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### 'Land to the foreigners': economic, legal, and socio-cultural aspects of new land acquisition schemes in Ethiopia

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## **‘Land to the foreigners’: economic, legal, and socio-cultural aspects of new land acquisition schemes in Ethiopia**

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The Ethiopian government is an active partner in the general trend in Africa to hand out large tracts of land to foreign companies and governments for big commercial farming in order to enhance national development and growing energy needs. Projected enclave enterprises take off on lands of low density and use but often inhabited or used by a variety of local peoples that have no legal title to their land, despite their customary and usufruct rights, because all land in Ethiopia is state property (since 1975). The economic impact of these enterprises (export crop farms, biofuel enterprises) is expected to be mainly on the national level (land lease fee income, export product growth), and to a lesser extent on that of the regional governments.

While there are precedents to these land deals in Ethiopia, doling out local lands without much consultation of local inhabitants or land users (e.g. in the large-scale resettlement schemes and state farms), this time the controversy is augmented by insecurity about long-term ecological and food security effects and the generation of friction and counter-discourses that will make the schemes foci of conflict. National territory – ‘the motherland’ – and culturally significant locations are also being leased out, threatening social systems and cultural identities of local groups. Apart from the issue of food insecurity effects, economic dependency on foreign sources may increase. Nationalist issues thus may mingle with social, economic, and cultural heritage issues in emerging concerns on the large-scale leases. Critical discourse and protest on this topic is discouraged by the authorities. The paper will discuss a number of arguments in this debate, comment on some incipient large-scale land acquisition projects, and sketch a research agenda, focusing on the legal and social issues.

**Keywords:** large-scale land leases; Ethiopia; political economy; rural development; food (in) security; cultural rights

*“Far more valuable than gold is a particle of Ethiopia’s earth.”*  
Emperor Tewodos II of Ethiopia, 1868<sup>1</sup>

*“Come and farm our virgin lands, Ethiopia tells India”*  
Press statement, *Hindu Times* 26 May 2011<sup>2</sup>

### **Introduction<sup>3</sup>**

Ethiopia is one of the countries where large-scale land acquisitions (LSLAs) by foreign parties, facilitated by the central government, are very evident. A host of issues emerges when observing this new phenomenon, which has potential for

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economic development as well as for friction and controversy. Critics speak of ‘land grabbing’, and although polemical this metaphor is not entirely without justification: currently foreign actors feel a need to get a good share and ‘not to come too late’. It is, however, a process whereby the national governments, in Ethiopia and in Africa in general, are active partners. The aim is investment, agrarian expansion, developing alternative energy sources, and overall economic growth. Local populations, often the traditional custodians of the land and practicing age-old use rights, are rarely a partner in the deals (cf. Nierenberg & Ridberg 2010). This problem is common in Africa (cf. Madagascar, Senegal, Sudan, Tanzania or Ghana<sup>4</sup>), and the extent of the economic and ecological, but also the social and cultural problems that may result is only barely in sight.

The title of this paper comes from a South Ethiopian farmer, who told me in August 2009: ‘In the past, when we had the *Derg* [the 1974–91 military-socialist government], we heard the promise: “land to the tiller”, that slogan which they took over from the students. And we got access to land-but not to the ownership of it. Now the government gives the land to the foreigners. We do not understand this thing . . . . What will become of us? What are our rights to the land we know? Will we have to move out or learn farming from them? How? This is all new and we don’t know what it will bring.’<sup>5</sup>

Here we see the irony of history at work: the revolutionary Ethiopian student movement of the 1970s, when agitating for socialist reform of Ethiopian agriculture then dominated by private, unequal land ownership, absentee landlordism and massive poverty of the peasant rural producers, pleaded for empowering the local farmers by giving them full access to the land they cultivated. In April 1975, one year after the Ethiopian revolution, the *Derg*, which had some radical student advisors, basically took over their idea: all land was nationalised and ownership was vested in the state (cf. Clapham 1988, 151, 161; Yeraswork 2000, 191–93, 208f.). This far-reaching socialist measure led to the disappearance of the old land-owning classes and traditional power holders. It gave peasants access to land via use rights but, however, not ownership. The solution for Ethiopia’s agrarian crisis was not sought in the creative release of the farmers’ own productive energies, which could have been realised by giving them a real stake in the land as owners and making them independent producers. No durable agricultural growth was achieved in the *Derg* period, because the lack of property and transfer rights seriously limited the farmers’ commitment to produce and invest (Yeraswork 2000). In addition, the state-led Agricultural Marketing Corporation forced them to produce and sell its quota of certain crops in return for low prices.

In Ethiopia the foreign LSLAs were allowed since c. 2007 as part of the policy to boost agricultural development, and the country joined the ranks of many other, especially African, countries giving out the land on a large scale, a trend that emerged in the wake of the global food price crisis and the surge of demand for ‘bio-fuels’, such as jatropha oil, sugar cane and castor bean oil.<sup>6</sup> In 2009, 67% of the total foreign land acquisitions in the world were made in Africa. One could speak of a ‘new scramble for Africa’ – a rush by rich countries to get as much land as possible and not ‘stay behind’, motivated by the wish to secure future food supply sources. The term ‘scramble’ finds additional justification when we see the haste, the lack of negotiation about conditions, the privileging of foreigners over locals, and

when we know that c. 70% of the land thus far acquired is not (yet) taken into production (in 2010).

