International Land Trade and Investment Capacity in African Agriculture: How can the People Benefit?

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Introduction

• International land trade has become one aspect of globalisation experienced in African with mixed feelings.
• International land trade occurs when land that was previously used by local communities is leased or sold to outside investors, including corporations and governments (NAPEU, 2012).
• Most often, international land trade are devoid of due process, upholding human rights and paying necessary compensations; when any of such occurs it is appropriately termed land grabbing.
• Land trade and land grabbing have become much a common issue and experience with mixed feelings in Africa, despite differences in ecosystems of the African regions and countries (Mkpado, 2013).
Introduction cont

• This is because for about few years to a decade, large-scale acquisitions of farmland in Africa and other developing countries have constituted major and consistent headlines in a flurry of media reports across the world.

• Changing economic, political, social and environmental factors have made lands that only a short time ago seemed of little interest are now being sought by international investors to the tune of hundreds of thousands of hectares (Mkpado, 2013b).
Introduction cont

• The global financial, economic and food crises as well as stabilising democratic rules in most African countries resulting in less intense wars and conflicts are factors capable of attracting international land trade (Mkpado, 2012).
• Land grabbing has long been an instrument of colonisation. Stephens (2011) noted that land grabbing has occurred for hundreds of years as cornerstones of colonial and neo-colonial practices.
Introduction cont

• The emergence of food, economic and financial crises in 2008 which prompted most of the new unscrupulous trend of acquiring fertile land for outsourced food and fuel production has aptly been named land grabbing (CODESRIA, 2012; Adekunle et al. 2014).

• Sub-Saharan Africa is indisputably the main target of large-scale land acquisitions as she possessed 201,546 ha (45.2%) of the total world uncultivated land alone (Fischer and Shah, 2010 in Kalus et al., 2011).
Introduction cont: Objective

- How can Africa address the changes posed by international land trade and associated land grabbing?
- This calls for proper understanding of the mechanisms and activities of land investors in Africa.
- Also examine immediate effects and remote adverse effects of land grabbing on the livelihood and welfare of people in Africa.
- The objectives of the paper is to examine the magnitude of land trade along investment capacity in agriculture in Africa
- Illustrate incidences of human right abuse and associated suffering caused by land grabbing as well as infer possible ways for using the ongoing phenomenon to empower Africa.
Methodology

- The study focused on Africa
- GRAIN published 4479 land grabbed over the World.
- Most of the investments do not have the price at which land was purchased but hectare acquired.
- So hectare has become a major variable used to examine investment capacity in agriculture.
- Descriptive statistics and qualitative assessment were employed in data analysis.
RESULTS AND DISCUSSION

EXTENT OF THE TRADE

![Graph showing the extent of the trade in different African sub-regions. The x-axis represents African sub-regions (West Africa, Southern Africa, North Africa, East Africa, Central Africa), and the y-axis represents numbers. The graph compares the number of countries (blue bars) and the number of deals (red bars).]
## Major Crops and other Agricultural Activities Involved in Land Trade in Africa

<table>
<thead>
<tr>
<th>African sub Regions</th>
<th>Type of Farming System in ’000 hectares</th>
<th>Mixed or inter Cropping with Cereals with other crops</th>
<th>Sole cropping of Rice</th>
<th>Oil Palm Cultivation</th>
<th>Mixed farming</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Africa</td>
<td>628382 (19.80)</td>
<td>881591 (27.78)</td>
<td>784656 (24.72)</td>
<td>152000 (4.79)</td>
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</tr>
<tr>
<td>Central Africa</td>
<td>120000 (11.76)</td>
<td>26500 (2.60)</td>
<td>2700000 (68.58)</td>
<td>107300 (10.51)</td>
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<tr>
<td>Southern Africa</td>
<td>1432713 (92.21)</td>
<td>16800 (1.08)</td>
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<tr>
<td>North Africa</td>
<td>6851 (0.16)</td>
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<td>0</td>
<td>2199400 (50.83)</td>
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<tr>
<td>East Africa</td>
<td>733234 (14.56)</td>
<td>1262845 (25.08)</td>
<td>173358 (3.44)</td>
<td>617540 (12.26)</td>
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</tr>
<tr>
<td>Africa Total</td>
<td>2921180 (19.33)</td>
<td>2187736 (14.48)</td>
<td>1658014 (10.97)</td>
<td>3076240 (20.36)</td>
<td></td>
</tr>
</tbody>
</table>
# Medium Cropping and other Agricultural Activities involved in African Land Trade

