful plants, transit corridors and pathways are examples of such resources. With “strong” land rights, smallholders have the right to defend the surrounding resources and are active agents in all matters concerning their lives.

**Long occupation and use:** Investment of effort in the land may generate the basis for a claim. Such rights associated with “land to the tiller” policies may contradict other rights, particularly those based on first settlement. Tensions can arise between those who claim first settlement rights and those claiming rights through long occupation as tenants, as in areas where there are substantial numbers of incoming migrant farmers, such as cash-crop areas of Burkina Faso, Ghana, and Ivory Coast. “Long occupation can never lead into ownership” say the Ashanti of Ghana”, and the Bambara people in Mali say that “jiri kuru be men ji la – a te ke bama ye” meaning “a log may stay a long time in the water, but it never turns into a crocodile” (Toulmin, 2008).

**Market transaction:** In contrast to some observers claim that land is not bought and sold in customary African systems, in most parts of SSA, some forms of land transaction have a long history even though they may not involve cash payments (Lavigne Delville, 2002). A different kind of contracts, such as rental and sharecropping agreements, mortgage of land, temporary rights giving access for a season’s cropping, and sale of full ownership rights have been practiced in most parts of SSA. But contracts are increasingly contested, because of political shifts which have altered the balance of power between different groups, differing attitudes of new generations following the death of those originally making the contract, and rapid changes in land values.

As changing values bring a transformation in the authority claimed by different structures, whether family heads, customary chiefs or local government, the rapid pace of change which we are witnessing in SSA today is bringing new risks to formerly stable systems of property rights. The root cause of this uncertainty in many areas is the existence of high proportion of land for which no written paper exists, to document the rights held, or the terms on which

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3 A famous slogan in the mid-1970s during the mass movement in Ethiopia which brought down the Emperor and ended the thousands of years old feudal system.
these rights can be exercised. However, as experience in Zimbabwe in recent years has demonstrated, even the existence of paper title is not a sufficient condition for tenure security.

Women’s rights are often affirmed unquestionably in constitutions, but customary law in which they do not have equal rights usually prevails on the ground. As a result, they rarely have full rights to land but must negotiate as secondary claimants through a male relative – father, brother, husband or son.

2.3. Land Management

Governments across SSA are revising their land tenure legislation, reforming institutions for the administration of rights and experimenting with ways to register individual and collective rights to land and natural resources. The choice of structures to manage the issue of land rights and resolve land conflicts will have consequences for different groups of people, with some winning and others lose. As the report of the Commission for Africa rightly notes, Africa’s private sector is largely composed of family farms, and small and medium-sized enterprises. Consequently, if investment and growth are to be promoted, design of land administration must consider carefully the needs of such smallholder farmers, traders and entrepreneurs (Commission for Africa, 2005).

There are various ways to register rights to land, from short-term certificates of occupancy to more formal registers and titling procedures. Rights can be secured at different levels, such as by the individual or family, or collectively by a village or clan. But the state has a fundamental role in managing or facilitating the process of checking and validating claims, either handling it centrally, or delegate it to local institutions. Given the range of diverse contexts and settings, there are strong arguments for developing locally appropriate initiatives and actions, rather than a single standard blueprint solution (Toulmin, 2008). One good example is South Africa, where the Association for Rural Advancement (AFRA) has been working with communities in Kwa Zulu Natal to develop legal, affordable and accessible records of household land rights, both to strengthen the communal system and to give households more security over their holdings (Hornby, 2004).

Rights to land depend on different systems of authority for their validation. These include patrilineal hierarchy, traditional leadership, community councils, local government, irrigation authority, city council and land agency (Lund & Benjaminsen, 2001). The different forms of power exercised by each may depend on a combination of legal judgment, physical force, spiritual values and moral authority. But the problem with such multiple structures is, the contradictions and insecurity which it brings regarding whose will be supported in the event of contest, whose rights count, and which decision-making structures are paramount. In a situation of rising competition for land, and with the establishment of new systems of local government, there is room for considerable uncertainty, negotiation and opportunistic behavior (Lund & Benjaminsen, 2001).

A combination of two forms of validation, at both local and state levels is required in securing property rights (Toulmin, 2008). If neighbors and others in the vicinity recognize a particular claim as being legitimate, then rights are secured at the local level according to their knowledge and set of values. However, unless they also pass a second form of validation, i.e.
recognition by the state, these rights have no formal legal validity. In practice, if land is not under particular pressure, and if local systems work reasonably well, the lack of state recognition may not matter. But where land values are rising and there are significant outside interests, then clarity is needed on the status of local land rights (Toulmin, 2008).

2.4. The role of government

Due to their significance to the economy, people’s livelihoods and employment, and the stability of the nation, governments have a legitimate role in regulating and administering land rights. In all nations, procedures are needed to allow land to be acquired and allocated for public purpose. The degree and form of intervention must be balanced against the costs imposed on those owning, using or seeking land. Moreover, the design of such interventions and procedures needs to minimize the risks of corruption.

Governments in SSA have been reluctant to transfer full property rights to their citizens. In Tanzania, the president holds all rights to land “in the name of the citizens”, to be held in trust for them (USAID, 2010). Long-term use rights are held by rural and urban dwellers, which can be registered and titled, and subsequently traded. In Senegal, Mali and Burkina Faso, the government claims ownership of most land as state domain, and attributes use rights to customary occupants, as long as the land is not needed for some other purpose (Faye, 2008; USAID, 2010). Similarly, the government of Ethiopia claims ultimate ownership of all land, with long-term use rights held by citizens. These use rights can be traded, so that, for instance, a widow with land but very limited household labor can lease her land to a neighbor to farm for a specified number of years (Rahmato, 2011).

By contrast, 80 per cent of land in Ghana is in private hands, principally through the trusteeship of customary chiefs, who are charged with managing these lands for the benefit of their peoples, with the remainder owned by the state (Kasanga & Kotey, 2001). Yet there remains a long-standing struggle between government and customary chiefs over how land is actually used, given the patronage associated with managing this asset, and the revenues gained from tenants. Since colonial times, power has shifted back and forth between government and chiefs in Ghana. After Independence in 1957, Nkrumah’s government put certain lands under the control of the government, as a means of bringing stubborn chiefs into line, and providing land for the development of cities and ports. The recent governments, by contrast, recognize the strength of the customary chiefs and are more inclined to accommodate their interests in land, since their support at election time is critical (Kasanga & Kotey, 2001).

In South Africa, due to the very unequal pattern of land rights inherited from the former white apartheid regime, despite the protection of private property rights is enshrined in the constitution, land ownership remains a hot political issue. More than 85 per cent of farmland is still in the hands of white commercial farmers (Ng’ong’Ola, 2004). A process is now underway to transfer ownership gradually, by various means, to meet the target of placing 30 per cent of farmland in the hands of black farmers by 2014 (Ministry for Agriculture and Land Affairs, 2005).
2.5. Securing rights in practice

Arguments in favor of registering title to land have been put forward for many years and they normally include the following perceived benefits:

- By increasing tenure security and providing incentives to invest in the longer-term management and productivity of the land, land registration stimulates more efficient land use. David Low in the mid nineteenth century put it correctly that tenure security is largely dependent on the rights holder’s own perception of risk. “If a farmer cannot look to the future with security, little can be hazarded by him beyond the expenses which the returns of the year will defray; and not only will all great improvements, but even the most common works of the season, be imperfectly performed” (Low, 1844).

- Land registration enables the creation of a land market, allowing land transfers from less to more dynamic farmers and its consolidation into larger holdings, and by doing so, it reduces transaction costs. In urban areas, it enables a formal market for land and housing that helps to increase supply and reduce prices.

- By providing farmers with a title that can be offered as collateral to banks, land registration improves farmers’ access to credit, and allowing them to invest in land improvements. In urban areas, land registration also allows owners to use land as collateral for loans and safeguards their investment in housing.

- By providing governments with information on land-holders and size of plots, land registration help governments to put the foundation for a property tax system.

However, the evidence from research in sub-Saharan Africa shows that many of the benefits assumed to stem from land titling are not automatic, and, in some circumstances, titling may have the opposite impacts from those expected. Land titles seem to make most sense: in situations where major tensions exist between different groups and which cannot be handled by local institutions for dispute management; where customary systems have ceased to have legitimacy; in re-settlement areas; and where competition for land is fierce, such as high-value urban or peri-urban areas (IIED, 1999).

While land registration is often proposed as a means of resolving disputes, the introduction of central registration systems may actually aggravate them. Elite groups may seek to assert claims over land which was not theirs under customary law, leaving local people to find that the land they thought was theirs has been registered to someone else. The high costs for registration, in money, time, and transport, make smallholders particularly vulnerable to this.

Registration also penalizes holders of secondary land rights especially women and herders, as these rights often do not appear in the register, and are more easily dismissed. Registration alone may not be enough to improve access to credit. For farmers, the high transaction and other costs in rural areas hinder credit supply, and an unpredictable and fluctuating environment makes farmers risk-averse and reluctant to apply for loans. Moreover, as a
Registering land transactions is expensive, transfers tend not to be recorded, with the result that the register becomes rapidly outdated, limiting its potentially positive effects (Atwood, 1990; Bruce, et al., 1994; Sellers, K. & P., 1999).

Where farmers consider their rights under customary law are sufficiently secure, registration may not result in higher investments, and research shows that there are simpler means of assuring farmers of security. For instance, in Cameroon, even though land can be registered under the 1974 Land Ordinance, very few rural plots have been registered. Many farmers have initiated the procedure and abandoned it after the boundary demarcation phase. While demarcation, by itself, has no force of law, village communities saw it as increasing tenure security, since other villagers were unlikely to contest land rights that had received that level of official recognition (Sellers, K. & P., 1999).

As a result of the recent research exposing the problems associated with land titling, institutions such as the World Bank, previously a vocal advocate, is now more cautious and recognizes that land titling may not be appropriate in many circumstances (Deininger, 2003).

There have been several programs aimed at registering land rights in SSA, such as the Rural Land Plans (Plan Foncier Rural – PFR) in Benin (Goldstein, et al., 2013). But in practice, because of the difficulties of registering complex and overlapping rights, and time pressures that push staff to achieve targets at the expense of accuracy, issuing the titles has not been easy and is extremely slow.