The Ethiopian government gives out these large surfaces of the country for foreign commercial farming and defines it as investment for development, in line with an ambitious energy policy.<sup>7</sup> As of 2009, Ethiopia had 406 projects with a total surface area of 1.2 mln ha (World Bank 2010, xiv). Initially, in the late 1990s and early 2000s, the share of domestic investors was dominant, and at that time the parcels given out were much smaller.<sup>8</sup> Their number and size is now dwarfed by allocations to foreigners (see Appendix 2).<sup>9</sup>

The speed with which the process has taken place took most observers, and also most Ethiopian rural people, by surprise. It is not the fact that foreigners are so interested in using Ethiopia's fertile lands and cheap labour – this is not new, as we also saw in Italian colonial times, notably in Eritrea (from 1890 to 1941 an Italian colony) and in the ventures in the Awash Valley in the 1970s. It is more the readiness with which the Ethiopian government allows them to take the land on such a large scale, against low lease rates and with a lack of local consultation that generates surprise and concern. The eagerness of Ethiopia's government to have foreigners take over land – which was for ages the core element of national or ethnic group identification and the source of people's livelihood, identity and pride – has created confusion and local feelings of 'sell-out'. The Ethiopian student movement cited above would never have imagined the handing over of huge tracts of land to be outsourced and farmed as enclaves by non-Ethiopians as a 'solution' to the country's agrarian problems.

The socio-economic effects of LSLAs have not been universally beneficial yet. There has been production growth, lease income, and local investment, but the process displaced scores of local smallholder farmers and herders and has closed large spaces. The subject has seen little empirical research so far and is clearly in need of a comprehensive appraisal that should take into account economic, social, and also cultural factors. An analysis of not only the economic benefits would be useful, but also a study of the political context and the policies behind would be instructive to get a view on the pros and cons of the process of land acquisition and of the agricultural investments and profits that (are supposed to) follow. This paper mainly limits itself to an identification of the main issues at play.

### **The political and economic context**

Ethiopian post-1991 policy was ostensibly based on developing the agrarian sector. In 1996 the new Ethiopian government of the EPRDF<sup>10</sup> launched the so-called 'Agricultural Development-Led Industrialisation' (ADLI), whereby the gradual commercialisation of smallholder agriculture was foreseen, which would in turn create new production chains, trade channels, and diversification. Land remained property of the state, however, thus dimming the dynamics of a property market and of committed investments by the agrarian producers themselves. Inputs to farmers were increased, for example, fertiliser, which they were almost forced to use. The whole process was strongly top-down, state-dominated. Main investors were ruling party-affiliated companies and individuals. The promotion of large-scale private and state-owned farming was an explicit aim of the ADLI (Rahel 2003, 2) and the 2003 Rural Development Policy and Strategies document (FDRE 2003), and the

current LSLAs are to be seen as part of it. In 2005, a new ‘Plan for Accelerated and Sustainable Development to End Poverty’ (PASDEP) was promulgated, drawn up under donor-country and World Bank prodding. The hope expressed in the PASDEP was that ‘... attracting commercial farms can, in turn, spur the commercialization of smallholder agriculture.’<sup>11</sup> In Ethiopia’s new 2010 Growth and Transformation Plan (GTP), the development of biofuels is mentioned as a priority (MoFED 2010, 36–38).

Since 1991, marking the end of the civil war, agricultural productivity has picked up under the ethno-federal government (cf. Dercon and Vargas Hill 2009, 6–7, 18, 56). Growth in the agrarian sector (the largest employer and foreign exchange earning sector) was certainly realised and farmers have now more use rights to land. Cultivators did gain more access to markets, could get fertilisers on credit (although the process was often imposed, and debts crippled farmers when the harvest was bad), and urban and export demand increased. Private firms emerged that developed cash crop production (not only of coffee, but also of oilseeds, flowers, and cereals). But an irreversible and rapid take-off in agriculture was not seen. Property relations were not reformed and land redistribution was often used as a questionable instrument to disqualify certain groups (cf. Crewett and Korf 2008). Neither were durable problems of food insecurity solved – still every year at least four to six million people suffer from lack of food and often face famine-like conditions, and a total of 46% of Ethiopians is undernourished.<sup>12</sup> For them, annual foreign food aid is requested from abroad.<sup>13</sup> The reason for the refusal of the government to allow private or even communal-based landed property is probably to keep the monopoly on power and not allow an agrarian class (i.e. a middle group with leverage) to emerge. With foreign agro-companies there is no such danger.

