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# IN BRIEF

1/2017

## Land is the new oil

Many agricultural investments are violating land rights

### Recommendations for action

- ▶ Protect all land rights, stop land-grabbing
- ▶ Negotiations instead of displacement
- ▶ Smaller areas instead of mega-plantations
- ▶ No imports from land-grabbing investments

# LAND IS THE NEW OIL

## Many agricultural investments are violating land rights

**The topic of land-grabbing has largely vanished from the media. This is unjustified, for land-grabbing by corporations and those in power at national level continues to rob people's livelihoods and create new conflicts, with land rights being systematically violated.**

There has been a sharp increase in investments by foreign businesses in the rural areas of Africa, Asia, Latin America and Eastern Europe since 2006. As demonstrated by a recent analysis (Nolte et al., 2016) based on data provided by the Land Matrix, an initiative campaigning for transparency in land transactions, these developments can above all be observed in Africa. Over ten million hectares of land has been bought or leased there over the last few years. All in all, the data bank covers more than 1,000 investments in large expanses of land ranging from 200 hectares to more than 200,000 hectares. For comparison, a German farm has an average 60 hectares, and an African farm one to two hectares.

### Land rights are being violated

The chief problem in this context is that the land rights of the people affected by

the land deals are being systematically disregarded.

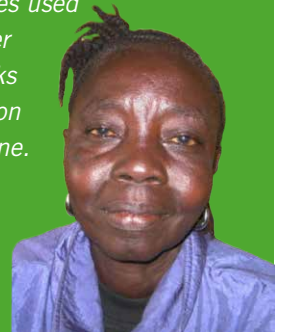
For generations, around 2.5 billion farmers and members of indigenous peoples have used more than half of the world's terrestrial area (RRI, 2015). While they hold legitimate rights to the land, they are usually unable to prove this, for example with title deeds. Furthermore, in many countries, these legitimate land rights are not recognised by the state authorities. And even if they are, those concerned are often not aware of their rights, or they lack the resources needed to claim them. This state of affairs has often been taken advantage of both by foreign investors and by those in power at national level to take possession of large tracts of land – a practice that is rightly referred to as 'land-grabbing'.

Contrary to frequent claims that the areas concerned were uncultivated, most of the

*"Our family has a meal only once a day"*

*Memai Charles used to be a farmer and now works on a plantation in Sierra Leone.*

Photo:  
Welthungerhilfe

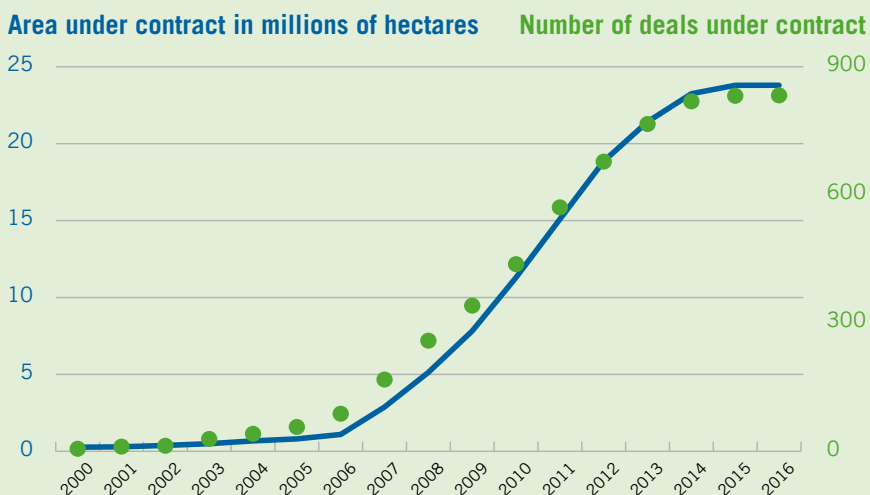


land had in fact already been farmed before it was bought up. Scientists estimate that the cases documented in the Land Matrix have resulted in 33 million people losing their land (Nolte et al., 2016). Merely in one fifth of all reported cases had those affected given their consent, whereas in all others, they were either not included in the investment decision-making process at all or were only superficially involved. Compensation, usually a very modest sum, was awarded in only a third of the cases.

### Consequences for the population

Often, palm oil or sugar cane is grown on the plantations of the large-scale investors, usually for exports. Palm oil is an important raw material for the food and cosmetics industry, while sugar cane is needed for so-called biofuels. A comparison with the World Hunger Index shows that most of these investments are made in those countries that are in the most severe hunger situation. Often, the seemingly logical equation "More production = less hunger" doesn't work, for the crucial aspect is what impacts the investments really have on the local population. Can people continue to produce food? Or can they earn enough money to buy food?

### Since 2006, agricultural investments have strongly increased in developing countries and Eastern Europe



Source: Land Matrix

## Our work

- Welthungerhilfe cooperates with organisations promoting land rights in their countries.
- It supports cooperatives and networks in order to strengthen the negotiating position and influence of farmers vis-à-vis investors and the governments of the countries concerned.
- It helps victims of land grabbing to claim their rights.
- It campaigns for agricultural imports to Europe from developing countries to be produced in compliance with the human right to food (Food Security Standard).

Prior to the investment, the cropland served the farmers to produce food and, whenever possible, sell their surpluses. Their situation was often precarious, but it is not getting any better through such investments. On the contrary. “When I was still farming myself, it was up to me to decide how much of the harvest I ate and how much I sold. Now I have to buy everything,” says Memai Charles, for example, in a Welthungerhilfe case study in Sierra Leone (Melsbach, 2012). She used to be a farmer and now works on a plantation. “And the cost of living is rising. Our family now has a meal only once a day.” Farmer Sony Jina tells a similar tale: “We used to have land to grow rice and manioc, as well as a small palm oil plantation.” With the return on the palm oil, he was for example able to pay the school fees for his son, who is now working on the plantation instead of going to school.