2.6. Prospects of property right in SSA

“Institutions are recognized as holding the key to economic development, by establishing the rules, norms and governance systems within which resource flows take place. Rooted as they are in the social, political and cultural landscape from which they grow, institutions take many different forms and cannot be simply transplanted from one setting to another” (North, 1990).

Establishing an effective register of land and property rights is more likely to take many decades in much of Africa, given current low levels of documentation. Setting up a single unified system may make sense as a long-term goal, but meanwhile it may be better to establish locally tailored procedures that can be upgraded over time. Priority areas need to be identified where systematic registration can be undertaken. In areas of lower concern, reliance on less formal procedures is the best option, such as encouraging the use of simple contracts that can be validated by a village- or district-level official.

So far, in many SSA countries, formal land titling programs have proved to be slow, expensive and often biased in favor of richer groups. In order to secure land and property rights for the poor majority, simpler methods are urgently needed, which are tailored to each particular local context, and as Camilla Toulmin summarized it, which includes:

- Strengthening local institutions for rights administration and just dispute resolution;

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4 In Ethiopia during the 1990s, for any transaction of property involving land, the old owner is expected to pay 4 percent, while the new owner pays 2 percent of the total transaction value to a government authority. In such situation, it’s on the interest of both (old and new) owners to avoid the registration of the transaction.
• Identifying secondary rights and securing access for tenants, women, migrants and herders;
• Using a phased approach that focuses first on priority areas such as where rapid commercialization threatens poorer groups’ access to land and where commons need conserving or protecting;
• Introducing simple written contracts with agreed basic terms; and
• Establishing property registers to serve as a base for property taxes that can provide the revenue for services (Toulmin, 2008).

3. Large scale land acquisitions in SSA.
3.1. Agriculture
Relative to other regions, Sub-Saharan Africa’s rural economy remains strongly based on agriculture. In 2005, agriculture in SSA (excluding South Africa) employed 62% of the population and generated 27% of their GDP (Staatz & Dembele, 2007). The agricultural production systems of those countries are largely based on smallholder farms. Smallholder farms as mostly defined being two ha or less, represent 80% of all farms in SSA, and contribute up to 90% of the production in some SSA countries (Wiggins, 2009). A large percentage of these smallholders are women, responsible for key components of household production such as weeding, harvesting and processing. Further, women often independently grow non cereal crops for income and are increasingly heading rural households due to male urban migration (Oxfam, 2008). Keeping this in mind, we will look at the nature of the recent massive investments on land in SSA.

3.2. “Investment on land” or “Land grabs”? 
Over the past few years, governments and corporations have been acquiring large tracts of land in ‘less developed’ countries, especially in sub-Saharan Africa, intended for the production of crops for biofuels and food crops for re-export (World Bank, 2010). As many researches revealed, it was the huge price increase which ignited the sudden increase in land acquisition. But while commodity prices have since fallen, the demand for land has remained extremely high (Deininger, 2011: 218). This reflects “the speculative dimension” of international investment, that new markets in land and water are “a promising way to secure assets” (De Schutter, 2011: 252-3). These trends have generated a great deal of debate about the implications of such acquisitions on the host countries. Is these land investment or land grabbing? One recent paper put it rightly that ‘property relations’ are at the heart of the current rush for land in Africa (Borras & Franco, 2012).
Table 1: The 13 main recipient countries listed by number of land deals and showing two estimates for the magnitude of all the land deals in each country.

<table>
<thead>
<tr>
<th>Recipient country</th>
<th>Number of deals</th>
<th>Magnitude (1000 ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Min</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>26</td>
<td>2892</td>
</tr>
<tr>
<td>Madagascar</td>
<td>24</td>
<td>2745</td>
</tr>
<tr>
<td>Sudan</td>
<td>20</td>
<td>3171</td>
</tr>
<tr>
<td>Tanzania</td>
<td>15</td>
<td>1717</td>
</tr>
<tr>
<td>Mali</td>
<td>13</td>
<td>2417</td>
</tr>
<tr>
<td>Mozambique</td>
<td>10</td>
<td>10305</td>
</tr>
<tr>
<td>Uganda</td>
<td>7</td>
<td>1874</td>
</tr>
<tr>
<td>DR Congo</td>
<td>6</td>
<td>11048</td>
</tr>
<tr>
<td>Nigeria</td>
<td>6</td>
<td>821</td>
</tr>
<tr>
<td>Zambia</td>
<td>6</td>
<td>2245</td>
</tr>
<tr>
<td>Ghana</td>
<td>5</td>
<td>89</td>
</tr>
<tr>
<td>Malawi</td>
<td>5</td>
<td>307</td>
</tr>
<tr>
<td>Senegal</td>
<td>5</td>
<td>510</td>
</tr>
<tr>
<td>Total (27 countries)</td>
<td>177</td>
<td>51415</td>
</tr>
</tbody>
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Sub-Saharan Africa is the site of the most speculative major land deals. The preference for Africa is closely related to the weak recognition of land rights at the country level, meaning that existing land-users can be displaced more easily and the price of land charged to investors is very low.

As the information on land purchases and leasing is difficult to obtain, figures for the amount of land being alienated remain scarce and various. A report released in 2008 by the non-governmental organization GRAIN was perhaps the first to declare a global trend in land grabbing linked to promotion of biofuels and food for export, while in 2009, a report by IFPRI stated that since 2006, 15-20 million hectare (ha) of farmland in developing countries, mostly in Africa, had been sold or leased to foreign entities (Borras & Franco 2012: 37). The World Bank in 2010 reported that 45 million hectares were under negotiation during 2009 alone, 70% of it in Africa. Another organization, Global Land Project, estimated that in 27 African countries being screened, there were almost 200 land deals covering between 51 and 63 million hectares (Palmer, 2010: 8).

The reason for “land grabbing” being of great concern is that the land involved, on top of being massive, is not mostly marginal as investors and governments have argued. In most cases, despite the “legal” nature of many land deals with foreign investors, communities in rural areas are dispossessed of land that they have used for ages in order to accommodate domestic policy decisions which promotes foreign agricultural investments. The questionable nature of the contracts entered between rural communities and foreign investors as well as governments and foreign investors contribute to labeling many of the land deals as “land
There is a great deal of dissatisfaction in the rural community with the low quality of consultations, if any, done by investors, and this includes countries like Mozambique where consultations are required by law. Due to the fragility of their land rights, women are mostly sidelined in consultations and in some cases, investors have only consulted the local elite. In other cases, there is no compensation to the dispossessed smallholder farmers, and on those where compensation is provided by investors, like in Tanzania and Mali, there is a strong disapproval by the communities that the compensation did not match the permanent loss of their land. Mechanizing of operations by investors which reduced drastically the demand for workers, as has been seen in Ghana, failed to fulfill the promises of employment given by the investors. In many places in SSA where “land grabbing” took place, investors secure favorable deals in using available and often scarce water resources, to the detriment of smallholder farmers. Such cases can be seen in Tanzania, Mali, and Mozambique (Kachika, 2010).

As mentioned earlier, in almost all SSA countries, women have very limited access to resources compared to their male counterparts especially when it comes to access and ownership of land. Despite the higher contribution of women to agriculture than men, income from the land is mostly controlled by their husbands, and it’s more likely that things will continue in the same manner even with regard to cash from women’s labor in biofuels. While the question of women’s land rights is yet to be resolved in many SSA countries, the emergence of this new phenomenon will complicate things further and more likely delay the process. (Kachika, 2010).

The common error regarding women when agricultural investments takes place is the assumption that men and women would benefit equally from new sources of income with no consideration taken on women specific traditional sources of livelihoods. Ghana can be taken as an example how the destruction of shea trees (used to make shear butter) by investors have affected women’s traditional sources of income (Kachika, 2010). Compensations do not take into account such women specific loses or hardships they encounter from “land grabbing” due to their gender roles. Policies targeting “marginal land” as are the case in SSA is found to be harmful to some subgroups of women. Taking Ethiopia as an example, upon the deaths of husbands widows commonly lose land to their in laws and are dependent on what looks like “marginal land” which they are nowadays deprived of this major source of livelihood by “land grabbing” (Kachika, 2010). In Mali, it’s a common practice that husbands allocate the poorest parts of family plots to their wives which are often an easy target for land grabbing (Kachika, 2010). As a result, no matter how fragile, they often end up being stripped of the few land rights that they may have enjoyed.

Even in the case of fertile and not marginal land, women are the most affected group by “land grabbing”, as they are the main land users and have usually access rights. In such cases, even though they do not have control rights, they still lose the strongest right that they have, which is access to productive land. The promotion of land deals on the basis of offering jobs to locals did not prove to be beneficial to many women. In rural Mozambican family, like most of the SSA, formal employment is for men and excludes women from any employment prospects. Moreover, due to their relatively low level of education, even when employed,
women are not considered for skilled jobs by investors and as production mechanizes, women are the first group to lose their jobs.

Pastoralists are another marginalized group threatened by “land grabbing”. Despite having considerable pastoral population, many SSA governments seem failing to recognize the strong contribution made by pastoralists to national economies. The millions of livestock produced by the pastoralist population in Ethiopia, which are estimated to be around 4 million, are a vital engine for farming, trade and urban activities. 10 percent of the total population in Tanzania and Mali are pastoralists and in Mali livestock farming contributes 30 percent to the primary sector GDP.

The continental Framework and Guidelines (F&G) which was adopted by the African Union (AU) summit on the 3rd of July 2009 in Libya through a “Declaration on Land Issues and Challenges in Africa”, is a critical tool that provides possibilities for governments in Africa to neutralize risks related to “land grabbing” which are threatening marginalized groups of rural communities by reshaping the direction of foreign agricultural investments. Even though no SSA country seem to follow, the continental framework and guidelines did set standards for best practices in developing comprehensive land policies which can ensure that agricultural investments are promoting economic growth without weakening the development of those marginalized groups of the population. The need to develop comprehensive land policies for African countries which provides anchorage for further policy development in land related sectors and sub-sectors is clearly stated in the standards, and the guideline strongly suggests all African countries to assess their policies and laws which are related to agriculture, energy, and investment of their suitability for revision (F&G, 2009).

Another important recommendation by the continental framework and guidelines is that along with those of the state, land policies should recognize the role of local and community land based administration and management institutions and structures. In most SSA countries, though land is owned by the State, state and customary laws related to land operate side by side. But despite clear laws in some countries (Ghana, Tanzania, Mozambique …etc.) on the roles of traditional structures, the customary and statutory land administration systems in almost all SSA countries fail to reconcile smoothly.