As noted, the investment in agricultural lands in Ethiopia in the late 1990s and 2000s started with *domestic* investors, both private and ruling party-affiliated people, who bought land for commercial agriculture for export. This probably gave the Ethiopian government the idea to open up the process for foreigners as well, who had more capital and were politically not a danger. The 2007–08 global food crisis and the resulting international run on African lands everywhere did the rest. In Ethiopia we now find a strongly state-supported policy of land deals with foreigners for economic and likely also political reasons. Allowing foreign parties to take over use rights (via long-term leases) and exploitation of cultivable land, rapidly implemented since early 2009, was confirmed as national policy at the annual meeting of the ruling party EPRDF in September 2009. The promise of large-scale land investment is no doubt attractive, and Ethiopia still has much agricultural potential, and a categorical denial of its possibilities and future benefits would be inappropriate. But indications are that the rush to dole out the land cuts local people a raw deal, that no sufficiently good conditions are negotiated, that long-term negative economic and environmental effects are not taken into consideration, and that there is no certainty about the demonstration/diffusion effect of the foreign commercial ventures for the local smallholder producers. There are, however, some successful examples of this interaction between smallholders and large investors:

Two of the investors we interviewed used these creative interactions to promote their business plans to regional development authorities. One farm sold certified seed to local farmers; another imported an irrigation system new to the region and plans to introduce

it to the broader community. They each rented farm equipment to smallholders and held demonstration days to discuss farming techniques and new crop types with community members. One had already introduced new crops to the adjacent village via an “outgrowing” scheme and was exporting smallholder products from the farm, thus diversifying livelihoods for local farming households.<sup>14</sup>

But this ‘creative interaction’ does not hold for the majority of smallholders or for pastoralists, who always lose their pasture lands and water access points and can only become underpaid workers on the estates, an existence very few pastoralists would like to consider. The encroachment on their rangeland follows a familiar path seen many times over: closure, livelihood subversion, impoverishment, and decline. Often they themselves are then blamed for ‘resource degradation’. The fear of this scenario was frequently voiced by agro-pastoralists from southern Ethiopia that I interviewed over the past few years.

The extent of cases of successful interaction with smallholders is not known, but they exist, and with good government incentives they can be substantially increased. The problems of land alienation, threats to subsistence agriculture, environmental pressures, and lack of negotiated deals with the stake-holders remain, in the absence of legal rules or their application and the bypassing of local customary tenure by the authorities. Also, pastoralists and farmers in the outlying areas where most land is qualified as ‘unused’ or ‘vacant’ by the government’ resent this view of their country as empty, and resist the implied state appropriation of it.

#### *a. Scale and extent of the deals*

In Africa, Ethiopia is in the forefront of handing out land. In the past four years (2007–10) it has signed over some 2.9 million acres (= 1.17 mln. ha.) of land, mostly to foreign investors, and expects to lease a total of 7.4 million acres by 2013<sup>15</sup> (which will be almost 31,000 km<sup>2</sup>). Most of the first deals in 2006–07 were for biofuel cultivation, where American, European, Indian and a few Israeli companies were in the forefront. The chief agents in the land leasing at present are not the governments of the, in name autonomous, regional states of Ethiopia, but the *federal* government. In 2008 it issued (non-gazetted, that is, not legally confirmed) directives to the regional governments to hand over their negotiation rights to the federal level for any piece of land above a 1000 ha. The reason given was ‘corruption’, which indeed occurred with the use of revenue from renting the land.<sup>16</sup> Also, all foreign investors must now first get an investment license from the federal authorities for any land investment or acquisition before they can ask the regional states’ investment authorities for a piece of land. Thus the federal government can enforce large investments, reap in the land lease sums and put pressure on the regional governments.

The idea behind it is of course ‘development’, economic growth as visible in GDP figures, food market supply, growth in productive capacity, and hopefully technology and management skill transfers. The federal government is the conversation partner of the international donor countries and the global financial institutions such as World Bank and IMF, whereby its prime purpose is to hand in the growth figures in order to qualify for continued political support and (more) donor aid.<sup>17</sup>

The income from these foreign ‘investor’ land leases is substantial and a welcome addition to the federal treasury, perpetually short of foreign currency. The government wants to reduce dependency of Western donor aid with its underlying but loosely kept demands of more ‘good governance’ and respect for the rule-of-law.<sup>18</sup> However, the actual sums paid by foreign leasers per hectare or acre are still surprisingly low. For instance, in Ethiopia the Indian company Karuturi Global in 2009 was to pay c. \$2.50 per acre<sup>19</sup> or 135 Ethiopian *birr* per ha. (c. €6.50) which is low also in comparison with the rate in other African countries.

Most of the LSLAs so far have been in the Oromiya, Amhara, Benishangul-Gumuz, Afar and Southern Peoples’ regional states (Appendix 1). Interestingly, the ruling party EPRDF has already been active with its own companies and members in agricultural ventures over the last 15 years, and unconfirmed reports state it is giving out new land to party members and political sympathisers, for example, some 90,000 ha. near Gambela town in 2009.<sup>20</sup> The use of land as a gift to supporters and to build political loyalty is a traditional practice of the Ethiopian state since early imperial times (cf. Clapham 1988, 31, 161–62).