## Cropping Systems and Agribusiness in '000 hectares

<table>
<thead>
<tr>
<th>African sub Regions</th>
<th>Sugar cane</th>
<th>Date palm/citrus/olives</th>
<th>Maize only</th>
<th>Oilseeds</th>
<th>Sunflower</th>
<th>Mixture of cereals only</th>
<th>Agribusiness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Africa</td>
<td>97000 (3.06)</td>
<td>10000 (0.32)</td>
<td>10000 (0.32)</td>
<td>0</td>
<td>252605 (7.96)</td>
<td>32441 (1.02)</td>
<td>177922 (5.61)</td>
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<tr>
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<td>41980 (4.11)</td>
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<td>10000 (0.98)</td>
<td>0</td>
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<tr>
<td>Southern Africa</td>
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<td>200 (0.013)</td>
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<td>0</td>
<td>10000 (0.64)</td>
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<td>136000 (2.70)</td>
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<tr>
<td>Africa Total</td>
<td>599847 (3.97)</td>
<td>713670 (4.72)</td>
<td>160000 (1.06)</td>
<td>260200 (1.72)</td>
<td>252605 (1.67)</td>
<td>1467480 (9.71)</td>
<td>343835 (2.28)</td>
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</table>
## Minor Cropping and other Agricultural Activities Involved In African Land Trade

<table>
<thead>
<tr>
<th>Zones</th>
<th>Bio fuel, food crop</th>
<th>Cassava only</th>
<th>Wheat only</th>
<th>Alfalfa only</th>
<th>Groundnuts</th>
<th>Sesame</th>
<th>Banana pineapples</th>
<th>Sorghum only</th>
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</thead>
<tbody>
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<td>3940 (0.12)</td>
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<td>0</td>
<td>0</td>
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<td>0</td>
<td>0</td>
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<tr>
<td><strong>Southern Africa</strong></td>
<td>57000 (3.67)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>12200 (0.79)</td>
</tr>
<tr>
<td><strong>North Africa</strong></td>
<td>0</td>
<td>0</td>
<td>71739 (1.66)</td>
<td>29400 (0.68)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>East Africa</strong></td>
<td>0</td>
<td>0</td>
<td>5000 (0.10)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3000 (0.06)</td>
<td>35000 (0.70)</td>
</tr>
<tr>
<td><strong>Africa Total</strong></td>
<td>60940 (0.40)</td>
<td>9500 (0.06)</td>
<td>76739 (0.51)</td>
<td>29400 (0.20)</td>
<td>100000 (0.66)</td>
<td>60000 (0.40)</td>
<td>6500 (0.04)</td>
<td>47200 (0.31)</td>
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</tbody>
</table>
Some experiences showing deprivations by land grabbing in Africa

- Madagascar, a deal that would have handed over almost half the country’s arable land to a South Korean conglomerate helped crystallize opposition to an already unpopular president and contributed to his overthrow in 2009.
- People have been pushed off land in countries like Ethiopia, Uganda, the Democratic Republic of Congo, Liberia and Zambia.
- It is not even uncommon for investors to arrive on land that was supposedly empty. In Mozambique, one investment company discovered an entire village with its own post office on what had been described as vacant land (MacFarquhar, 2010).
Some experiences showing deprivations by land grabbing in Africa cont.

- In 2009 Egypt’s Citadel Capital signed a 25-year lease for 105,000 hectares of land ...
- The leasehold is entirely on community-owned land, the company signed its lease agreement directly with the state government with no lease payments for the community landowners or any other form of direct community benefit...
- The company had been given exemptions from paying taxes on machinery, agricultural imports, and profits for the first decade, and unlimited capital repatriation (Bohnstedt, 2012)
Some experiences showing deprivations by land grabbing in Africa cont.

- In Guinea, peasants are trying to understand how their government could have possibly signed off 700,000 hectares of their lands to an Italian company to grow jatropha for biodiesel. (GRAIN 2013).
Some experiences showing deprivations by land grabbing in Africa cont

- LeoneZainab Kamara is one of several thousand farmers in Sierra Leone whose lands have been taken over by the Swiss company Addax Bioenergy for a 10,000 hectare sugar cane plantation to produce ethanol for export to Europe.
- “Now I don’t have a farm; starvation is killing people.
- We have to buy rice to survive because we don’t grow our own now,” she says. (GRAIN 2013)
Some experiences showing deprivations by land grabbing in Africa cont

- On 11th June 2001, the residents of the villages Kitemba, Luwunga, Kijungu and Kiryamakobe were requested by the Ugandan Government to vacate their homes by the 31st August 2001.
- In August 2001 the Ugandan army (was accused of) violently expelled more than 2,000 people from their land in order to lease it to Kaweri Coffee Plantation Ltd.
- The evictees have not been compensated for the eviction and the loss of their property. They live in poorer conditions than before the eviction.
- Their association demands redress and has sued the Ugandan Government and the investor (WUFYR, 2009)
Some experiences showing deprivations by land grabbing in Africa cont.