Further standard set by the guideline is that, land policies should strengthen the rights of women through specified mechanisms (F&G, 2009). Tanzania is a pioneer on exercising this standard by taking legislative steps to ensure the participation of women in local land administration structures like Village Councils and Village Adjudication Committees (Kachika, 2010), and other SSA countries have fair constitutional and/or statutory provisions towards promoting equality between men and women, but the parallel existence of discriminatory traditional systems related to land are the main obstacle in the process.

Finally, a standard set by the guideline worth mentioning is that, policies must balance pro-poor priorities with market orientation by mainstreaming land issues in poverty reduction strategies (F&G, 2009). In many SSA countries, as land can be leased out for lengthy periods of 50 – 99 years, in pursuing those deals, governments are required to ensure that increased market driven policies of land development do not expose vulnerable groups through
speculation and costly land rights transfer systems to further marginalization. But for instance Ethiopia, despite in its Poverty Reduction Strategy has positively included the needs and priorities of women and pastoralists, the investment laws failed to protect the interests of those groups.

The importance of the issue makes one eager to examine each and every SSA country in detail, but that would be beyond the scope of this study. Taking Ethiopia as a case study, I believe, will address the problems related to “land grabbing” in most SSA countries.

4. Ethiopia

4.1. A brief background

Like other SSA countries, Ethiopia is negotiating its productive agricultural lands for long-term leases to foreign investors. There is no doubt that there is a need for foreign direct investment (FDI) in Ethiopia. The concerns are that the land investments are not carried out in a manner that safeguards the environmental, social, and food needs of local populations.

In this and the next chapter we will look at how the accelerating trend of commercial investment in agriculture affects the critical and urgent task of improving food security for the population in Ethiopia, and highlight the consequences of “land grabbing” for local people, to their food security, well-being, and livelihoods.

According to the United Nations Development Program (UNDP), Human Development Index, Ethiopia is considered among the least developed (LDC), ranked 157 out of 169 countries. Poverty is widespread in the population and around 80 percent are estimated to live on less than US 2 dollars per day. The life and development of millions of Ethiopian children is threatened by the high rates of chronic malnutrition. On average, 13 to 15 million people in Ethiopia face severe food insecurity each year.

The chapter is divided into three sections, with the first section giving an overview of the political, social, economic, and food security contexts of Ethiopia. The second section will provide details on how and why land investment is taking place. The third and final section will focus on environmental, social, economic, and food security impacts of “land grabbing” in Ethiopia.

4.2. Social Context

In terms of population, Ethiopia is the second largest in the whole Africa with a population of close to 90 million people in 2012. Like most of the SSA, the population is overwhelmingly rural, with 80 to 85 percent are made up of rural dwellers. Ethiopia has one of the highest population’s densities in the world at 66 people per square kilometer, and the great majority makes their living from small-scale agriculture.

Ethiopia is characterized as a multi-ethnic country, with the main ethnic group the Oromo representing 34,5 percent, followed by the other main ethnic groups, Amhara 26,9 percent, Somali 6,2 percent, and Tigray 6,1 percent. Dozens of local languages and dialects are used,
but Amharic is the official language and widely spoken (Central Statistical Agency (CSA) of Ethiopia, 2007).

Ethiopians main access to information is through radio where most stations and the main television station are owned and controlled by the state. There is no access to printed media for the rural population. Internet users are currently estimated to be around half a million i.e. approximately 0.5 percent of the total population, which makes the country among the lowest internet users in SSA. Even those with access to internet are highly censored. Access to public information is largely restricted, as freedom of information laws are not enforced. Coverage of official events is limited only to state owned media outlets which resulted in an often strained relationship between private press and the government (British Broadcasting Company (BBC), 2011).

4.3. Political Context

Ethiopia Political map showing the international boundary, ethnically based states and self-governing administrations boundaries with their capitals and national capital.
The 9 ethnically based states, which the Ethiopian federal republic is made of, are designed to provide self-determination and autonomy to Ethiopia’s different ethnic groups. Following the military regime’s fall, the Tigray People’s Liberation Front (TPLF) assumed leadership and still dominates national politics. The Ethiopian People’s Revolutionary Democratic Front (EPRDF), which is made up of the different ethnic group organizations and pretends to have the power in the country, is seen as little more than a puppet of TPLF. Most of the ethnic group organizations “in power” were fabricated over night by TPLF in 1991 on their arrival to the capital with the intention of convincing the international community that all ethnic groups are represented.

Since the 2005 elections, where election irregularities were observed by international observers, open dissent towards the government and its policies is not tolerated. For those who oppose the government, harassment, detentions, and imprisonment are common practices in Ethiopia today, and as a result, there is a widespread fear of culture with regard to opposing the government. In such environment, opposition parties are having difficulties in gaining ground. There are many Ethiopian groups in diaspora that advocate for change in Ethiopia and to build awareness internationally of Ethiopia’s policies and human rights record.

Ethiopia is an important ally of the United States and the EU. By providing 26 percent of the total aid, USD 526 million on average per year (2003-2008), the US is the largest donor of bilateral assistance including military, followed by the World Bank 21,2 percent, EU 14,2 percent, UK 9,3 percent, Canada, Germany, and Italy (between 3,6 and 4,8 percent each) (The Oakland Institute, 2011). Located in the unstable region, Ethiopia is seen as an important ally by these donor governments, and in the case of the US, an ally in the “global war on terror”.

4.4 Macroeconomic Context

Since the beginning of the 1990s, Ethiopia’s economy has been growing at an average rate of 5,6 percent annually and for the last five years, according to government statistics, scored double digit GDP growth. This makes Ethiopia the fastest growing economy among non-oil exporting countries in Africa. The economy gains are slightly modest considering the high rate of population growth, but still impressive. Despite this, the inequality gap is widening as a result of no attention being given on restructuring income distribution (Economic Commission for Africa, 2011). Inflation has been and still is of great concern, with rates peaking 64 percent in 2008.

For the last five years even though the trend in Ethiopia shows an increasing diversified economy, small-scale agriculture remains playing the central role. But agriculture as a whole is slowly losing its share of GDP to the service sector, which is steadily increasing and for the first time passed the agriculture sector in 2008-2009 (45,1 percent to 43,2 percent). With respect to employment, agriculture remains the dominant sector by employing, according some estimates, 85 percent of the total labor forces (Bossio, et al., 2012).

The increases in exports are dramatic during the last five years, and showing high level of diversity in product and country of destination. In addition to the traditional Ethiopian exports, coffee, and hide and skins, recent exports include, oil seeds, pulses, flowers, chat,
gold, and leather products. The growth of export in the flower sector is very impressive, increasing from 0.3 million US dollars in 2001 to US dollars 150 million in 2008, which is about 10 percent of the total exports (Joosten, 2007). While 80 percent of horticulture products are destined for the EU, 50 percent of exported meat goes to Saudi Arabia, largely through Al-amoudi’s livestock company, Elfora Agro-Industries plc. Between 2005-2010, FDI from India, China, and the Middle East has increased from 14 to 24 percent of total FDI, while exports to these countries have grown from 23 to 33 percent (Access Capital 2010). Even though, the FDI has increased in recent years and investments on commercial agricultural land have intensified, this did not affect the export to any significant, as most of the commercial farms are not producing any significant output yet.

4.5. Food Security Context

Ethiopia is struggling with hunger problems since the 1984-85 famine, which labeled the country internationally as a drought and famine prone country. While famine is not such a serious threat as it used to be, the country still faces problems with high levels of endemic food insecurity and malnutrition. As late as in 2009, close to eight million Ethiopians (around 10 percent of the population) were considered chronically hungry (The Oakland Institute, 2011). Currently, Ethiopia is the largest food aid recipient in the world. Since 1965, Ethiopia has faced 15 times severe drought and according to the Food Security Risk Index for 2010, it is ranked 6th out of 163 countries with regard to be at extreme risk regarding food security (Maplecroft, 2010).

Climatic, demographic, political and technological factors are the main reasons behind chronic food insecurity in Ethiopia. Those factors include; environmental degradation and rapid population growth, poor off-farm employment opportunities, inappropriate government policies, inadequate response to current needs, conflicts particularly in pastoralist areas, lack of infrastructure (health, education, access to water, …etc.), gender inequality, and recurrent droughts and flooding (The Oakland Institute, 2011). Most agricultural production is used for household needs, but even the few surpluses produced by the smallholders are constrained due to lack of access to markets.

4.6. Agriculture in Ethiopia

The risk for annual droughts and intra-seasonal dry spells is very high in Ethiopia, due to highly variable and intensive rain falls. Very small proportions (around 10 percent) of the total cereal croplands are irrigated. The ones irrigated are those which are industrial crops, such as, cotton, sugarcane, and flowers, whereas export crops such as, oilseed, pulses and coffee are mostly rain fed. Because of drought, farm production can shrink up to by 90 percent from normal output. In addition to that, the extremely degraded quality of land constrains the long-term ability of the country to withstand drought. The five commonly used agricultural production systems in Ethiopia are:

1. Mixed farming system of the highland: This covers around 45 percent of the total land mass in areas at more than 1500 meter above sea level and practiced by about 80 percent of the population in the sector.
2. **Mixed agricultural production system of the lowland:** mainly used to produce drought tolerant varieties of maize, wheat, sorghum and teff along with lowland pulses and some oil crops. This production system is practiced in low-lying areas with elevations of less than 1500 meters.

3. **Pastoralism:** covers the Afar and Somali regions, and the Borena zone in the south of the country and it supports the livelihood of around 10 percent of the total population.

4. **Shifting cultivation:** is a common practice in the western and southern part of the country. After short periods of cultivation, fields are usually left idle to re-vegetate (mostly 1-2 years). These areas have low population densities.

5. **Commercial agriculture:** A farming system which emerged very recently. Even though, there is some investment in the lowland mixed agricultural production system areas and in some pastoralist areas, the majority of land investment currently is occurring in the areas where shifting cultivation is practiced.