### ***b. Policy and political context***

Land leases to foreigners, as noted above, are defended with reference to the development potential of large new enterprises that invest in the country. The Ethiopian government wants to make a quantum leap in developing commercial agriculture, improve national food security, transform smallholder agriculture, and realise export income not only from coffee and oilseeds but from a wider variety of crops. In addition, another basic motive is the extra cash from the land leases for the national government, in need of foreign currency. However, attaining food security and developing commercial agriculture is unlikely to be realised without an extra array of conditions to be imposed on the foreigners’ activities, such as knowledge/technology transfer and employment and training of local people. On the other hand, a beneficial effect of this investor activity is infrastructure outlay in the land acquisition areas.

Local smallholder agriculture and pastoralism are seen by Ethiopia state policy makers as underdeveloped and under-resourced, that is, as backward and lacking scale, skills, and technology. That may be the case, but this is partly the result of government neglect towards stimulating the small farmers by not giving security of tenure and a conducive politico-legal framework. Most observers note that the (undeniable) growth in agricultural production realised since 1991 could have been much higher if certain dogmas about land ownership, control and use rights would have been relaxed, and when recognition would have been given to the local people as empowered to negotiate on their rights and access to land and take more production and marketing decisions.

The favourite clause of state spokesmen, for example, at the Ethiopian National Investment Promotion Agency, about the land currently given out is that it is unused ‘wasteland’, with no pre-existing inhabitants or users (cf. SPGM 2009, 29). This is partly true but often incorrect. The statement is based on a ‘statist’, top-down view of what the value and the user regimes of land are. Of course, there is vacant land in Ethiopia, usually of poorer quality, but not all land so designated is or can be intensively cultivated under the prevailing circumstances (including the relevance of

customary rights, unreliable rainfall patterns, lack of surface water). Most of it is used for livestock pasture by local herding peoples, for gathering, for honey production, wood, and other economic sidelines. Sometimes the 'empty' land is just land that is left fallow for a year or so in a rotating field system.

Relevant for an understanding of the spectacular growth in (foreign) land investments is that the Ethiopian federal government has put in place a model of governance whereby all regional and local authorities (regions, zones, *woredas*) have to deliver on investments: every year they have to show what investments they have attracted and approved, and figures are of paramount importance here. Long-term planning, a balance between local and national interests, respect of local user practices, and environmental and ecological issues seem secondary. The sanction on not performing and not showing investment growth is job demotion or dismissal. In view of this pressure and of the impending threat of *gimgema* – appraisal/self-criticism sessions<sup>21</sup> used by the ruling party EPRDF to evaluate public office holders – virtually any proposal is accepted and preconditions are often minimal. All regions (and even many zones, a lower administrative unit) have websites where they recommend the favourable investment climate and the stretches of available 'land for investment'. In 2009 the Southern Region's website announced more than 180,000 hectares of land along the Omo River in southwest Ethiopia for lease.<sup>22</sup> The region is home to various agro-pastoral peoples (Bodi-Me'en, Mursi, Hamar, Karo, Nyangatom, a.o.), who survived there for centuries and use the area intensively. But in line with the ideology mentioned above, a Ministry of Agriculture official in 2009 stated again that the land in South Omo was 'empty' and that the government had taken environmental and social considerations into account when allocating land for investors. 'The people and the local governments are very happy,' he said. 'We have not seen any conflict between investors and the community.'<sup>23</sup> It is not clear on what these statements were based.

### *c. Economic and environmental aspects*

The economic impact of the enterprises set up on the newly acquired land is yet difficult to assess. They have just started and cannot yet be fully evaluated as to their various benefits and drawbacks. But benefits are primarily on the national level – the central government cashing the land lease fees – and to a lesser extent on that of regional governments or local communities.

Furthermore, as most of the foreign entrepreneurs, backed by their diplomatic representatives, in the name of 'development', retain their own *expatriate management* and will *export* all of their produce to their countries of origin, their role in developing the productive capacity of Ethiopian agriculture – which is held up by the Ethiopian federal government as one central argument in favour – will be very limited. As noted, the LSLA-based firms are geared to the production of biofuel crops (jatropha, castor beans, sugar cane), cash crops (flowers, oil palms, and cotton), and also food crops such as rice, soy beans, maize, and wheat. Figures released so far indeed show that virtually the entire production has gone abroad, and little if any was brought on the local Ethiopian market. If the net result of this 'exogenous modernisation' of Ethiopian agriculture is the reduction of the local producers' capacity for food production and self-sufficiency due to displacement of smallholders, the take-over of their land, and dependence on global market forces,

then the entire venture will run into failure. If the current disconnect between large foreign firms and local producers and markets is not mended, there will be little improvement in sustainable agriculture, livelihoods, and food security aims in the long term. Some of the lands allocated to foreign investors in the Benishangul-Gumuz and Afar regional states were previously being used for shifting cultivation and dry-season grazing and are no longer available for local residents,<sup>24</sup> implying threats to existing livelihoods.