- Youth from Endorois community in Kenya engaged police in a riot.
- The chaos led to the closing of Nyahururu- Kinamba Road for long hours.
- The youth were protesting against alleged grabbing of a 1,600 acre plot at Tuiyobei in Marigat district, Baringo.
- The youth wanted to invade the farm that they say is community land (Gakio, 2014)

- Land grabbing in developing world and Africa in particular has raised a number of issues.
- One of the bones of contention is management of the phenomenon to achieve social and economic development.
- Sharp neo colonial practices, human right alienations of peasant cultivars, poor land laws and reforms and corruption among the elites are among the causes of inappropriate use of land trade in Africa.

- **Fairman** (2011) noted that in 1913 the British Government introduced The Native Land Act which barred African peoples from purchasing land anywhere in South Africa other than in the declared African reserves and also restricted their rights to live on white owned lands/farms in South Africa.
HOW CAN THE AFRICAN PEOPLE BENEFIT? Cont.

- ACTS (2004) reported that land grabbing worsened since 1975 in many African countries through the land reform legislation, which placed all land and other public property under state control replacing traditional ownership of land or customary land tenure systems.
- This appears to be the condition that is overly exploited by the rulers with respect to land grabbing.

- There is a need for standardisation of the concept of responsible farm land investment.
- GRAIN (2012b) reported that the Swiss firm Addax Energy has a hugely controversial project to produce sugar cane on 10 000 ha of land it acquired under leasehold in Sierra Leone.
- <conflict of standard between funding agencies>

- Restructuring of land tenure system is a must.
- A situation where government claims ownership of all land and regard the people as caretakers has not met the challenges.
- The conditions under which government can take land from the people should be well defined and the responsibilities of the government to the people need to be paramount on the agenda.
- The processes of negotiating acquiring land from the people have to be well documented, publicised and implemented.

- Good business and contract laws governing land investment need to be formulated and implemented. At present there appear to be no accepted standard law governing land trade and investment.
- In order to protect the vulnerable groups, the private sector cannot be left alone to operate licentiously foreign land acquisition and investment.

- Payment of compositions and royalties need to be done for the displaced people.
- Already there are a lots of reports showing the non payment of compensation.
- Living as a displaced person is not a palatable or easy experience.
- Re-establishment of livelihood, adapting to new environment and coping with associated psychological, social and health implications requires a lot of money.

- Increasing value chain of production not export of raw materials is essential.
- Most of the investments are designed to produce raw materials and food stuff for use in home country.
- This practice leaves the foreign country where the production takes place without much gain from the business.
- Value addition to agricultural produce has been describes as a veritable tool for employment creation and poverty alleviation (Mkpado, 2013b).

- Employment of local people should not be treated leniently. The percentage of local people to be employed need to be determined during the formation of the contract; such proportion will not only be for the lower cadre. This will make it easy for local people to have a feeling of belonging and not to be taken as salves of the firm.

- Sustainable production and environmental friendly practices have to be followed by the investors. Agricultural resources are indeed renewable energies that require sustainable management practices.
- A situation where gas exudates, liquid and solid waste are not properly disposed should be discontinued. Improper dispose of such wastes have negative implications for human health.
The sustainable partway appear to be known by the majority even GRAIN (2012b), Mkpado (2014), OCED (2010) and OCED (2011) have outlined major concerns for ensuring sustainable development.

The missing gaps include what processes are to be followed to ensure inclusive practices?

What will be the punishments/sanctions for defaulters? Which national and regional institutions should monitor the processes?

What will be the milestones for measuring the conformity and deviations of sustainable land trade in order to avoid land grabbing?

Sound answers are very necessary if the people will benefit from land trade.
Conclusion

• International land trade had become a global phenomenon.
• Making a success of the trend requires coconscious efforts to design, implement and monitor a new code of conduct with respect international land trade and investment in agriculture within the African region.
• Development can be accelerated by governance regulation. Africa and her development partners need to be more proactive in constructing the instrument that will re-shape the face of activities foreign land trade and investment in the region.
• The scrambling for Africa has occurred decades ago, in other for the new phenomenon to be different form past ugly experience, concerted efforts are required.
APPRECIATION

- THANKS