5. **“Land Grab” in Ethiopia**

The Ethiopian government and international bodies such as the World Bank (WB), have presented the commercialization of land and the shift to large scale agriculture as being an essential measure for agricultural modernization and to the improvement of production efficiency which will lead to increased food production and economic growth (World Bank, 2010). According to the WB’s argument, population growth in the developing countries will lead to increased demand for food products, expanding urbanization, and rising incomes which needs to be met by bringing more land into farming and by improving productivity. Like many scholars worldwide, the WB’s conclusion is that Africa will benefit greatly as it has plentiful potential farmland and by closing the productivity gap on the ones under cultivation. Supporting the WB’s argument the Ethiopian government also confirms that there is plenty of “unused” land for investors to operate efficiently without posing a threat to the livelihood of smallholders. But facts on the ground show the contrary, as the rights of smallholders to land have been clearly compromised during the implementation process.

5.1. **Land and Governance**

The emergence of Derg⁵ to power in 1974 put the foundation for the land right which we find in Ethiopia today. The major land reform of 1975 abolished the existing systems and replaced them with communal (state) ownership of land. These changes were clearly stated in the 1987 Constitution. With specific use requirements, farmers would receive free land in their place of residence. In order to redistribute equally to other farmers through peasant associations, efforts were made from 1976-78 to confiscate land from those families with more than 10

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⁵ The Derg (which means “committee” in Ge’ez) was the council of army officers with communist ideology that governed Ethiopia from 1974-1991.
hectares. There was a continued collectivization of land and agriculture throughout the 1980s, and then in 1989, frustrated by the result of its land policy, the Derg announced its intent to move towards more market based approaches to land tenure. In 1991, EPRDF came to power and there was a fear “that opening land markets would provide inroads for dispossession of land from poor and vulnerable peasants” (Teklu, 2011), and the new government went back to the system of “universal access” and state ownership of land. The 1995 Constitution which reaffirmed state ownership confirmed landholders right to transfer land and assets (under specific conditions), and the right to compensation in case of expropriation. Furthermore, under the Constitution, there is increasing recognition of pastoralist rights.

At present, according to regional and federal constitutions and land laws in Ethiopia, all land (urban and rural) is state property. Land users cannot sell, exchange or mortgage land in any way as their right on the land is only user’s right. Regional Authorities have the right of administering land which includes land allocation, registration, and disposal as well as settling of land disputes, but must be consistent with the federal constitution of 1995 and federal land laws, of which the most recent was issued in 2005. The user’s right of land holders is conditional on place of residence known as kebelle (sub district) in Ethiopia, personal engagement in agriculture as well as proper management of the land, and other restrictive conditions. Holders are subjected to penalties including loss of right to “their” land as a result of violating any of those conditions. Being absent from their farms and leaving the land idle for three or more consecutive years might lead the holders to lose their rights to the land. Moreover, if the government believes that the land is needed for “public purposes”, or that the land can be used more efficiently by investors, cooperative societies and other public or private entities, have the right to remove holders from the land. In such cases, even though the government has an obligation to pay a proper compensation, many land holders whose land has been alienated often complained that either they never been compensated or the compensation paid has been inadequate and unfair (Rahmato, 2011).

Starting at the beginning of the 2000s, a program of land certification and registration has been implemented by the government. The program was welcomed by land holders but, as proved later, it has not been effective in preventing public authorities from expropriating land and natural resources. During the same period, when the floriculture business was booming and land was in high demand, thousands of small holder farmers have been expropriated and their land leased out to private investors. This shows clearly that the current land system in Ethiopia is such that the smallholder farmers have a “weak” land right as they do not enjoy robust security of tenure and have only limited rights that are conditional and subject to abrogation at any time.

Government land inventory (often based on satellite imagery) puts “used land” area that is, land under cultivation by small holder farmers, agro-pastoralists and others, at less than 20 percent of the total area, and on this assumption concludes that there are plenty of “unused” land to be handed out to investors. This seems to be a misguided conclusion, as the term “cultivated area” does not include those lands from which small-holder farmers and agro-pastoralists access resources vital for their livelihood (Rahmato, 2011).
Because of the ideology followed by the current government with a “development mission”, the dominant power of the state is justified as necessary. In the state’s ideology, Revolutionary Democracy, one find arguments used to declare the state as the legitimate and sole actor in the society. It draws a clear distinction between “developmental” actors who are dedicated to the country’s development and the progress of the people, and “rent-seeking” actors who are mostly guided by selfish motives and strives for personal gains like property and status. All opposition political parties, civil society organizations, individuals and groups in private enterprise in Ethiopia today are described as “rent-seeking” entities, while the EPRDF is portrayed as the only one with developmental credentials. To legitimize its hegemonic power, the government concludes that economic development is best achieved under the guiding hands of the state. As a result, almost all important program and policy decisions are made by central authorities who often are not accountable to anyone (Rahmato, 2011). This centralization has been strengthened over the years as the Ethiopian Parliament continues to be a rubber-stamp institution, civil society institutions have totally lost the little voice they had, and the dominant source of public information is the government-controlled media.

The strategy of state managed agricultural development that followed from large scale agricultural production has brought contradictions, which impacted on land allocation, administration, contract management - etc. To mention few, the major one is the increase in institutional instability which is widely seen across the country. Since small groups at the top are often deciding on new initiatives, hasty changes of rules and regulations are common, and established procedures in policy implementation are bypassed. Moreover, consultation with stakeholder groups is ignored, and agencies incapable of performing the tasks involved are given the responsibilities. Hasty attempts at crisis management and damage limitation is becoming common, once the mistakes and damages start to pile up. No convincing explanations are given so far for the dramatic speed in which foreign and domestic investors were able to acquire such large tracts of land in the country, especially when most of the deals have little or no binding obligations and give few, if any benefit to the recipient communities.

5.2. The emergence of large-scale agricultural investments

Around the mid-1990s, the government’s development strategy was formulated, giving the small-holder cultivation and crop production a leading role and was expected to serve as the engine of growth for the development of the country as a whole. The strategy, leaning on the shoulders of small-holder farmers was expected to provide not only stimulus for development but also a surplus for food self-sufficiency. During this period, a great deal of support was provided to small-holder farmers through, domestic and donor assistance, resource management practices and improved farming, credit services, and different kinds of human capacity development programs. To some extent, new technology packages were also provided. At this time the land system in practice was clearly biased in favor of small-holder farmers (Gebreselassie, 2006). The beginning of the shift from this strategy was signaled in the document published by the government in 2001 with modified rural development policy and strategies (Rahmato, 2011). Even though the critical role to be played by smallholder farmers was still there, the document introduced an important role for large-scale agricultural
enterprises and foreign investors. A couple of paragraphs are picked from the document which confirms the shift of policy.

“Private investors are already making a significant contribution to agricultural development. Experiences of developed economies clearly show that as an economy grows there is a tendency for some small farmers to quit the sector and seek employment in other sectors, and there are others who accumulate enough capital to go big in the sector. This implies that there is a direct correlation between agricultural growth and the role of private investment in the sector. This in turn means that assuming the objective of accelerated agricultural development is achieved; it is likely that there will be a role change. The key actor in the sector’s development will be relatively large-scale private investors and not the semi subsistence small farmers”

“There are two investment areas that seem to be particularly suited for foreign investment in the agricultural sector. The first is to develop here-to-for unutilized vast land with high irrigation possibility. ... The second investment opportunity is to produce high-value agricultural products (e.g. flowers, vegetables) where the scale of operation could be small or medium. The country's demand for participation in both areas is immense, and assurances are given that government institutions at all levels will do their level best to facilitate and assist foreign investor”. “While .... underlying the importance of encouraging domestic private investment through well-conceived incentives, the focus of attention should be on attracting foreign investors. Historically, efforts made to attract foreign investment are almost exclusively directed towards non-agricultural sectors. This needs to change if Ethiopia is to achieve its agricultural objectives” (MoFED, 2003, Rahmato, 2011).

This was a clear indication of the government’s shift from small-holder farmer cultivation to capitalist farming and was followed by the legislative instruments issued in 2002 and 2003. Details of the legislation are not of any interest for our discussion, but the subsequent regulations issued by the Council of Ministers, which provided attractive financial incentives are noteworthy.

- An income tax exemption for five years or more was given to those investment projects, domestic or foreign, engaged in agriculture and other sectors that exports more than 50 percent of its output, while those which export less were entitled to only two years exemption.

- All capital goods imported by investors, construction materials and spare parts used for the establishment or upgrading of their enterprise were free of custom duty.

Here, we can observe that investors that export their products were given strong encouragement than those which do not. This indicates that the main purpose of the shift to large-scale agriculture is foreign exchange earnings while it has less to do with domestic food security.

Nevertheless, the government intensified promoting land, seeking foreign investors on large farm enterprises. In 2008 some promotional documents were posted on the Ministry of Agriculture and Rural Development (MoARD) website, but were removed shortly thereafter. I was told by an agricultural expert who is still active in Ethiopia that in the document of 2008, MoARD points out that out of the country’s 111.5 million hectares, 74 million hectares are
suitable for annual and perennial crop production. of these only 18 million hectares are currently under cultivation. In other words, according to the document, 56 million hectares are available for investment. The document was said to be very inviting to investors with capital and technology to exploit this opportunity. But since the disappearance of that document, senior MoARD officials have been giving significantly lower figures in public statements and press interviews.

On the other hand, a biofuel strategy document released by the Ministry of Mines and Energy (MME) argues that the 24 million hectares of unutilized land suitable for growing bioethanol and biodiesel can be leased out without interfering with the production of food crops or jeopardizing the country’s plans for food security. Its main objective is, by using indigenous resources to facilitate adequate production of biofuels, to substitute imported petroleum and export excess products. According the document, the government’s plan is that the bioenergy production is to be undertaken by foreign and local investors with the government providing the land, financial incentives and other support (Anderson & Belay, 2008). A problem is that the method used for estimating available land for such purposes is unclear. An assessment made by Andersson and Belay reveals that,

“In some regions, the amounts of land claimed to be available for biofuels development, were disproportionately large compared to the size of the regions. For instance, the stated available land for cultivation of biofuels crops in Gambela and Benshangul Gumuz were given as about 88% and 60% of the total size of the regions respectively. These bureaus are perhaps the same bodies that are responsible for allocation of land for investors. In such cases, there is the likelihood of allocating fertile lands or preserved forest areas for cultivation of energy crops” (Andersson & Belay, 2008).