The argument frequently put forward in favour of investments is that they are part of

necessary structural change that will provide for employment and economic development. However, the new large-scale investors are pushing the local farmers out of the market. The Land Matrix report states that in around half of all cases, less than five jobs are created per 100 hectares. Moreover, migrants are often employed. The newly created employment opportunities are not sufficient to provide for the new landless. And often, employment consists of poorly paid seasonal jobs. Resettlements going hand in hand with these investments represent a huge cultural rupture.

### Whose interests count?

A further example is that of Niger. The country has to import roughly 20 per cent of its grain requirement, which is 250,000 to 300,000 tonnes a year. When harvests fail, the country has to rely on humanitarian aid. At the same time, Niger is preparing to lease large tracts of the areas along the shores of Lake Chad, which form an important pillar of food security for the population with crops, animal husbandry and fisheries, to an overseas investor seeking to use them to supply lucrative markets in West Africa.

Once again, the local people are losing out. Although the contract is about to be signed, they only learnt of the deal via the media. Generous tax breaks contrast with vague promises of creating jobs and social services along with improved water and power supplies. Since the population and the decentralised administration were not informed and consulted, there is reason to suspect that apart from a couple of showcase projects, it is above all the requirements of the investors that will be taken into account (Tschangari, 2016).

### Light and darkness

Recognising legitimate land rights and the involvement of the population affected by investment projects is a key element of the Voluntary Guidelines on the Responsible Governance of Tenure (VGGT) adopted by the Committee on World Food Security in 2012. One of the countries that have made progress in implementing this international law instrument is Sierra Leone. Donor efforts in the land sector (in particular Germany and the FAO) as well as improved coordination within the government have resulted in a number of political reforms.



A Land Conference in Sierra Leone with government, business and citizens' action group representatives (left to right: Alphajor Cham, Ministry of Land and Forest, Wolfgang Wiethoff, German Ambassador, Charles Rogers, Ministry of Fisheries, and Abdulai Bun Wai of the civil society network ALLAT).

Photo: Maurice A. Boima

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However, it remains to be seen how legitimate land rights will be handled in practice in the future (Aberle, 2016). For example, since 2011, the community-based organisation MALOA has been demanding a fair and transparent review of its complaints vis-à-vis the Belgian enterprise Socfin and the local traditional leader. Some of the accusations brought forward are: corruption, intimidation of the local population, non-transparency, extremely poor working conditions, environmental pollution. Socfin refers to the citizen's group as "criminals". The criminalisation of people standing up for land rights is a widespread phenomenon, as human rights experts have documented (obs., 2014). For example, between 2011 and 2014, worldwide, 43 land right defenders were murdered, and 123 were judicially harassed.

Stressing the economic impulses, the latest survey by the United Nations Con-

ference on Trade and Development (Unctad) and the World Bank on the topic of large-scale agricultural investments (Dixie, 2016) also confirms that living conditions are worsened by resettlements and that opaque processes result in conflicts. However, the International Finance Corporation (IFC), which, as part of the World Bank, promotes private investment in developing countries, has so far excluded the issue of legitimate land rights from its IFC Performance Standards. What is presented in the survey as "good practice" would also conform with the land tenure guidelines: negotiating with the communities instead of driving them away, developing a clear strategy for communication and participation.

Land is the new oil. The more people competing for this scarce resource, the more lucrative it becomes. The weakest threaten to lose out in this competition. It is high time to give them a say.

### Land Rights Now

Welthungerhilfe is supporter of the international land rights campaign [www.landrightsnow.org](http://www.landrightsnow.org)

### Further reading/links

- Nolte, Kerstin et al. (2016): **International Deals for Agriculture. Fresh Insights from the Land Matrix.** Analytical Report II. Bern, Montpellier, Hamburg, Pretoria.
- Rights and Resources Initiative (RRI) (2015): **Who Owns the World's Land?** A global baseline of formally recognized indigenous and community land rights. Washington.
- Dixie, Grahame et al. (2016): **The Impact of Larger-Scale Agricultural Investments on Local Communities.** Unctad / World Bank, Washington.
- Melsbach, Gerlind; Rahall, Joseph (2012): **Increasing Pressure for Land.**
- Implications for Rural Livelihoods and Local Actors. A Case Study in Sierra Leone. Welthungerhilfe, Bonn.
- Tschangari, A.T. Moussa; Diori, Ibrahim (2016): **Vaste projet d'accaparement des terres agricoles et pastorales dans le bassin du lac Tchad au Niger.** Rapport de l'Observatoire du droit à l'alimentation au Niger. Niamey.
- Aberle, Marion (2016): **Those in the dark drop out of sight.** In: Rural 21, Vol. 50, Nr 3/2016. Frankfurt.
- Observatory for the Protection of Human Rights Defenders (obs) (2014): **"We are not afraid" – Land right defenders: attacked for confronting unbridled development.** Paris.

### Recommendations for action

The Voluntary Guidelines on the Responsible Governance of Tenure (VGGT) adopted by the Committee on World Food Security in 2012 provide a normative framework for land rights in the context of food security.

#### For development cooperation

- Special support for programmes protecting the land rights of indigenous peoples and rural communities
- Securing legitimate land rights in all other projects affecting land issues

#### For governments

- Observing the extraterritorial state obligations, i.e. committing businesses to comply with human rights obligations in their business activities abroad

#### For the private sector

- Using existing tools for the application of the land tenure guidelines, such as the Analytical Framework for Land-based Investments in African agriculture

### Imprint

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