Secondly, *ecological factors* are also part of the long-term economic equation, and the effects of the large agro-businesses on local environmental conditions need to be taken into account. The fertility of soils is often dependent on field rotation and certain specific management techniques as developed by local people, and the local balance should be studied before introducing a unitary cultivation regime with fertiliser, etc. It is also known that these large firms need inordinate amounts of surface water for the cultivation of their crops. This will – as is already the case with the dozens of flower farms in the central Ethiopia – lead to water shortages for farmers in the vicinity, and undermine subsistence agriculture and horticulture (cf. Mulugeta 2009). There is some awareness of this problem but little remedial action. In one instance, the company Saudi Star Agricultural Development (owned by Saudi-Ethiopian business tycoon M. al-Amoudi) which started a 10,000-hectare rice farm in the Gambela region obtained a 60-year lease for a low rent and an authorisation to pump water from the Alwero River, although in return for selling a portion of its rice production on the local market.<sup>25</sup> But depending on the amount of water used the consequences for local cultivators could still be serious.

New agricultural investors (M. al-Amoudi and the Indian firm Karuturi) are currently endangering Gambela National Park, an in name protected area, by annexing valuable tracts of forest. Species of vital importance to the local Anywa population are being destroyed. Among these were *shea* trees,<sup>26</sup> which provide many locally needed substances (cooking oil, lotion, and foodstuff). In addition, there are unconfirmed reports that old Anywa burial grounds are being bulldozed. Similar developments are seen in the ‘sacred’ forests in the Gomera region in south west Ethiopia (close to Gambela) which are used intensively by the Majangir people: since early 2011 a large part is being developed by another Al-Amoudi enterprise.<sup>27</sup>

So far, few if any agricultural investment projects have had an environmental impact assessment (required by law). The problem of potential ecological damage, however, became glaring after several studies of the environmental impact of the new *flower farms*, operating since 1997 in central Ethiopia. Apart from the growing water scarcity in the immediate environment, the pesticides and fertiliser residue led to pollution and high nitrate concentrations (Mulugeta 2009; Tamiru 2008).

As the recent World Bank report *The Rising Global Interest in Farm Land* indicates (World Bank 2010, 88), in Ethiopia the EIA requirements for the new agricultural investment schemes were usually waived as ‘sunset clauses’ for project approval. This is a potentially disastrous course that will contribute to blight the natural environment due to ill-considered long-term consequences. These may include the loss of biodiversity. While this kind of loss may be inevitable in certain locations anyway, pre-project studies of the environmental conditions and their eventual management by local people should be made before massive land development schemes come in and worsen the situation. As the UN and World

Bank-sponsored 2005 report *The Wealth of the Poor* already said, the consideration and integration of ecological factors in policy is a key to effective aid and development.<sup>28</sup> This point is, however, absorbed neither by national governments nor by the UN and WB in their actual policies.

Thirdly, the *economic benefits for workers* employed on the new large farms are mixed, even if they are 'lucky' to get a job there. There is a gender difference: for poor, landless, or unmarried or widowed women, wage earning can be something positive even if it is very low, and the women do not know their rights and are unorganised. One woman cited<sup>29</sup> said that her life was changed by the wage she now earned (0/80 US cents a day): 'I don't have my own land, so I have no way of feeding my family', said Ababu Nagari. 'Now I have work and a little money. I am happy these investors come.' (Heinlein, 2010). For others, likely the male married farmer majority, it is rather different. In a response widely echoed by rural dwellers in Ethiopia, one farmer said: 'We are for development of our country, but we cannot develop our country when land is in the hands of the government,' he said. 'You can work on your land, and all of a sudden, they push you out of your land' (ibid).<sup>30</sup>

According to the recent World Bank study (2010), the job creation rate of the new schemes so far is extremely limited: for the cases where information was given it was only 0,0005 job per ha. (World Bank 2010, 45). So most likely the schemes will likely not create many jobs, certainly not in replacement of jobs lost by locals because of land alienation or dispossession.

What is left for dispossessed farmers is indeed to move out, with the reportedly low sums of compensation money they get for their land (which of course was legally under state law not even theirs), and go to nearby towns to look for work. The money is finished in a month or two and poverty sets in. In the past three years the town of Nāqānte in western Ethiopia (Oromiya region) has been swelled by thousands of such displaced farmers. When local farmers stage protests against the establishment of foreign agro-companies they run the risk of being arrested, as happened with 80 farmers in Bako Tibe in western Ethiopia.<sup>31</sup> Other cases are known where farmers were removed from their land and did not receive any compensation.<sup>32</sup> Many others will be resettled by the government (Gambella PNRS 2002 EC; Davison 2010).

The *labour conditions and practices* of the foreign agrarian enterprises are not well-known but are the issue of anecdotal debate. Characteristics often mentioned are:

- Low wages for local employed workers, often from dispossessed families – who have no choice in order to survive.
- Massive import of foreign management and workers, forming enclaves.
- Little interaction with local people.
- Negligible training of locals, little or no skills transfers, little or no preparation of indigenous-Ethiopian capacity, and if they happen they are an unintended side-effect: it is not a condition placed upon them by the government. There are interactions of some large-scale foreign farms with the local smallholders (see above, 'The political and economic context') whereby a demonstration effect of 'good practices' can be seen, but the government's role must perhaps be to stipulate conditions for this when a contract with an LSLA party is

made, so as to oblige the foreign investors to do this in a standard, not haphazard and voluntary, way (as is mostly the case now).