This is a clear indication that there is a good measure of guess work involved and that the authorities have not carried out a credible and accurate land suitability assessment. In 2008, the government designated MoARD to play a leading role in large-scale land deals with foreign and local investors, and with main responsibilities of preparing information and other technical inputs to attract investors, signing contracts and transferring lands, as well as undertaking follow up (Rahmato, 2011). All regions in Ethiopia are instructed to hand lands measuring 5000 hectares and over to a Federal land bank to be accessed by investors through MoARD. But even though the deals are to be processed through MoARD, the income from the transactions (land rent, income tax-etc.) was to be utilized for the development of the regions concerned. With lands less than 5000 hectares, and excluding those lands submitted to the federal land bank, the regions are to continue to allocate as they did prior to the change of procedure.

Prior to changing the procedure, the Regional Investment Commissions were in charge of processing and finalizing land deals after the environmental aspect of the investment projects had been approved by the regional counterpart of the federal Ethiopian Environmental Protection Authority (EPA). EPA was in charge of reviewing the environmental impact assessment reports which always are to be prepared by the projects themselves, and making
decisions. According to the law, no project can start operation without approval given by EPA. EPA on its part had the responsibility of following up and supervising with the help of its subunits in the regions that contractual obligations were met with regard to environmental considerations. But since 2009, even though the technical and institutional capacity of MoARD to carry out the duties involved is questionable, the responsibility of EPA was transferred to MoARD (Rahmato, 2011).

Table 2: Land processed in six different regions of Ethiopia through the Federal Land Bank by the year 2010.

<table>
<thead>
<tr>
<th>Regions</th>
<th>Land in Hectares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amhara</td>
<td>420000</td>
</tr>
<tr>
<td>Afar</td>
<td>409678</td>
</tr>
<tr>
<td>Beni Shangul and Gumuz</td>
<td>691984</td>
</tr>
<tr>
<td>Gambella</td>
<td>829199</td>
</tr>
<tr>
<td>Oromia</td>
<td>1057866</td>
</tr>
<tr>
<td>SNNP</td>
<td>180625</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3589678</strong></td>
</tr>
</tbody>
</table>

Source: Dessalegn Rahmato 2011, with main source MoARD 2009c, 2010a.

The Growth and Transformation Plan (GTP) covering the period from 2010/11 – 2014/15, expects agriculture to grow at the rate of 14.9 percent annually and farm output to double by the year 2015. Even though smallholder farmers were mentioned in the plan, the main players were to be private investors in large scale farms for which the government will provide support and encouragement.

“Fundamental policy directions that agriculture and rural development sector focuses on are scaling up productivity of labor and land; use different strategies for different agro ecological zones, focus on specialization and diversification and strengthening agricultural marketing system. On this basis Agricultural Development–led Industrialization Strategy focuses that small holder farmers/pastoralists need to efficiently use modern agricultural technologies and increase production and productivity. Moreover, the private sector is encouraged to increase its share of investment in agriculture” (MoFED 2010, Section 5.1.1).

Looking at the emphasized statement above, we see that smallholders and pastoralists do not seem to be the government’s priority anymore; they are not seen to be important development partners. In the government’s budget for those five years, resources are not allocated to modernize smallholder farms. No indication is given with regard to the issue how
smallholders and pastoralists who can hardly make ends meet with food supply can be expected to acquire modern agricultural technologies.

5.3. Land allocation and transfers

Even though, the allocation of farm land to investors has been going since the mid-1990s, up to 2002, those requesting land were predominantly local investors and the land granted was mostly small in size, not more than 500 hectares. The emergence of foreign investors is closely related to the enactment of the investment proclamation and the success of the floriculture business. Cut flowers business was booming between the years 2003 and 2007, with a growing market to Europe and elsewhere. Starting in 2006, the demand for land by foreign investors began to grow leading to the mad rush for land in 2008. The sizes of land requested were not small sizes anymore, with many applicants asking for large tracts measuring 10000 hectares, or more. By the end of 2008, around 35 percent of land allocated to investors by the regions was given out. According MoARD, during the period from 1996 to 2008, the different regions have approved 8000 applications with the total land committed reaching over three million hectares. By the end of 2009, there were around 500 foreign investors, either on their own or in joint ventures with local business. Karuturi, a company from Bangalore, India, is the largest foreign holding so far, given 300000 hectares of land in Gambella Region and 11000 hectares in Bako, Oromia. Foreign investors are given much bigger land in size, according government officials, with justification that they are better endowed in capital and technology and are more likely to be successful of their operations. If the GTP plan of 2010/11 – 2014/15 is to be successfully implemented, by the end of GTP period in 2015, the total land transferred to investors will reach nearly 7 million hectares, which is almost 40 percent of land currently cultivated by smallholders.
### Table 3  Partial list of large-scale land transfers in Ethiopia

<table>
<thead>
<tr>
<th>Investor</th>
<th>Foreign and Domestic</th>
<th>Land Size (Hectares)</th>
<th>Crops</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Al Habesh</td>
<td>Pakistan</td>
<td>28000</td>
<td>Sugar estate</td>
<td>Wollega, Oromia</td>
</tr>
<tr>
<td>Ambassel</td>
<td>Domestic</td>
<td>10000</td>
<td>Biofuel crops</td>
<td>Metekel, Beni Shangul</td>
</tr>
<tr>
<td>Bazel</td>
<td>Domestic</td>
<td>10000</td>
<td>Cotton, sesame</td>
<td>Gambella</td>
</tr>
<tr>
<td>B&amp;D Food</td>
<td>USA</td>
<td>18000</td>
<td>Sugar estate</td>
<td>Awi, Amhara</td>
</tr>
<tr>
<td>B&amp;H</td>
<td>Indian</td>
<td>27000</td>
<td>Rice, sesame</td>
<td>Gambella</td>
</tr>
<tr>
<td>Chadha Agro</td>
<td>Indian</td>
<td>122000</td>
<td>Sugar, Biofuel</td>
<td>Oromia</td>
</tr>
<tr>
<td>Djibouti Gov't</td>
<td>Djibouti</td>
<td>3000</td>
<td>Food crops</td>
<td>Bale, Oromia</td>
</tr>
<tr>
<td>Dubai World</td>
<td>Dubai</td>
<td>5000</td>
<td>Tea</td>
<td>Illubabor, Oromia</td>
</tr>
<tr>
<td>E. Africa Agric</td>
<td>Domestic</td>
<td>6500</td>
<td>Food crops</td>
<td>Pawe, Beni Shangul</td>
</tr>
<tr>
<td>Emami Biotech</td>
<td>Indian</td>
<td>80000</td>
<td>Biofuel crops</td>
<td>Oromia</td>
</tr>
<tr>
<td>Finote Selaam</td>
<td>Domestic</td>
<td>5000</td>
<td>Sesame</td>
<td>Guba, Beni Shangul</td>
</tr>
<tr>
<td>Flora EcoPower</td>
<td>German</td>
<td>13000</td>
<td>Biofuel crops</td>
<td>E.Hararge, Oromia</td>
</tr>
<tr>
<td>Fri El Green</td>
<td>Italy</td>
<td>30000</td>
<td>Biofuel crops</td>
<td>Omo Valley, SNNP</td>
</tr>
<tr>
<td>Global Energy</td>
<td>Israel</td>
<td>10000</td>
<td>Biofuel</td>
<td>Wollaita, SNNP</td>
</tr>
<tr>
<td>IDC Invest</td>
<td>Danish</td>
<td>15000</td>
<td>Biofuel</td>
<td>Assossa, Beni Shangul</td>
</tr>
<tr>
<td>Kanan D Hills</td>
<td>Indian</td>
<td>10000</td>
<td>Tea</td>
<td>SNNP</td>
</tr>
<tr>
<td>Karuturi</td>
<td>Indian</td>
<td>300000</td>
<td>Rice, palm oil</td>
<td>Gambella</td>
</tr>
<tr>
<td>Karuturi</td>
<td>Indian</td>
<td>11000</td>
<td>Rice, Biofuel</td>
<td>Bako, Oromia</td>
</tr>
<tr>
<td>P. Morrell</td>
<td>USA</td>
<td>10000</td>
<td>Wheat</td>
<td>Bale, Oromia</td>
</tr>
<tr>
<td>N. Bank Egypt</td>
<td>Egypt</td>
<td>20000</td>
<td>Food crops</td>
<td>Afar</td>
</tr>
<tr>
<td>Omo Sheleko</td>
<td>Domestic</td>
<td>5500</td>
<td>Cotton, palm</td>
<td>SNNP</td>
</tr>
<tr>
<td>PetroPalm</td>
<td>German</td>
<td>50000</td>
<td>Biofuel</td>
<td>Bale, Oromia</td>
</tr>
<tr>
<td>Ruchi Soya</td>
<td>Indian</td>
<td>25000</td>
<td>Soya, palm oil</td>
<td>Gambella</td>
</tr>
<tr>
<td>Sannati Agro</td>
<td>Indian</td>
<td>10000</td>
<td>Rice, pulses</td>
<td>Gambella</td>
</tr>
<tr>
<td>Saudi Star</td>
<td>Saudi Arabia</td>
<td>139000</td>
<td>Rice, Soya</td>
<td>Gambella</td>
</tr>
<tr>
<td>Shamporji</td>
<td>Indian</td>
<td>50000</td>
<td>Biofuel</td>
<td>Beni Shangul</td>
</tr>
<tr>
<td>Spentex</td>
<td>Indian</td>
<td>25000</td>
<td>Cotton</td>
<td>Beni Shangul</td>
</tr>
<tr>
<td>Sun Biofuels</td>
<td>UK</td>
<td>5000</td>
<td>Biofuel</td>
<td>Wollaita, SNNP</td>
</tr>
<tr>
<td>Sun Bio (NBC)</td>
<td>UK</td>
<td>80000</td>
<td>Biofuel</td>
<td>Metekel, Beni Shangul</td>
</tr>
<tr>
<td>Sunrise Indust</td>
<td>Indian</td>
<td>15000</td>
<td>Food crops</td>
<td>Oromia</td>
</tr>
<tr>
<td>Tomaisin</td>
<td>Israel</td>
<td>10000</td>
<td>Food crops</td>
<td>Oromia</td>
</tr>
<tr>
<td>Vatic</td>
<td>Indian</td>
<td>20000</td>
<td>Biofuel</td>
<td>Borena, Oromia</td>
</tr>
<tr>
<td>United Farm Bus</td>
<td>Domestic</td>
<td>30000</td>
<td>Food crops</td>
<td>Bako, Oromia</td>
</tr>
<tr>
<td>Yehudi Hayun</td>
<td>Israel</td>
<td>10000</td>
<td>Biofuel</td>
<td>Oromia</td>
</tr>
</tbody>
</table>

*Source: Rahmato 2011*

*Note: Large-scale means over 2000 hectares*
The type of land investments taking place in Ethiopia are two kinds. The first consist of those who are growing food or agro-industry crops, with the main food crops being, rice, maize, pulses and oil crops like sesame, while the preferred agro-industry crops are cotton and sugar cane. The second ones are more engaged in biofuel plants such as, castor oil trees, palm oil trees, and jatropha curcas. But there is no strict division between the two, as there are some engaged in both types of farming. Among the individual investors with multiple interests and varied investments, Sheikh Mohammed Al-Amoudi (Ethiopian born Saudi billionaire) is the largest, controlling extensive agricultural land in various regions through his group of companies established in Ethiopia. His investments include seven large ranches for raising livestock and processing dairy and poultry products, both for the home market and for export, a large tea estate, and extensive land possessions for growing food crops. Horizon-Ethiopia Investments (his latest established multi-purpose firm), is on process to receive 100000 hectares of land in Gambella to grow palm oil and other biofuel crops. In addition to that, he has recently acquired 85000 hectares of land in Bench Majji Zone in SNNP for a rubber plantation project.

