Formalization, Dispossession and the G8 Land and Agenda in Africa

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Introduction

- “Inadequate land tenure law has been a fundamental impediment to development and agricultural investment by small- and large-scale producers in many countries” (G8, 2012, p. 29)
Introduction

- The formalization of property rights in Africa has been promoted by the World Bank and other donors for some years.
- However, the focus on formalization of land rights in Africa has been part of a new initiative by the G8 only since 2012.
- What brought about this new effort at this moment?
- What is its purpose?
- How effective will it be?
- Is the lack of formalization the main reason for poverty in rural Africa?
Introduction

How does it relate to what some call land focused FDI with great potential for agricultural growth and development which others call land grabbing, dispossession and the new scramble for Africa?
Transformation in Property Rights and Poverty in Rural Tanzania

- A 4-year research project (2009-2013) funded by the National Science Foundation and based at the University of Michigan
- Four primary collaborators: Kelly Askew (PI), Howard Stein, Faustin Maganga and Rie Odgaard
- Focus on two regions Manyara and Mbeya
- Examining formalization of property rights projects sponsored by a variety of donors including Irish Concern - mixed methods - two anthropologists, one geographer and one economist
- Project extended with new funding from 2014-2016 covering two new regions Dodoma and Kigoma with survey work completed in five villages in Kongwa District, August, 2014
Transformation in Property Rights and Poverty in Rural Tanzania

- Evaluation of a series of testable hypothesis from the theoretical literature and experiences elsewhere concerning the likely impact of formalization (both positive and negative) of property rights in rural Tanzania with a particular focus on poverty issues.
- From a detailed literature review:
PART I
VIEWS OF TITLING
Market Effect

• Full benefits of market-focused government policies
• Full benefits of rental, input and output markets

Transaction effect

• Facilitate land transfers
• Efficiency of use
• Systematized information network
Security effect

- Safeguard village land from outsiders
- Reduce conflict
- Increase motivation to invest and work
- Female security and empowerment

Collateral and Liquidity effect

- Create wealth and liquidity
- Formalize assets
- Facilitate access to credit
- Serve as bond
- Finance new businesses
- Generate new taxes for URT
Implications for Poverty Reduction

- Wealth of the poor formally recognized so they are no longer technically ‘poor’
- Security will motivate the poor to increase the work effort and investment in their land
- Usage for collateral, which increases means of investment as well as ability to participate in input and output markets
- Allows for mobility of the poor to move in and out of agricultural production more readily and start new business ventures
- Therefore a mechanism for the poor to raise productivity and enhance income
Dissenting Voices
### Concerns for Rural Poor

- Increased landlessness from foreclosures due to failed group loans, usury; ease of sales to richer farmers
- Increased inequality, conflict and insecurity
- High expense, time and opportunity costs of funds
- Low priority—are other issues more important to rural poor?

### Concerns for Rural Poor

- Exclusion of pastoralists and hunter-gathers
- False hopes (no loans)
- Competing rights & legal regimes: presidential decree, statutory vs. customary vs. communal rights vs. village rights and authority, etc.
- Assists land grabbing by elites and foreigners (< illegitimate acquisitions via double allocations, forgeries, illicit transfers, rewriting land use plans and releasing land into land banks for foreigners>
PART II
G8, Formalization and FDI in Agriculture
New Alliance for Food Security and Nutrition

a multi-pronged, multi-year effort to improve agricultural productivity and food production in Africa.

Key priority: attracting private investment into agriculture

Greatest impediment: inadequate land tenure law
G8 Meeting, Camp David, May 2012

G8 signed six **Cooperation Frameworks** with Burkina Faso, Côte d’Ivoire, Ethiopia, Ghana, Mozambique & Tanzania.

- Each framework contains a commitment to design policies that make it easier for private companies to identify, negotiate and acquire lands in key agricultural areas of the continent.
G8 Meeting, Camp David, May 2012

- New Alliance follows recent initiatives including the L’Aquila Food Security Initiative, launched by G8 leaders in 2009, the African Union’s Comprehensive Africa Agriculture Development Program (CAADP) which started in 2003 as a NEPAD program and the Maputo Declaration on Agriculture and Food Security also launched in 2003 and aimed at reaching a goal of a 10% national budget allocation to agriculture.

- The G8 programs are supposed to align their efforts with the priorities set out in the CAADP. However, this is not what has occurred.
G8 Meeting, Camp David, May 2012

- The overwhelming focal point of these agreements is to increase large scale private investment in agricultural land and input markets, which was not a core element of the CAADP which rests on four pillars: land and water management; market access; food supply and hunger; and agricultural research.