In addition, some reports mention the often excessive use of environmental resources, notably water, to the detriment of locals and their needs, as well as the absence of awareness or recognition by the new investors of the cultural ties of local people to their (former) land.

Finally, the economic activities frequently contribute to *emerging local conflicts*. For example, the new plantations in the South Omo Zone have pushed local inhabitants – members of the Hamar, Karo, Aari and Mursi ethnic groups – into the Omo National Park for pasture and forage, where in 2010 several game scouts trying to oust them were killed. The case of the destruction of the biosphere and livelihood basis of the hard-pressed Anywa people in the Gambela region was already mentioned. Other inter-group clashes were also reported, including those between local ethnic groups, who contest a smaller number of resources due to shrinking territories and blocked transhumance routes. In 2009 there were reports of a conflict in the Shiniile area in the Somali-inhabited Ogaden region, when c. 60,000 ha. were given out to a Chinese business group and some domestic investors. Protests by local inhabitants were suppressed by government militia forces. In general, managers and workers of the new investor companies (notably when they are Ethiopian, such as the Al-Amoudi companies) are also discouraged from talking to outsiders and reporters.

### **Legal aspects**

The legal aspect is seriously under-researched, but an understanding of the interaction of local, customary law rules with state and international law is needed.

In much of Africa and Ethiopia, land is the traditional patrimony of the resident inhabitants, of people and ethnic groups who have lived there for generations and built up settlement and use rights. The customary tie to the land is not a legal fiction but validated not only through practice and residence, but also via locally adapted cultivation systems, indigenous knowledge, and ritual. Customary law governed the local relations and patterns of land use. In colonial and post-independence times, state law tended in principle to overrule these local law traditions. In Ethiopia, customary tenure and forms of semi-private and communal tenure existed until the 1974 revolution, and customary law was constitutionally recognised for all domains where national statutory law was not yet issued. But in revolutionary Ethiopia in 1975 all land was declared state property and has remained so ever since, also under the post-1991 ethno-federal regime. This makes it easy to dispose of land in any way the government wants. For instance, the Ethiopian constitution adopted in 1995, in Article 40.5, legally recognises pastoral lands in terms of a common property regime, implying some protection or at least ground for negotiation of the local users with state authorities about these designated pastoral rangelands. In practice, there is little or no recognition of customary tenure underlying this right. The same holds for customary land tenure in cultivation. The Ethiopian highland farmers, for example, knew a deep-rooted and intricate system of inherited possession or conditional ownership rights, rooted in

kinship and neighbourhood relations (the *rist* system). It was abolished in 1975, but not forgotten. In a hesitant start some years ago, the state initiated registering user rights in the densely populated central highland agrarian areas. In the outlying, less populated areas where pastoralists and shifting cultivators live, land is easier appropriated and handed out to others. The rights or even the access to land of these categories of people have even less legal status under national law, and can therefore hardly be contested by them in a court of law.

While in various regions there *are* indeed under- or unused parcels of land that might be given a more productive purpose, no adequate preliminary research is done on local conditions; nor are decisions to do so discussed with the people who live there – despite that various activities of the agro-companies starting business there can significantly impact on the wider environment used by them. Most important are: the extraction of water for cultivation purposes, decline of wild life and plant species used by locals, closure of grazing areas, and possibly, pollution. An example of such a scenario can be predicted for the project within the confines of Gambela National Park, in a territory used by the Anywa people. This project has the additional problem of seriously affecting an already designated protected nature reserve.<sup>33</sup>

These foreign agro-companies thus tend to form enclave enterprises taking off on lands inhabited by a variety of local peoples that have no legal title to their land and cannot protect it. Their customary claims are simply not recognised. The issue of respecting legal and customary rights is bypassed or belittled by national governments, and *also* by donor countries and their investors, in the name of economic development. The only remaining role for displaced local farmers is to be wage labourers on the foreign agro-farms, or move away to towns or other areas. But a recent UN report has called attention to the human rights challenges posed by LSLAs (De Schutter 2009) – challenges far from being resolved. The conflict-generating aspects of LSLAs are significant. An early example in Ethiopia was the conflict around the Birale Cotton Company, a plantation set up in 1995–96 by a local investor on land used by the Ts'amai ethnic group. In 1999, army units were called in to forcefully remove protesting Tsamai who resented the expropriation of their pasture land. More of such conflicts in the new wave of land investments can be predicted. The Anywa people in Gambela, apart from their running political conflict with the Nuer people who encroached on their lands since 1991, are faced with a serious threat of expropriation and land requisitioning via the foreign LSLAs.<sup>34</sup> The government does not hesitate to use force before sitting down to discuss or work out a compromise.