The rental fee charged for agricultural land differs between regions and within regions as well. Charges are determined by; location, markets, access to transport, distance to banking services, and by possibilities of irrigation. Lands with the highest rental value are those located near urban centers with adequate roads and other basic services as well as benefitting from irrigation. The maximum rent charged is in the region of Oromia with 135 Birr per hectare and year.

**Table 4:** Land rental in selected regions, per hectare/year in Ethiopian Birr

(USD 1 = 18-19 Ethiopian Birr)\(^6\)

<table>
<thead>
<tr>
<th>Region</th>
<th>Rent Maximum</th>
<th>Rent Minimum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amhara</td>
<td>79,37</td>
<td>14,21</td>
</tr>
<tr>
<td>Beni</td>
<td>25</td>
<td>15</td>
</tr>
<tr>
<td>Shangul</td>
<td>30</td>
<td>20</td>
</tr>
<tr>
<td>Gambella</td>
<td>135</td>
<td>70</td>
</tr>
<tr>
<td>Oromia</td>
<td>117</td>
<td>30</td>
</tr>
<tr>
<td>SNNP</td>
<td>40</td>
<td>30</td>
</tr>
</tbody>
</table>

*Source: Rahmato 2011*

\(^6\) USD 1 was around Birr 8.50 by the end of 1990s, and between 12.00-13.00 in 2004/2005. But after a devaluation which took place since then, at present, the Ethiopian Birr stands around 19.00 to USD 1.
These rental fees are extremely low by any standards. Because of the exceedingly low fee, investors were encouraged to request and acquire more land than they can actually manage, and as a result, a great deal of land has been left idle for years.

As mentioned earlier, MoARD and the Regional Investment Commissions are in charge of signing contracts with investors. The contract documents do not demand heavy obligations from the investor side, but rather leaves them free without any interference to choose what crops to grow and where to market it. There is no condition on them to supply the local or national market. Instead they are encouraged to export as much as possible of their products. Here we see that the food security needs of the country are ignored in this all exercise. The investors have no contractual obligations to invest in basic infrastructure, or to provide social services to the communities concerned. As has been witnessed in some cases, the government constructs roads and irrigations to be used by investors’ projects. One obligation on the investors which is found in almost all contracts is that all projects must plant native tree species which covers a minimum 2 percent of the project land. But during land clearance for the project, as vegetation and trees are destroyed, the benefits, if any, are very limited.

Lack of consultation in decision making is common, which often leads to inter-agency contradictions. It is not unusual that the agency concerned is unaware of decisions made by others until informed of the need for its involvement, and that is after many measures have already been taken. MoARD is in charge of all the decision making on federal level, but only after consulting with key agencies, such as, the Ethiopian Wildlife Conservation Authority (EWCA), which is in charge of managing the country’s national parks, game reserves and sanctuaries and few others. But to mention couple of examples out of many, EWCA appears to have been uninformed when the decision was made to transfer hundreds of thousands of hectares of land in the middle of Gambella national park, and when land was granted in the east of Oromia where Babile elephant sanctuary is located (Heckett & Aklilu, 2008).

As mentioned earlier, the driving force behind the government’s policy were, among others, the belief that those investments will;

- create employment opportunities in the localities concerned.
- produce export crops which will increase the country’s foreign earnings, and also expected to expand cotton and sugar cane production needed for agro-industry.
- provide the opportunity for technology transfer.
- build the infrastructure and social assets such as health posts, schools, access to clean water which all benefits the local communities.
- promote energy security.

Ten years has passed since “land grabbing” began. So far, there is little evidence that any of these objectives have been met, while the damage done as a result of the projects presence is piling up.
We took Ethiopia as a case study in order to provide an overall picture of the agricultural situation in Sub-Saharan Africa since the start of the “land grabbing”, and now we will take a look at two communities in different regions in Ethiopia with the aim to provide a broader picture of the hardships most rural communities in the country appears to be going through. The field surveys in the two communities are done with personal presence of Rahmato, which he wrote his findings in his article “Land to Investors- Large-Scale Land Transfers in Ethiopia”, in 2011.

5.4. Impacts of large-scale land investments on Gambella Region

Gambella is located in the west of the country bordering and sharing many ecological features with Southern Sudan. The region is rich in biodiversity and wildlife and the land cover consists of high forest, varieties of woodland, shrub-land, savanna grassland and permanent and seasonal wetlands with the largest permanent wetland located there. Among the four main rivers in the region, the river Alwero which has a dam built over it, provides irrigation water to the second largest investor in the region, The Saudi Star. The dam was built by the previous military regime in Ethiopia and not by the investor. The rivers are vital for the inhabitants of the region, as they use them for fishing, which is a useful means of income and for home consumption.

The diverse wildlife is the most important treasure of Gambella with around twenty wild animal species of which some are of international significance. The seasonal wildlife migration that takes place between Gambella and South Sudan is considered by experts as the second largest wildlife migration in Africa (Purdie, 2010).

Gambella is inhabited by three major ethnic groups, the Nuer (population 113000), the Annuak (100000), and the Majangir (60000). For all three groups, communal ownership is the customary system of property relations. Mainly for this reason, registration and land certification was not undertaken in Gambella as is the case in major pastoralist regions of Ethiopia, Afar and Somali as well. All these major ethnic groups of Gambella are now affected by the investment projects as the land, the natural resources and the ecosystem in place which are vital for their livelihood are now affected by the projects. These projects are seen as a threat by the majority of the population in the region (Rahmato, 2011).

The Annuaks, with dispersed settlements are dependent on the cultivation of the land and crop production, supplementing their income by fishing from the river, hunting (source for meat), honey production, and access of resources from the forests, grasslands and woodlands. As what is produced by way of cultivation is not enough for the needs of families for the whole year, the Annuaks are dependent on wild food sources from the woods and forests in order to withstand the hardship season. The Nuers are pastoralists and the rivers are vital for the survival of their livestock. Their yearly routine is moving from the banks of the rivers to the uplands and vice versa depending on the seasons. The area where the third major ethnic group the Majangir lives is the most densely forested in the region. The Majangir mainly depend on forest resources for their survival. They are known as honey producers for which the forest ecosystem is critical (Rahmato, 2011).
Against this background, what do facts on the ground tell us about the effects of those large land transfers to investors in Gambella? Some projects are inside the National Park and protected areas and some others are in areas where they block or interfere with transit corridors which seriously affect the migration routes of the animals. Moreover, there are many projects in locations that block the animals from access to seasonal pastures or water points. Regarding the effects of the projects on the human population, in addition to depriving them of vital resources from what until now has been their common property, evictions in the form of mass resettlement is becoming a common practice. As witnessed by Rahmato’s field work, loss of the woods, grass and other vegetation in the process of clearing the land by investment projects, is causing hardship to the local communities (Rahmato, 2011).

Rahmato and his team made their field work among the Annuak population in two villages in Abobo wereda (district), a district affected by the establishment of Saudi Star investment project which was given users right of Alwero river with its dam built by the previous military government. The circa 120 households covered in Rahmato’s field work were forced to move from the land of their ancestors under the resettlement program. This came as a complete surprise to the villagers. They all informed the field team that they had not been consulted and that they had no knowledge of it. The objectives of the resettlement given by the authorities to justify their action is that public agents will have better access to provide essential services such as education, health and clean water. But the villagers were not convinced and were dissatisfied, as they believe that services could be provided without any problem at their location and that there was no need for relocation. The resettlement program is called by the villagers “the clearance program” as they are convinced that the whole exercise is to clear land for the investment projects in place and for those planned in the future.

Almost all Annuaks interviewed by Rahmato’s team believe that the land given to investors without their knowledge and without compensation belongs to their community and is common property. They stated that they had been informed by wereda (district) officials about the land transfers. The wereda officials themselves, when interviewed by Rahmato and the team, stated that they had not been consulted on the matter but had been instructed by higher authorities to convey the decision to the people concerned. One official, who used to support the investment projects and was, now against, told the field team of his disappointment of higher officials and project managers. None of the many promises to develop the communities had been kept.

The social and economic hardships caused by the clearing of the land and large-scale deforestation by Saudi Star start to be felt by the villagers, as the plentiful wildlife which they occasionally used to hunt for consumption, has now disappeared. Even the local officials interviewed can hardly see any benefit to the residents of the two villages, as what is produced by the projects is totally destined for export while nothing is left for the local market. In a region which is not self-sufficient in food and where food shortages are common for several months over the year, the villagers, especially women, are worried of the disturbance on their natural resources caused by the presence of Saudi Star. All respondents interviewed by the survey team confirmed that the project has not provided any services or invested in any assets of benefit to the community (Rahmato, 2011).
Regarding employment, even though almost all the unskilled manual and seasonal jobs were taken by local people, there is no job security or any training program for upgrading, and wages are low, between 17 to 23 Birr (USD 1:00) per day. A senior manager of Saudi Star in Addis Ababa confirmed to the team that on average, the project employs 250 workers, of which around 60 are permanent skilled employees and the rest are daily laborers from the villages under the survey.

