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Investors Are Grabbing a Japan-Size Chunk of the Developing World for Food and Water

Activists tracking these deals say rich countries are buying up land—93 million acres—and displacing local people and wildlife.

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Employees of Saudi Star rice farm work in a paddy in Ethiopia. (Photo: Jenny Vaughan/AFP/Getty Images)

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Erica Gies' work has appeared in *The New York Times*, *The Guardian*, *Scientific American*, *The Economist*, and other outlets.

[Bio](#)

Foreign investors are increasingly [buying or leasing large swaths of developing countries](#) in pursuit of food, water, and profit, according to human rights groups and academics, putting people and the environment at risk.

In Papua, Indonesia, forests that have sustained Malind hunter-gatherers for millennia are being razed to make way for foreign-owned biofuels and industrial agriculture plantations in a government scheme called Merauke Integrated Food and Energy Estate, according to [awasMIFEE](#), a U.K.-based activist group. In Brazil's delicate tropical savanna ecosystem—one of Conservation International's top 25 biodiversity hot spots and home to rare animals such as giant anteaters, tapirs, and armadillos—more than 32,000 acres of habitat are being tilled for crops and biofuels by the Qatar Investment Authority. Ethnic pastoralist and subsistence agriculture groups in Ethiopia, meanwhile, have been pushed off their ancestral lands by deals the Ethiopian government has struck with developers such as Karuturi, an India-based flower and agribusiness company, and the privately owned Saudi Star Agricultural Development, according to the [Land Matrix](#) and the [Oakland Institute](#).

Activists call these acquisitions land grabs that violate human rights. The International Land Coalition, a group that includes Oxfam International and the United Nations Environment Program, defines land grabs as acquisitions completed “without prior consent of the preexisting land users, and with no consideration of the social and environmental impacts.”

Since 2000, international investors have grabbed an estimated 93 million acres worldwide—an area the size of Japan—

according to the [Land Matrix](#), an international initiative that tracks the phenomenon. By the Land Matrix's reckoning, Indonesia has been the target of the largest number of deals, with 120, followed by Cambodia, Mozambique, Ethiopia, and Laos.



Land grabs total 93 million acres—the size of Japan. (Courtesy of the Land Matrix)

Lack of consent from residents is a key distinction between a land grab and other overseas investment. In the Saudi Star deal, for instance, locals did not know that 25,000 acres of their land had been given to the company for rice cultivation until bulldozers arrived to clear the area, said an Anuak tribal person who was quoted in a [report released recently](#) by the Oakland Institute, a California-based think tank that documents impacts of international land deals.

Land grabs can have domestic and international effects, according to Anuradha Mittal, the Oakland Institute's executive director. Local people can often go hungry when they're displaced from their farmland or food grown there is exported. "Before the investor arrived, the community used forests for fruits, food, medicines, tuber roots, for building

tukuls [huts with thatch roofs], hunting, and shelter for animals. Now it is all cleared,” said Mittal’s Anuak source, whose identity was not released to protect the villager from retaliation.

The conversion of rainforest to [palm oil plantations in Indonesia](#) and Malaysia is releasing carbon dioxide, decreasing biodiversity, and destroying critical habitat for native species, such as endangered orangutans. The deals also divert water supplies for local people and ecosystems because industrial agriculture is often water-intensive compared with that of displaced subsistence farmers, said Satoko Kishimoto, who studies land grabs at the Amsterdam-based Transnational Institute, a research and advocacy organization.

The deals almost always include government promises of water from a nearby river or aquifer, she said. For instance, Saudi Star is taking water from the Alwero River but is also building a dam on the Alwero to obtain more. The company is working to finish [30 kilometers of irrigation canals](#) this year so it can flood its rice crop, which will be [primarily for export](#), according to reports.

Saudi Star did not respond to requests for comment. But the company’s owner claims the investment benefits Ethiopian citizens. “While contributing to the food security of the Kingdom, the project will provide enormous benefits to Ethiopia in terms of foreign investment, job opportunities and food,” states [the website of the company’s owner](#), Sheikh Mohammed Hussein Al Amoudi. “Around half of the increased production is expected to remain in Ethiopia for local consumption.”

Experts say land grabs accelerated after the world food crisis of 2007–2008. In the arid Middle East, countries such as Qatar, which import 90 percent of their food, sought to secure food supplies overseas. Growing basic staples locally is

unsustainable for such countries. In Saudi Arabia, for example, wheat is irrigated from rapidly depleting aquifers, which are being drawn down 943 percent faster than they can recharge.

