

The Finance of Land Grabs: Peasants, Herders, Fishers Dispossessed by Corporate Investors

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NEWS RELEASE

Friends of the Earth, ActionAid, War on Want, Gaia Foundation, Global Witness, The Land is Ours, Biofuelwatch, Re:Common, Reclaim the Fields UK

*Protestors say London summit pushing global land grabs and hunger
'Do you realise what your pension funds?' they ask public*

A coalition of environmental, development and farming groups have criticised the Agricultural Investment summit in London for spearheading a global land grab.

The protestors say that City investors and pension funds are taking land from countries and vulnerable communities who need it to grow food.

The protestors will be demonstrating against the summit and have released a statement, signed by over 60 European and international organisations, calling for pension funds and other financial institutions to stop land grabbing.

"Africa, Asia and Latin America are seeing an acceleration of land grabbing at a rate not seen since colonial times," says NyikawOchalla, of the Anuak people from Ethiopia, whose livelihoods are threatened by the land grabs of foreign companies. "Land is the lifeline of hunter-gatherers, pastoralists, fishing and farming communities in the Ethiopian lands targeted by land grabbing policy. It is a myth that our lands are 'wastelands', only suitable for commercial agricultural development."

Millions of hectares have been grabbed by this kind of investment in countries such as Ethiopia, Tanzania, Sudan, Mali, Kenya, India, Indonesia, the Philippines, Cambodia, Laos, Myanmar, Brazil and many more.

British companies alone have acquired the rights to more than three million hectares in poor countries - equivalent to almost two thirds of the UK's total cropland - according to the Land Matrix project of the International Land Coalition.

"The summit organisers cheerily call this devastating trend an 'emerging and expanding asset class', and bill the summit as an opportunity to 'overcome the perceived obstacles to investment'," adds Tim Rice, biofuels policy advisor at ActionAid. "But they are glossing over the true impact on the ground. They are displacing farmers, uprooting communities and food production, and destroying ecosystems on a massive scale. They are increasing

hunger and poverty globally. In a world where one billion people already go hungry, land must stay in the hands of local communities so that they can feed themselves.”

“Pension fund investors in London’s square mile are key players in this global industry,” points out Kenneth Richter, of Friends of the Earth. “Many people do not realise that the lack of transparency and accountability means that anyone with a pension fund might be implicated in violations of farming communities’ human rights around the world. We are here to tell the pension investment industry that their shady actions are now in the public spotlight.” Friends of the Earth is calling on pension funds to stop speculation on land grabbing.

The groups’ statement declares: “Land grabbing by pension funds and other financial institutions must be stopped.”

It says: “Pension funds are reported to be the largest institutional ‘investors’ in farmland worldwide. Millions of hectares have been leased or bought up in recent years. As a result, peasants, herders, fishers and other rural households are being dispossessed of their means to feed themselves and their communities, sometimes through promises of jobs, sometimes at gunpoint.”

ENCLOSURE: Civil society statement on the finance of land grabs, 26 June 2012, in English, French and Spanish, including list of signatories

Land grabbing by pension funds and other financial institutions must be stopped

Driven by high food prices, increasing demand for agrofuels, raw materials and grain fed livestock, and low returns from beleaguered financial markets, the number of corporations, governments, public and private financial institutions engaging in large-scale acquisitions of land in the global South is soaring, threatening the livelihoods and food sovereignty of countless local communities. Millions of hectares of land have been leased or bought up in recent years, mainly to produce food or fuel for the international market. As a result, peasants, herders, fishers and other rural households are being dispossessed of their means to feed themselves and their communities, sometimes through promises of jobs, sometimes at gunpoint. Land grabs are also resulting in land and water use changes, causing ecological destruction and climate change related emissions.

Investment funds, agribusiness and sovereign wealth funds are “investing” more and more in land, intending to make their investment portfolios more diverse in the face of global economic risks and to profit from the rise in land and commodity prices.[1] Land grabs are also being financed indirectly, when banks provide credit facilities to land grabbing companies, or when hedge funds and private equity firms buy stakes in overseas companies that control land.[2] Even governments are involved, through the for-profit development finance institutions that they run.