Another case which is noteworthy is the experience of Godere wereda (district) where the major inhabitants are from the Majangir ethnic group. This wereda shares border with the neighboring SNNP Region and as a result the same ethnic groups are found on both sides of the border. Many in this wereda are dependent on the forest for their livelihoods with honey production being the most important economic activity. There is a unique form of rights to trees here where bee hives are hang and respected by everyone. In other words, individuals hold rights over the trees where their hives are placed, and the forest is a common property of the community.

In the past, the people of Godere wereda have seen the hardships experienced by the local inhabitants in their neighbor community in SNNP Region, when investors cleared their forest for planting tea. Terrified by their neighbor’s negative experience, the whole population of Godere reacted aggressively, when they heard that 5000 hectares of prime forest land had been granted to an Indian Company named Lucky Exports for tea plantation. As they have seen it already, they were aware that their traditional way of life is to be destroyed. They got organized and held a series of meetings which resulted in an alternative land use plan that they presented to the Federal government. The plan involved the transfer of the land given to the investor back to the community to use it to grow agricultural products without disturbing the forest or damaging the ecosystem. The investor left the area and the forest has been saved for the time being, even though the local authorities have detained few activists suspected of being protest leaders.

5.5. The case of Bako Tibee District in Oromia Region

Bako Tibee is a wereda (district) within Oromia Region located about 250 kms west of Addis Ababa. The inhabitants are predominantly Oromo and are smallholder farmers dependent on family plots and the surrounding resources. The wereda has a total population of 125000 inhabitants spread over 28 kebeles (sub-districts) and its land cover includes arable land, open wood land, grazing land, forest and shrub land. In their major economic activity which is smallholder farming, the main crops grown are wheat, sorghum, maize, teff, oil seeds and spices. In addition, livestock rising is an important income source and there is a large livestock population.

The same Indian firm operating in Gambella, Karuturi is the largest investor here. Karuturi, having already an enormous estate in Gambella, was in 2009 granted 11000 hectares in Bako with plans to grow palm oil trees, rice and maize, predominantly for export. The company has

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7 The largest ethnic group in Ethiopia, representing around 35 percent of the total population.
been allowed to use the Aboko River, which the local farmers used to depend on to grow sugar cane and vegetables along its banks. But since the emergence of the project, the river, other streams and natural springs have become unavailable to them (Rahmato, 2011).

Looking at the background of the land transferred in Bako area, it used to be owned by local gentry, but after the land reforms of the previous military regime, it was considered common property. Even in the past, when it was under the ownership of the gentry, it was used by the community and the households for grazing and more. According to the farmers interviewed, the smallholder farmers used this area to grow a variety of food crops until the land was transferred to Karuturi. Moreover, the area provided access to firewood, to useful plants and water sources for both humans and livestock. There was a strong sense of community rights to the land among all the smallholders interviewed and the land was by no means “unused” as the regional authorities claimed. There was no compensation paid to the farmers affected when the land was taken by the investor. The smallholders who had farming plots on the land were denied certification of their plots during the land certification program of 2008. The over 500 smallholders who lost their plots when the land was transferred to Karuturi, strongly believes that they should be entitled to have their plots registered, as they have been farming it for years with the approval of the local authorities (Rahmato, 2011).

No significant infrastructural or social investments are done by the company, except widening an old dirt road leading from the main road to the project site, and in which many farmers lost their fruit trees and land in the process of this extension. As a result of this extension, around 150 smallholders’ lost property, including registered plots, for which they never got compensated.

The project has provided some employment to the local people, but with no job security and daily wage of 12 Birr (USD 0.67) to its casual work force. This wage is very low by any standard, just 2/3 of what the smallholders working in the Productive Safety Net Program (PSNP) are earning. There are 30 permanent employees and around 60 regular non-skilled laborers. On average, there are around 200 casual workers reaching around 600 in the peak season. The project uses a rotational employment method in times of high demand changing laborers each week which further depresses their earning possibility. As mentioned earlier, there is no employment security nor any means of wage upgrading based on experience gained or/and longer service.

Those two villages considered in this paper are among hundreds of villages going through similar experience. Finally, I would like to put a copy of an article exposing the suffering of the smallholders in another village in the Sothern Region of Ethiopia called Lower Omo Valley.
Critical Discussion

It is widely accepted that agricultural growth is the primary source of poverty reduction in most agriculture-based economies, and is the case in SSA. GDP growth originating in agriculture is five times more effective in reducing poverty in low income countries than growth in other sectors. In SSA, it is 11 times more effective (FAO 2012). The controversy lies on the type of agricultural policy chosen. As we saw in the case of Ethiopia, during the last decade the government started twisting its traditional smallholder friendly rural development policies in favor of large-scale agricultural investments. This was confirmed on its modified Rural Development Policy and Strategies of 2001 (see page 30 on this paper). From the document, one can find contradicting arguments by the government, where it says first,

“Experiences of developed economies clearly show that as an economy grows there is a tendency for some small farmers to quit the sector and seek employment in other sectors, and there are others who accumulate enough capital to go big in the sector” (Page 30).

This statement indicates that in the development process the whole dynamic is taking place within the smallholders and is in line with my argument. But then in the same document we find,

“The focus of attention should be on attracting foreign investors. Historically, efforts made to attract foreign investment are almost exclusively directed towards non-agricultural sectors. This needs to change if Ethiopia is to achieve its agricultural objectives” (Page 30).

This is the policy currently exercised in Ethiopia and most SSA and which I found it contrary to the first argument. If large-scale foreign investors are to be favored at the expense of smallholders, how is an inclusive and dynamic development to take place? When we talk of poverty and rural development in SSA, is it not smallholders what it is all about?

Small farms have a crucial place in the rural economy but their potential power to drive economic growth has not always been recognized. Research by FAO suggests that, on average, small farms in developing countries generate 40-60 per cent of total rural income, including both farm and non-farm activities (FAO, 2010). Although some donors and government decision-makers still hold the view that more large-scale plantations are needed to ‘modernize’ agriculture, there is considerable evidence that smallholder farmers can not only be more productive but also reduce poverty more than large farms (FAO, 2011).

- In Uganda, smallholders working an average plot of 1.7 acres produce 96 per cent of the food that passes through the market outlets in the country (McKinney, 2009).
- In Ghana and Zambia, smallholders produce 80 per cent of the food (Ghana Statistical Service, 2008).
In Brazil, smallholders hold only a quarter of the land but produce 87 per cent of the cassava, 70 per cent of the beans and 50 per cent of the poultry (Via Campesina, 2010).

As recently noted by the FAO, smallholders can have significant advantages over large-scale farmers in terms of efficiency in producing staple foods. The FAO notes that ‘there is a rich empirical literature suggesting that output per unit area in small farms is higher compared with larger farms’. This is due to greater intensity in the use of inputs, especially of family labor, which increases food security. Such family labor offers flexibility denied to larger farms that depend on wage labor. The FAO also highlights that smallholder production is more suitable for labor-intensive produce, such as vegetables, that require transplanting, multiple harvests by hand and for other produce that requires attention to detail (FAO 2012).

Small farms also play major social roles. Income from small farms tends to be spent on local goods and services, boosting local economies. As Hazel put it, small farms are more likely to employ people than adopt capital-intensive technologies, which are critical in economies with a labor surplus (Hazel, et al., 2007).

It is worth recalling that the two countries that have reduced rural poverty the most in recent decades – China and Vietnam – did so by empowering smallholder farmers with tiny plots of land. In China, rural poverty was reduced among 200 million smallholders with an average holding of just 0.65 hectares, and in Vietnam, the average landholding was around 0.46 ha (FAO, 2006).

As the above examples indicate, the way to eradicate poverty in SSA is to include and empower the smallholders in the massive agricultural investment needed in the sector. One might ask, despite the domination of smallholder farming in SSA in the past, and particularly in Ethiopia, why no significant development took place? This is a valid question which needs to be addressed.

If we take Ethiopia, as it is the case study, for centuries up to 1974, the country was under feudal system, which was very extractive where the few rural and urban elites exploited the great majority of peasants. Following the 1974/75 revolution and land reform, which put all land under the state ownership, the Marxist oriented military regime introduced a marketing board for agricultural products in which all smallholders were ordered to sell their surplus product to the marketing board owned by the state for prices decided by the board. During this period, the smallholders were exploited by the state with no incentive left for them to develop. The result of that period, as we all know, was the 1984/85 hunger catastrophes. And now under the present regime, except for the first five years (1991-1995), the government is advocating for large-scale agricultural investments.

As the brief background of Ethiopian agricultural history shows, the smallholders were never given the opportunity to reach their potential. Whatever surplus they produced was extracted by the feudal lords or the state. For most SSA, agriculture is at subsistence level and the
majority of the smallholders are using backward agricultural practices (traditional technologies) for cultivation, harvesting and storage. To drag the region’s poor agricultural production and productivity out of backwardness, capital and investment flow have crucial importance. However, large scale agriculture investment can be useful as long as the interest of smallholders is seriously considered and their potential identified.

Conclusion

In recent decades, agricultural GDP growth in SSA has been relatively strong reaching the highest in 2009 among the developing regions, and kept pace with population growth. However, the growth is not as a result of increases in land productivity but mainly through expansion of the cultivated area onto the region’s relatively abundant land (Livingstone, et al., 2011). This expansion strategy in a way reflects the relative availability and lower costs of land relative to capital inputs required for intensification, such as fertilizer, credit and irrigation etc. While “land grabbers” will likely account for some of the agricultural growth, the significant portion is still the result of smallholder farming.

The central to the agricultural economies of most SSA countries has been and still is the family farm which has proved to be productive and responsive to new markets and opportunities. However, as I mentioned in the introduction, there are those who see smallholders as an obstacle to development. But before coming to such conclusion, one has to make sure that the smallholder’s production capacity reached its optimal. As far as SSA is concerned, that is not the case. In most if not all SSA countries, there is a huge gap between the actual and potential production of smallholder farming waiting to be exploited. Investment on fertilizers and small-scale irrigations for instance, along with identifying the right seeds would make a drastic change on the output of smallholder farming. Moreover, building the technical capacity of smallholders can increase their yields and reduce their vulnerability to shocks, while improving and stabilizing market access for smallholders also increases their potential revenues and gives them more commercial predictability and makes smallholders a safer bet for financial institutions in the future. But today, the poor majority are exposed for dispossession from a major ”land grab”, because a high proportion of land which they use is not registered, and the customary land management in which they traditionally relay on is under pressure. The challenge now facing most SSA countries is how best to secure family land rights, in order to enable smallholders to address global competition more effectively.