Local governments are often complicit in land grabs, which are most prevalent in countries with high levels of corruption, according to David Zetland, a water policy economist at Leiden University College in The Hague, who was a visiting scholar last year at Saudi Arabia's King Abdullah Petroleum Studies and Research Center. Local elites sell or lease land out from under longtime residents, he said, forcing them to relocate to land that is urban, lacks water, or is already occupied.

Residents are vulnerable because in most of the developing world, traditional people working their ancestral lands lack formal property rights, said Paolo D'Odorico, a professor of environmental sciences at the University of Virginia who studies land and water grabbing. "The land might be owned by the state or government and used by the communities and has been like that for centuries," he noted.

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Collective ownership contributed to the Anuak's dilemma in Ethiopia because their land is controlled by the tribal chieftain, according to Mittal's source, a former government employee who grew up in a small farming village. "Today, customary land laws are not consulted or incorporated by the government," said the villager.

Many development groups, including International Land Coalition members such as the World Bank, the Food and Agriculture Organization, and the International Fund for Agricultural Development, argue that overseas investment in agriculture is a win-win. Wealthy, dry countries secure food

with a lower environmental footprint while poorer, wetter countries benefit from the investment in irrigation, fertilizer, and farming machinery. Such investments improve crop yields, they say, so food can not only be exported but also grown to feed local people.

That attitude frustrates Mittal, who sees it as a justification for violating human rights. “Displacement is seen as just a cost to be paid for development without consultations with affected people,” she said. “It is outrageous.”

Just how much land grabbing is occurring is a matter of debate. The deals themselves are difficult to track as land sales are made in secret in many countries. The Land Matrix crowdsources information from on-the-ground nonprofit groups, academic reports, and corporate accounts of deals.

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Agriculture drives 77 percent of all land grabs, according to [the Land Matrix](#), but just 10 percent of the deals are for food production. Thirty-eight percent goes to biofuels, for instance, and 18 percent to “flex crops” such as palm oil or soy, which can be used for food. About a tenth of deals are driven by forestry, mining, industry, hydropower, and land speculation.

The United Kingdom,
the United States,
China, India, and
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their high numbers of questionable deals documented on the Land Matrix site, as is Vietnam, which invests primarily in its poorer neighbors, Cambodia and Laos. International corporations are also acquiring land.

Despite the high number of deals, just 13 percent of acquired land is in production, according to the Land Matrix. Zetland said challenges for investors include a lack of infrastructure and skilled labor, dodgy contractors, and inadequate or inappropriate soils, and in some cases, “elephants show up and eat everything.”

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Some countries seeking food and water security are beginning to steer clear of land grabs. Countries such as the United Arab Emirates and Qatar are buying stock in overseas agribusiness companies in the hopes of having a say in export decisions. When the government-owned Canadian Wheat Board went private last year, Saudi Arabia bought 51 percent of the shares.

Singapore, another resource-poor country, is diversifying its food sourcing, said Christopher Napoli, a political economist at the King Abdullah Petroleum Studies and Research Center. It sacrifices discounts for buying in bulk from a single supplier but gains security by purchasing from several regions, allowing it to weather supply problems from any one country.

If countries like Saudi Arabia and Qatar can secure food and water for their people in more light-handed ways, it's a win-win for potentially displaced people and wildlife and for the investors, who suffer fewer financial losses and less tarnishing of their reputation.

But land grabs are likely to continue because most are not driven by food security, said Jennifer Franco, who specializes in land issues at the Transnational Institute. Pointing to the many deals undertaken to obtain mining resources, timber, flowers, energy, and even food for profit, she said, "The primary motivation for land and water grabbing is greed."



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We really really need to do something about the unmitigated greed that, when exercised by even a tiny percent of the human population can have extremely detrimental effects for the planet as a whole. The real truth is that the greed mongers do not need any more money. In fact, they have more money now than they can possibly ever spend. Still they compulsively grab and gobble up that which could help others, even though the proceeds from these transactions do not improve their lot in life one iota . . . because they already have way too much. We need planet wide laws that no human can have See More

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Anya A. Savranskaya · University of Washington

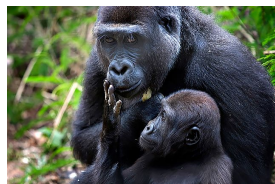
WHAT will we do?? What CAN we do? I really want to know. I feel like so many people want to do something but we are all just talking how bad greed is and how we are distroying the planet and creating more poverty, but we are so disconnected. If all of those who care united and put their voice and money and actions together, so much could have being done!! Instead, the greedy investors put their money and actions together and actually HAVE a lot done!

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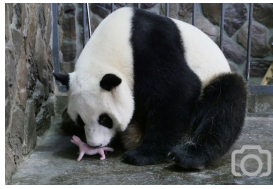
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