- While the Frameworks have arisen from consultations between governments and the G8, there appears to be a very central role being played by the World Economic Forum’s African Partnership with a heavy influence of large agro-processing or agro supply corporations like Monsanto, DuPont, General Mills, Unilever, Yara, and Syngenta. The effort is to convert CAADP plans into ones focusing on increasing private investment flows into agriculture (Grain, 2013).
Example of Cote D’Ivoire Agreement

“Under its Cooperation Framework, Côte d’Ivoire promises to reform its land laws and make other policy changes to facilitate private investment in agriculture. In exchange, it gets hundreds of millions of dollars in donor assistance and promises from eight foreign companies and their local partners to invest nearly US$ 800 million in the development of massive rice farms. One of these companies, Groupe Mimran of France, wants an initial 60,000 ha, and plans to eventually expand its holdings to 182,000 ha. Another, the Algerian company Cevital, is reported to be seeking 300,000 ha.”
Example of Cote D’Ivoire Agreement

“On January 31, 2013, the CEO of the French grain trader Louis Dreyfus, the biggest importer of rice in Côte d’Ivoire, signed an agreement with the country’s ministry of agriculture, giving it access to between 100,000-200,000 ha for rice production. These three projects alone will displace tens of thousands of peasant rice farmers and destroy the livelihoods of thousands of small traders – the very people that the G8 claims will be the primary beneficiaries of the new alliance.” (Grain, 2013)
Parallels developments at the World Economic Forum with the creation of the Bagre Growth Pole in Burkina Faso and Beira Agricultural Growth Corridor introduced at 2009 World Economic Forum to revive agricultural sector of Mozambique involving Yara (Norwegian fertilizer firm),

- model = to allocate large land holdings to big investors and employ contract farming via smallholders
- objectives: (1) to capture *economies of scale* for greater productivity, and (2) to *help poor farmers*
- Beira corridor plan slow to get going but Yara and WEF with Beira blueprint initiate new effort in Tanzania backed by the G8 called...
SAGCOT (Southern Agricultural Growth Corridor of Tanzania) announced in January 2011. Plan to allocate large tracts of land to investors who would set up contract farming with local producers in return for seeds, fertilizer and credit. Opening up a 1/3rd of most productive part of country.
G8 Meeting, Camp David, May 2012

- Heavy reliance on World Bank’s Principles of Responsible Agricultural Investment (PRAI).

PRAI states:

“Neglect of such possessory rights is a major source of conflict, and it undermines effective land use and management... as only rights that are formally recorded enjoy legal protection”
“Weak land governance and property rights systems can lead to opaque land deals, which facilitate corruption and undercut responsible actors seeking access to land for productive investment. Weak governance in many developing countries allows unproductive land speculation and undermines agricultural productivity. Increasing security of land rights and transparency of land governance fosters participation of citizens, contributes to government accountability, reduces costs for businesses, and strengthens the climate for responsible investment” — G8 Communiqué
G8 Meeting, Lough Erne, 2013

As part of the effort to strengthen formalization, the G8 launched new partnerships with Burkina Faso (US), South Sudan (EU), Namibia (Germany), Nigeria (UK), Niger (EU), Senegal (France) and Tanzania (UK) aimed at “improving land governance and in particular transparency in land transactions by 2015.”
The main focal point of the G8 agenda at least in Tanzania is two fold “The need for private investment…while safeguarding tenure rights (p. 11) …investment brings with it multiple potential benefits for Tanzania, including job opportunities, income from outgrowing and spin-off demand, provision of inputs and improved technology, and investment in local infrastructure.” (p. 14)
Tanzania-G8 Project

- Project interventions are aimed at:
  1) “building capacity for land governance, land adjudication and title use”
  2) strengthening and delivering “participatory village land planning”
  3) planning and executing “district-wide tilting activities at low cost”
Tanzania-G8 Project

- Interventions will lead to "reduced conflicts"; "reduced risks for land grabbing"; "increase investment in agricultural production"; "improved conditions for responsible investment in villages and districts"; and "improved land administrations and process for wider titling" (pp. 28-29).

- Hence titling is purportedly a win-win situation investment is spurred while rights are protected.
PART III

DISPOSSESSION BY FORMALIZATION?
Foreign Land Deals in SSA 2008-13

<table>
<thead>
<tr>
<th>Region</th>
<th>No. of Deals</th>
<th>Total Acreage (M. Ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Africa</td>
<td>30</td>
<td>4.064</td>
</tr>
<tr>
<td>Eastern Africa</td>
<td>194</td>
<td>5.021</td>
</tr>
<tr>
<td>Southern Africa</td>
<td>5</td>
<td>0.062</td>
</tr>
<tr>
<td>West Africa</td>
<td>115</td>
<td>4.490</td>
</tr>
<tr>
<td>Total</td>
<td>344</td>
<td>13.637</td>
</tr>
</tbody>
</table>

Source: Landmatrix.org (2013)
Deals represent roughly 9% of all arable land in SSA but not all deals get operationalized.