Welcoming foreign and/or domestic investors into the agricultural sector of SSA is not wrong, as there is plenty of excess land which is currently of not interest to the smallholders and pastoralists. In most SSA, at least on paper, the land leasing program is designed with proper consideration taken to pastoralists and especially to the smallholders. For instance in Ethiopia, the Federal Government assigned the Regional Governments to locate and register all the excess land in their regions on ongoing basis which haven’t been in use for years or centuries and not in use now due to lack of mainly infrastructure. Once they are reported, they are registered under the Federal Land Bank which is established for this purpose. Following this
procedure, the Federal government promoted these lands to investors and many foreign and domestic investors responded positively. The implications started during the implementation process. As the Federal Government did not provide the financial and human resources required for careful implementation, federal and regional government officials are given a free hand to process the handover of land to investors. As investors are by nature mostly interested in maximizing profit by minimizing cost, they started corrupting regional and federal officials to get land which is currently occupied by smallholders, and which did not require any significant infrastructural investment.

Going back to the three researches mentioned at the beginning of this paper and from which this study brought a great deal of material, they (Kachika, 2010; Cotula, et al., 2009; and Rahmato, 2011), all described well the hardships faced by the marginalized groups in selected SSA countries, as a result of the recent “land grabbing”. But none of them came with a possible alternative.

One thing which everyone agrees on is that SSA’s agricultural sector needs to be transformed and for this to happen, massive input of capital is crucial. Private investors both foreign and domestic are best positioned to play a big role and fill this gap, but they need to be guided and watched closely by government agencies so that the interest of smallholders and pastoralists is protected. So far, as the findings of this and other studies reveal, despite the clear guidelines of CAADP and CF&G (both endorsed by SSA countries Heads of States) to all Sub-Saharan governments, the already much marginalized groups are totally neglected and victimized in the process.

The common argument given by Sub-Saharan governments for supporting the ongoing “land grabbing” is that the belief on incoming investors may bring capital, technology, know-how, market access and may play an important role in the economic development of the rural areas. But as many previous researches including this one reveals, none of those expectations are met so far and some of the possible reasons are,

- Foreign investors are covering (which they are allowed by investment law) 70 percent of their operational costs from local sources, while their export earnings are repatriated fully to their home accounts, and under such circumstance, it is difficult to see how the government can gain the much needed hard currency.

- The disproportionate favor given to foreign investors is counter-productive as it is becoming an obstacle for strong local entrepreneurial class to grow.

- The investors have no obligation to contribute to the food security needs of the country, as the contracts signed do not contain provisions requiring projects to supply the local market under any conditions including emergency circumstances.

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8 This statement cannot be supported with hard evidence at this stage. But just by looking at the situation of the smallholders in Ethiopia, in areas where the “land grabbing” is taking place, and the rates paid per hectare for the transfers, it is entirely believed by almost all Ethiopians that corruption involving huge amount of money is taking place. Some regional governors are charged and jailed in connection with land transfers and more will probably follow in the future.
• As projects are operated with high technology which is not transferable or affordable to smallholders, there is no technology transfer taking place at the moment. Large-scale farming is operated and managed in a very different way from that of family farms and under the present policy environment, there is no meeting ground for the two.

Land dealings are not new in SSA. Even though they may not involve cash payments, some forms of land transaction have a long history, such as rental and sharecropping agreements, mortgage of land, temporary rights giving access for a season’s cropping, and sale of full ownership rights have all been practiced in most parts of SSA (Lavigne Delville, 2002). But as changing values bring a transformation in the authority claimed by different structures, whether family heads, customary chiefs or local government, the rapid pace of change which we are witnessing in SSA today is bringing new risks to formerly stable systems of property rights. The root cause of this uncertainty in many areas is the existence of high proportion of land for which no written paper exists, to document the rights held, or the terms on which these rights can be exercised. What is needed is that customary land rights with few adjustments need to be fully recognized and that genuine investment in and support to local food production is the only real basis of broad-based rural development. In other words, stricter regulation and monitoring, as well as increased transparency of land deals is needed. Governments in SSA have to secure land and property rights to the smallholders prior to allocating any land to investors on the area in question. Such practice is a guarantee that the lands given to investors are unused.

Moreover, governments should give a serious attention to the recommendations given on CAADP and CF&G, and stick to its principles. To mention the ones which are appropriate on the issue;

• Comprehensive land policies are needed so that the hardships experienced and the risks currently faced by pastoralists, women, and smallholder farmers in Ethiopia, Mozambique, and Tanzania … etc., does not become the norm in other land deals in SSA.
• When defining the rights of agricultural investors, governments should guarantee access to local communities to vital and scarce land related resources like grazing land and water, to avoid the ongoing experiences of among others, Tanzania, Mali, Mozambique, and Ethiopia.
• In every agricultural investment deals, specific interest groups should be represented, particularly, smallholder farmers, pastoralists, and women.

Finally, even though we find a lot similarity on the nature of “land grabbing” in SSA, one should be reserved from generalizing the problem as uniform and coming with “one fits all” solution. Let alone the whole SSA, even within each of every single country, land deals take many different forms and proceed in a wide diversity of contexts. For instance, transactions labeled as “large-scale” may involve 1,000 hectares or 500,000 hectares, and solution recommendations need to be tailored to their contexts. Africa’s abundant, uncultivated arable
land provides space for expansion, but it has its limits and the ratio of the cost of land to capital inputs faced by farmers is constantly increasing. The main challenge now for smallholders is how to move from expansion towards greater intensification, and as far as the “land grabbers” (investors) are concerned; the social disturbances that they are causing will soon or later make their investments unsustainable. This is then a good opportunity for both, investors and smallholders (as the nature of the problems they are or will be facing requires each other’s association), to build a partnership for mutual benefit. To come up with or to recommend a specific form of partnership is not an easy task and is beyond the scope of this paper, but some sort of contract farming based on free market principles might be ideal for both parties.

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Appendix 1

THE COMPREHENSIVE AFRICA AGRICULTURE DEVELOPMENT PROGRAM (CAADP)

Acting on strong interest among AU countries to put agriculture at the forefront of the development agenda in Africa, the New Partnership for Africa’s Development (NEPAD) secretariat in 2002 began consulting with the U.N., Food and Agriculture Organization (FAO) to develop a continent-wide strategy for agricultural growth, entitled the Comprehensive Africa Agriculture Development Program (CAADP). After consultations with the African Ministers of Agriculture, Regional Economic Communities (RECs), African Development Bank and sub-regional banks, World Bank, and United Nations Economic Commission for Africa, an initial strategy for CAADP was developed, based on four pillars for investment in agricultural development (Ouswmane Badiane 2009).

4.3. CAADP’s Four Pillars
The original objectives of CAADP’s four technical pillars are described below.

1. Extending the area under sustainable land management and reliable water control systems, and the objectives are to:
   a) revert fertility loss and resource degradation, and ensure broad-based and rapid adoption of sustainable land and forestry management practices in the smallholder as well as commercial sectors; and
   b) improve management of water resources while expanding access to both small- and large-scale irrigation.

2. Improving rural infrastructure and trade-related capacities for market access, and the objective is to
   a) accelerate growth in the agricultural sector by raising the capacities of private entrepreneurs, including commercial and small-holder farmers, to meet the increasingly complex quality and logistical requirements of markets (domestic, regional and international) focusing on selected agricultural commodities that offer the potential to raise rural (on- and off farm) incomes; and
   b) create the required regulatory and policy framework that would facilitate the emergence of regional economic spaces that would spur the expansion of regional trade and cross-country investments.

3. Increasing food supply and reducing hunger, and the objective is to
   a) establish at the national level, well-managed and regionally coordinated food reserves and early warning systems that would allow African countries to respond in a timely and cost-effective manner to food emergency crises;
   b) reduce malnutrition in school-going children, through diet supplementation with a complete meal that is adequate in carbohydrates, fat, protein, vitamins and minerals, and to expand local demand and stimulate production by smallholder farmers;
c) develop an African Nutrition Initiative to meet countries’ broader nutritional challenges in a way that takes account of the complex and multispectral nature of the problem and possible solutions.

4. Expand agricultural research, and technology dissemination and adoption, and the objective is to
a) achieve a sustained flow of technologies suitable to the African context and adequately meet the challenges of African agriculture through national agricultural technology systems that are responsive to constraints and opportunities facing farmers;
b) mobilize the large potential of cassava to contribute to food security and income generation among African countries;
c) contribute to food security and poverty reduction, and ensure sustainable resource management, in the rice sector of ten Eastern, Central and Southern African countries through broad-based access to high-yielding New Rice for Africa (NERICA) rice lines, other improved varieties, and accompanying technologies; and
d) safeguard the future contribution of Africa’s fish sector to poverty alleviation and regional economic development, in particular through
   • improved management of natural fish stocks;
   • development of aquaculture production; and
   • expansion of fish marketing and trade.

4.4. CAADP: From strategy to implementation
In June 2002, the African Ministers of Agriculture reviewed and endorsed NEPAD’s strategy for CAADP at a meeting in Rome. The strategy was launched formally by the African Union (AU) Heads of State about a year later in Maputo. Subsequent consultation with RECs and NEPAD member countries on the implementation of the strategy brought some fundamental changes. The initial strategy offered an already-defined, detailed set of CAADP project activities which did not lend themselves easily to decentralized, bottom up implementation. REC and country leaders ended up deciding for a decentralized approach that would allow them to identify and tailor country CAADP activities to their own needs and circumstances, thus improving CAADP’s chances of success at the local level. Responding to this input, the NEPAD secretariat decided in 2004 to pursue a new, internally formulated “roadmap”1 for CAADP implementation. The roadmap empowered the RECs and countries to lead the CAADP process, but retained the four CAADP technical pillars and objectives defined in the earlier strategy (Ousmane Badiane 2009).