Local people in southwest Ethiopia have trouble in understanding why they should yield their living space to foreigners, especially when they were not asked, and state that they cannot accept that pasture and buffer zones for grazing their cattle in times of trouble (drought or conflict) are being alienated from them (cf. Oakland Institute 2011, 39–41). They also fear that dependency on outside forces, the state as well as the new companies, will increase, and that their subsistence base will be endangered. Few civic organisations or NGOs, however, has taken up their point, and a legal case cannot be made by them due to lack of knowledge and expertise. This brings us to the social and cultural aspects.

### Social and cultural aspects

Social and cultural aspects impinge on the economics of foreign land exploitation. It is a recurrent mistake in state development discourse and much of international development studies to see ‘development’ only or predominantly as a quantitative, material process. Economics are conditional not only on the above legal and policy aspects but on the social fabric, the ‘social capital’ and the cultural dispositions of people involved, who in the Asian and African ‘developing countries’ are often ethnically and social different from the dominant core of the state. In the Ethiopian case – like in Madagascar, where the appropriation of land where culturally significant tombs of kin groups were located led to disturbances as well as to a change of national government in 2008, and to general fears of cultural loss – these ‘non-economic’ aspects cannot be neglected. But they are not part of the public discourse about ‘investment’ and ‘development’. Apart from the often morally questionable nature of state authorities disposing of land without ascertaining its comprehensive value and socio-cultural role for existing communities and without consulting the ‘stakeholders’ or a negotiated compensation, it is detrimental to stability and security to enforce an extraneous land regime in conditions where local people feel the land is their patrimony or heritage. The concept of ‘heritage’ is not self-evident, however, and is subject to ‘negotiation’, for example, in socio-economic and legal battles. In Ethiopia, the local population is often powerless, by law and by practice, to contest state measures and bring the case as to what they often see as heritage to the courts. Courts they see as a state institution supporting the powers that be, and experience has proven them largely right.<sup>35</sup> In addition, since the 1975 promulgation of land as state property, peasants have lost any legal claim on the land they cultivate as ‘heritage’, because the traditional kin- or residence-based rights to it were no longer seen valid in any respect. Land being a state commodity thus devalued the ‘sentimental’ bond (as state policy makers often term it) that people might feel with it, even though their ancestors had possessed or cultivated it for ages. As De Schutter (2009, 274) noted, the commodification of land has gone to the extreme, and the cultural significance of land is forgotten.

Similar arguments against the sudden and massive take-over of land are now being heard among the pastoralists and shifting cultivators in the outlying areas where land acquisitions take place. People interviewed from the Ethiopian Southwest (e.g. from the Suri and Me’en, the ethnic groups of the area) had trouble in seeing where the central or regional governments took the right to dispossess them of land they saw as their own and used seasonally (for gathering, bee-keeping, dry season pasture, etc.). One of them stated: ‘We have lived here for ages, before we had even heard of [emperor] Menilik or of the Ethiopian government, and we survived in it. Why is this not seen as our land, as the source of our living? Can the cattle go anywhere else? I have not heard the government ask us something. We should have a say in what is done with it and we should not be undermined in our way of life here.’<sup>36</sup> This was in response to the news, in mid-2010, that a large rubber plantation was planned in a part of the Bench-Maji Zone in southwest Ethiopia, on land used by local people like Dizi, Suri and Me’en for pasture, gathering, activities and some cultivation. The Indian-Malaysian company Harrisons Malayalam Ltd<sup>37</sup> was expected to acquire a huge tract of savannah land for the purpose. It was reported by local informants that they wanted to attract (import) 40,000 *foreign* workers.<sup>38</sup> The economic,

environmental and social impact of this transplantation of foreigners would be huge in this area of pastoralists and subsistence farmers. It would change migration and transhumance routes, impact on local resource access and culture. The responses of local people on this plan were not favourable, and many feared to become outnumbered, overwhelmed. It was seen as an intimidating new venture which would make them into second-class citizens. First of all, the local conceptions of 'ownership' and use were based on notions of historical precedence (who settled there first), indigenous environmental and local knowledge, customary patterns of 'open' resource use, and mutual interaction (via product exchange and sale on local markets, where various groups had niches), which locals expect to be discussed and negotiated about. Secondly, it was interesting to note that the area under discussion here was only extensively used by the local ethnic groups, and was culturally not that important (for example, there were no burial places or ritual sites), but in the face of the impending 'invasion' the land was being redefined as 'historically ours', and as not freely available for outsiders. Thus, a process of contestation on what heritage value land can have, or is declared to have, has begun, whereby the local people will likely be the losers.