Land grabbing/investment disproportionally in SSA

40% of all globally recorded deals in SSA-
43.2% of all land in deals in SSA-

In Tanzania- 27 contracts for 274,228 ha but much more planned...
ETHIOPIA

- Between the late 1990s and 2008, Ethiopia allocated roughly 3.5 million hectares to domestic and foreign capital.
- Between 2003 and 2009, 500 foreign investors were granted around 1 million hectares.
- In 2009 and 2010, an additional 500,000 hectares were given to foreign investors.
- Plans are to dramatically increase the allocation.
ETHIOPIA

- By the end of 2010, more than 3.5 million acres were deposited into a land bank which leases properties to investors.
- The government has typically signed long term leases with investors at ridiculously low annual rental rates of between $2 and $5 per hectare.
ETHIOPIA

- The land certification program has not prevented farmers and pastoralists from losing their properties to investors.
- Plots in the Bako Tibeeworeda were registered under a formalization program in 2008.
- However, authorities refused to certify land farmed by 500 villagers or any of the pastoral area used by village herders. Both were subsequently transferred to foreign investors.
- Throughout the country, village common property resources like forests, water, pastoral land and even wildlife corridors have been typically left out of rural certification programs but have been allocated to investors leading to a massive scale of dispossession by formalization (Rahmato, 2011).
The report by Rahmato in 2011, indicated that mass evictions for foreign investment had not yet occurred but there were plans afoot to resettle 225,000 farmers (from 2011-13) in the fertile rice growing area of the Gambella region of Ethiopia.

The ostensible reason was a villagization campaign to provide public services in new areas, but he suspected the real reason was to provide land to foreign investors. The area was already dominated by a huge Saudi rice producer Star Saudi which had leased 139,000 hectares. In 2011 and 2012, mass evictions began with villagers moved to arid areas with no new public services and with foreign investors quickly moving in after their departure.
ETHIOPIA

- The woreda is located in West Shoa Zone about 250 kms west of Addis Ababa.
- In April, 2012, gunmen likely from local villages attacked and killed five workers on the Saudi farm. The retaliation by the Ethiopian military was violent with reported rape and torcher of villages and reassertion of the campaign of mass eviction. The government has plans to expand the evictions of 1.5 million villagers in four states for “villagization” purposes (Human Rights Watch, 2012).
TANZANIA

“The value of land is well reconciled as high and most everyone’s goal is to secure some for themselves and their families. As such it should follow that rural folks, who occupy vast tracks of land, are sitting on a lot of wealth but because it is not surveyed and they have no title deeds to prove their ownership renders their land ‘dead capital.’ Not for long, for the land planning that started in 2011 is expected to cover all 12,000 villages in Tanzania... to secure persons’ right of ownership opening avenues for loans and other financial transactions with the land asset serving for collateral.”

— Hon. Minister Tibaijuka, Minister of Lands, Tanzania, 2013
‘This [formalization] exercise should also identify villages with extra land in which big plantations can be established, so that there would be a clear list that will be made available to investors... [There is a]

misconception that large land investors are in one way or another a threat to the country but rest assured that they are sent to specific areas [with] enough land for the purpose.”

=> Q. Dispossession by formalization?
Tanzania-SAGCOT

- Aims to incorporate 350,000 ha into “profitable” agriculture through a mix of commercial farming and small producers via contract farming but could be far larger.
- One goal is to increase land for investment in the General Land category by shifting large parcels our of currently designated Village Land.
3 Categories of Land:
• Village Land (~70%)
• Reserve Land (~28%)
• General Land (~2%)
“At a public meeting during our visit, the General Director of the National Commission for Land Use Planning... confirmed that the government’s target is to transfer 17.9% of village land into the general land category, raising the overall percentage of general land to approximately 20% (from the current 2%) to facilitate commercial development in SAGCOT.”