Pension funds are, at present, reported to be the largest institutional “investors” in farmland worldwide.[3] Yet the money used here is workers’ retirement savings. This means that wage earners and citizens may be implicated in massive violations of the human rights of local farming communities, including their rights to food, land, water, an adequate standard of living, their cultural rights and their right to self-determination – in breach of international law.

With respect to this matter, the undersigned civil society organisations and activist groups serve notice to these pension funds and other private and public financial institutions, and to the States that are in a position to regulate them.[4] The human rights mentioned above imply the extraterritorial obligation of these States to urgently ensure that these funds and institutions:

- Stop speculation on land and other damaging investments in the global food chain, including land deals and financial participation in agribusinesses, where land grabbing cannot be excluded ex ante, and investing in complex financial products based on food commodity derivatives or agricultural land.
- Publicly disclose complete information about any direct or indirect financing of land acquisitions and other deals that might involve land grabbing. Such disclosure should be based upon diligent analysis of the entire investment chain, irrespective of whether or not the financial services provided are earmarked for land acquisition. This is required to break the culture of secrecy surrounding many of these deals, and to allow stakeholders and public interest groups to take action.
- Be subject to mandatory, prior and independent assessment of the potential impacts of investments and products on tenure rights, livelihoods, the environment and the progressive realisation of the right to adequate food. These assessments must enable fund managers and other financial institutions to prove at all times that they have no stakes in firms or in operations that are involved in land grabs.

Notes

[1] The notion that their financial stakes in agricultural land amount to “investment” must be questioned. The World Bank estimates that up to 80% of large scale global land acquisitions announced in recent years are not under production (<http://go.worldbank.org/OAV3EK4F00>). Academic reports demonstrate rent-seeking behaviour in numerous cases (http://www.future-agricultures.org/papers-and-presentations/doc_download/1324-hubert-cochet-and-michel-merlet-). Private equity groups and many specialised farmland funds operate frequently on the basis of a high return five-year exit strategy. Civil society groups in a range of African countries have reported in the last few years that numerous deals turn out to be purely speculative. And land investors themselves point out that they can easily make their profits on simply renting or selling (“flipping”) the land (<http://farmlandgrab.org/post/view/20165>). How, where and by whom these investments are directed is key, as many of them can be harmful. There is increasing evidence that the most vital and largest share of investments in agriculture are made by family farmers themselves, and this is the type of investment to be supported (http://www.ukfg.org.uk/pics/Yaounde_Agricultural_Investment_Farmers_Workshop_Synthesis_Report-EN_1.pdf).

[2] Merian Research and CRBM: *The Vultures of Land Grabbing*, 2010 (<http://www.pambazuka.org/en/category/land/68535>).

[3] Of the estimated U.S. \$100 billion that pension funds invest in commodities, some \$5-15

billion reportedly goes into farmland acquisitions. These commodity and farmland investments are expected to double by 2015. GRAIN: *Pension Funds: Key Players in the Global Farmland Grab*, June 2011(<http://www.grain.org/article/entries/4287-pension-funds-key-players-in-the-global-farm-land-grab>).

[4] The following points are initial demands from Civil Society, and will be added to as more evidence and information becomes available. This statement follows the March 2012 Finance of Land Grab Civil Society Strategy Meeting in Brussels, and represents the first steps of an emerging process.

1) The Agriculture Investment Summit – Europe 2012 takes place from today (Tuesday, 26 June) to Thursday (28 June) at the Park Plaza Hotel in London’s Victoria. Titles of talks at the summit include “Agriculture in Africa: ‘land grab’ or untapped opportunity?” and call farmland “one of the greatest investments in the world”. Information about the event can be found at: <http://www.terrapinn.com/2012/agri/>

2) The alliance of civil society groups includes Friends of the Earth, ActionAid, War on Want, Biofuelwatch, Global Witness, The Land Is Ours, the Gaia Foundation, Reclaim the Fields UK and Re:Common. It will hold a demonstration outside the hotel at 5.30pm BST today.