– from a report by a visiting land specialist (2012)
“It may be factually accurate that land is widely available for investment, but the claim begs a crucial question: from whom will these hectares come?... To state it bluntly, most of the lands that the GOT wishes to see developed in SAGCOT will need to be taken from villagers by government and leased to investors.” — ibid.
The World Economic Forum, Big Agro and the Corridor Concept

- agricultural growth corridor concept - used private consulting companies, all British (Prorustica, InfraCo and AgDevCo) with close ties to DFID

- key intellectual contributor Keith Palmer head of Ag DevCo - “patient capital” paper - allocate large land holding to big investors - contract farming model with subsidized public capital - best way capture economies of scale and to help poor farmers
Palmer Paper

- Extremely weak theoretically, yet main intellectual justification of the corridor model/outgrower model-
- The arguments are typical of a standard neo-classical economist that abstracts from the real histories of land and people, ignores big debates about scale in agriculture, assumes that any productivity increases will be shared with contract farmers and workers, and argues that big investors will simply respond to new profitable opportunities in a frictionless world without conflict.
- Yara and WEF with Blueprint drafted by Palmer start a bold new effort in Tanzania now heavily backed by the G8 effort discussed above.
Kilombero Study-Tanzania-Baha and Sulle-2013

- Kilombero Plantation Ltd-2010-5818 ha taken by the Rufiji Basin Development Authority in 1986. Was initially allocated to a North Korean company in a failed project- property was not used and villages resettled due to population pressures. Hundreds evicted with argument it was now in general land category and could not be included in the formalized village boundaries. Most not compensated with additional land instead forced to become renters. KPL started in 2010-215 employees and 1000 casual laborers-low wages-$2 per day

- Outgrower scheme- rice-complaints-fertilizer loan repayment with bags of rice at 1/3rd of mkt price; similar with improved seeds

- Interviewee: “we (farmers) expected that we have a got a liberator to uplift us from poverty but it seems what we have is an exploiter in our midst”

- Effectively returning to share-cropping model which has a best a checkered history.
Conflict in Babati, Tanzania

- Violence and conflict has also been associated with large the alienation of land holdings and formalization in other countries including Tanzania.
- Babati District an area of heavy titling there is some evidence of a rising case load in the Babati District Land Tribunal.
- For 2006 and 2007 the average annual case load was 227.
- In 2008/09 as titling was speeding up the total had more than doubled to 508.
Conflict and Violence in Kiru Valley, Babati

- One of the five villages we studied as part of our research on the impact of formalization on poverty was in the Kiru valley.
- Highly fertile area in the district with a river running throughout the valley and with it a fairly extensive gravitational based irrigation system.
- Very uneven ownership - roughly 20 large landowners with free leaseholds in the valley surrounding the village. Some exceeded more than 3500 acres - median farm size of our household sample was only 5 acres.
Conflict and Violence in Kiru Valley, Babati

- In 2009, a World Bank/Ministry of Land team began to survey individual plots in the village using a very expensive high resolution satellite map that can recognize images up to 60 cm.

- The level of violence associated with the period of formalization in this valley was very high. Five different estates were attacked and burned in 2011 with large scale damage to crops, structures and equipment. It was reported that the invasions of the farms involved 900 or more villagers. Workers on the estates have been assaulted with machetes and killed. One particular estate, which abutted the village we studied was attacked multiple times from January 2011 to May 2011. The Tanzanian manager was brutally murdered and decapitated by a mob of villagers on May 31, 2011.
Conflict and Violence in Kiru Valley, Babati

- What set off the violence this time: household survey of the village, 46% of villagers answering the question thought that conflict had increased in the wake of titling much higher than our total sample.

- The meeting with the large landowners was full of concerns that titles could be issued on their land that was currently occupied by squatters and was undoubtedly an important dimension of getting court orders for evictions.

- On the villager side, the possibility that formalization might lead to the dispossession of land currently occupied was clearly a motivating factor on the retaliatory attacks on local estates.

- From their perspective, formalization was seen as institutionalizing historical injustices and large levels of land inequity not unlike what one is likely to see in other cases where properties occupied by villagers have been handed over to investors.
Conclusions:
Dispossession and Formalization

- Harvey (2006) argues that capitalism is in a crisis of excess capital and excess labor but with impediments to bring them together.
- The crisis of over-accumulation is dealt with by spatio-temporal fixes where capital is constantly relocating geographically.
- Are external macro-level forces, driving the G8 agenda complicity of the governments?
Conclusions: Dispossession and Formalization

- The key is to appropriate new forms of labor and additional resources into the process of accumulation. This is accomplished through what Harvey calls “accumulation by dispossession” where private wealth and power are expanded through dispossessing the public of their wealth or land.
One of the main corporate partners of the G8’s New Alliance is US-based Cargill, the world’s largest grain trader. In an interview with Al Jazeera in March, 2012 just after announcing a 82% decline in quarterly profits, Paul Conway the CEO of Cargill argued that the key to resolving the global food crisis is “to make better use of the land in Africa and, at the very heart of that, is better property rights.” (Al Jazeera, 2012; Grain, 2013)
Dispossession through Formalization?

Q. Are we witnessing an effort by the wealthiest states to expand new avenues of accumulation for large-scale private agro-industrial and other businesses through what could be one of the largest dispossession of land in recent history?

Many research and NGOs working on recent land rights formalization efforts are raising this question based on data from multiple settings.