3) The joint civil society statement – “Land grabbing by pension funds and other financial institutions must be stopped” – has been signed by over 60 European and international organisations and can be found online at http://www.foeeurope.org/sites/default/files/press_releases/joint_statement_on_the_finance_of_land_grabs_june_2012_en.pdf. The statement gives notice to pension funds, private and public financial institutions, and states that can regulate them, that speculation on land must be stopped. Financial actors must be compelled to publicly disclose complete information about any direct or indirect financing of land acquisitions, and be subject to mandatory, prior and independent assessment of the potential impacts of investments and products. Contact Rachel TanseyRachel.tansey@foeeurope.org for more information.

4) Case studies of land grabbing include:

– “A Hidden Crisis: Increase in killings as tensions rise over land and forests”, Global Witness, June 2012

http://www.globalwitness.org/sites/default/files/library/A_hidden_crisis-FINAL%20190612%20v2.pdf

– “Land, Life and Justice: how land grabbing in Uganda is affecting the environment, livelihoods and food sovereignty of communities” Friends of the Earth International, April 2012. <http://www.foei.org/en/what-we-do/land-grabbing/life-land-and-justice-in-uganda>

– “Squeezing Africa dry: behind every land grab is a water grab” GRAIN report, June 2012 <http://www.grain.org/es/article/entries/4516-squeezing-africa-dry-behind-every-land-grab-is-a-water-grab>

– “Land grabs threaten Anuak” GRAIN interview with Nyikaw Ochalla, April 2010 <http://www.grain.org/es/article/entries/4064-land-grabs-threaten-anuak>

– ActionAid video case studies on impacts of UK company, Sun Biofuels, taking land in Kisarawe, Tanzania, the size of 11,000 football pitches. http://www.actionaid.org.uk/103062/video_stories_the_biofuels_land_grab.html

– 1,000 farmers in Karnataka, India, have done a Jail bhara (a peaceful protest strategy, in which protestors volunteer to be arrested, and a popular strategy used by Gandhi) to protest against the Agricultural Investment summit in Bangalore.

http://viacampesina.org/en/index.php?option=com_content&view=article&id=1281:india-more-than-1000-krrs-farmers-arrested-in-bangalore&catid=23:agrarian-reform&Itemid=36 N.B. Some protestors at the Agricultural Investment summit in London will be wearing green scarves to express solidarity with the Karnataka Farmers' Union (KRRS), the Rajya Ryota Sangha.

5) For an online public database of large-scale land deals please visit the Land Matrix at <http://landportal.info/landmatrix>. The matrix shows that almost five per cent of Africa's land has been bought up since 2000, roughly the size of Kenya, with little evidence of job creation or benefits to local communities. The data shows that poorer countries, with high rates of hunger, have been targeted.

6) For more information on the ties between financial institutes and land grabbing, please see:

- "Pension Funds: key players in the global farmland grab" GRAIN, June 2011 <http://www.grain.org/article/entries/4287-pension-funds-key-players-in-the-global-farmland-grab>

- Table of pension funds involved in global largescale farmland acquisitions as of June 2012 (GRAIN) <http://www.grain.org/attachments/2520/download>

- "Farming Money: how European banks and private finance profit from food speculation and land grabs" Friends of the Earth report, January 2012 <http://www.foeeurope.org/node/46>

- "The Vultures of Land Grabbing: the involvement of European financial companies in large-scale land acquisition abroad." CBRM & Merian Research report, November 2010 <http://farmlandgrab.org/wp-content/uploads/2010/11/VULTURES-completo.pdf>

7) For more information and interviews, please contact: Kenneth Richter, kenneth.richter@foe.co.uk (+44) (0)20 7566 1671. Tim Rice, tim.rice@actionaid.org (+44) (0)20 3122 0561. Josie Cohen jcohen@globalwitness.org (+44) (0)7956 250 260.

8) To be sent photos of the action, please contact Rod Harbinson rod.harbinson@yahoo.com (+44) (0)7986 004 046.

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