Contestation about the LSLAs and large farms is a general phenomenon in Africa, and is often based on good reasons. However, critical discourse is usually discouraged, also by the Ethiopian state authorities. Indeed, compared to other African countries (Ghana, Madagascar, Senegal), the Ethiopian government takes a strong stance against any independent voices about the policies it adopted, and rural protests are repressed with force, if need be. The voice of the local people who dwell on the land or extensively use it is seldom heard and not deemed relevant. Hardly any debate is entertained about how to deal with and adapt to social and cultural values attached to land and its use. Neither are independent trade unions, farmers' unions, etc. allowed in the country. A few NGOs have some influence, especially if allied to international groups, but the limited national debate that is heard (in the press<sup>39</sup>) about the pros and cons of the land deal policy does not impact on the political process. But one of the few cases where action by NGOs and local stakeholders was successful was that of the Gewata wetlands, near Gojeb in the west of Oromiya regional state, an area recognised by UNESCO as a biosphere reserve. According to a local informant (September 2010), it was saved from a Saudi investor wanting to turn it into an area for producing food crops for export. After long debate and negotiations with local and federal authorities, with critical input from scientists emphasising the rich biodiversity and important role of these wetlands in the water supply of the wider region, the project was called off. But it will now probably be developed for tourism.

### **Prospect and conclusion**

While in Ethiopia there are historical precedents of schemes giving out local land without consultation of the local inhabitants or users (e.g. the big commercial and state farms in the Awash area in imperial times, or large-scale resettlement schemes and 'collective' state farms in the *Derg* period), today the scale is much larger and geared especially to foreign players. Controversy is rampant and generates a new counter-discourse that will make the schemes unpopular and foci of conflict.<sup>40</sup> There is a growing perception in Ethiopia that national territory – 'the motherland' – and

culturally and socially significant locations are being given away, threatening people's 'social capital' and the ethno-cultural identities of local groups, often tied to land or territory. From a purely economic point of view, Ethiopia's dependency on foreign sources will also increase. Nationalist issues thus mingle with social, economic, and cultural issues (e.g. on 'heritage' and local group identity) in emerging protests against this, what many people call, sell-out.

Research on land deals in Ethiopia so far has been scant, but what is known forces us to agree with the World Bank, which in its 2010 report noted that many recent deals have been bad news for poor people, and that weak land governance, a failure to protect local communities' land rights, lack of country capacity, and unclear investor strategies (cf. Evans 2010) are frequent problems. There may also be a lack of overall national development strategies that balance investment, development, and well-being.

The LSLAs in Ethiopia are felt as an additional threat by local people living in or near the land to be taken over. In the past decades, they have already had to face collectivisation of land and dispossession, forced villagisation, resettlement schemes bringing in thousands of northerners from drought-prone areas, and in some areas massive dam construction (still ongoing). In these ventures, the Ethiopian government's policy approach shows continuity and recalls the classic large-scale state engineering schemes that Scott has analysed in his book *Seeing like a State* (1998). Also the LSLAs signify 'development' from above, without debate or negotiations with citizens, with forced displacement if need be, and state action driven by power hegemony and a monolithic model of 'economic growth'. Neither the nature and speed of the process nor the manner of its implementation are problematised, as the goal is sacred.

In this drive to develop, to attain GDP growth and what they call 'transformation', the Ethiopian government has the uncritical support of Western donor countries, which show to have but rhetorical care for issues of well-being or human rights, and in fact condone the abuse that may occur.<sup>41</sup> Obviously, overall development is a desirable goal for poor countries such as Ethiopia, with low GDP, poor facilities, a lack of legal security, massive poverty, no welfare system, over-population, food insecurity of 4 to 10 million people every year, repression, and a shaky human rights record (according to human rights organisations as well as the US State Department reports.<sup>42</sup>) But it is difficult to see why this process has to flout governance criteria and social justice precepts that were set out in the 1995 constitution and a host of other laws, why risks are taken with the environment, livelihoods and with security issues, why national debates and locally tailored alternatives in land policy are not considered, and why the customary use rights and relevant knowledge of local people are ignored (Vermeulen and Cotula 2010).<sup>43</sup>

The current land acquisitions in Africa can indeed be termed a new 'scramble', because influential and wealthy foreign powers hasten to acquire land in order to secure their interests (future fuel needs and food market demand *abroad*). While direct political sovereignty is of course not exercised, the enclave economy of these foreign firms, in connivance with a national government that gives little evidence of putting citizens' interests first, has aspects of 'neo-colonialism' (cf. A. Rice 2009). Tax holidays, easy production conditions, lack of environmental rule enforcement, low wages, low or often total lack of compensation for displaced people and cheap land-

lease rates for the foreigners contribute to this perception (Rice 2010). Most deals also seem hasty and feverish, done in competition with others. They are approved by African governments that do not negotiate properly and ignore local stakeholders, whom they usually control with a combination of political-legal force and if need be repression. In Ethiopia, this eagerness to dole out land against low rates and a lack of conditions set is particularly puzzling, as the country has a relatively strong state compared to others on the continent, structures for rule enforcement and a political ideology said to be geared to the rural producers.<sup>44</sup> The government could have done much more to optimise the advantages that such deals might have. All countries subjected to, or participant in, the land scramble will have to face the possible adverse effects of large-scale land exploitation on ecology and environment (see the flower business) and on socio-political stability (see the protests and dissatisfaction of displaced locals and the emergence of poor, landless groups drifting towards the cities).

In view of the economic, environmental, and socio-cultural problems looming, the LSLAs in Ethiopia and elsewhere need regulation and a harmonisation of interests of more than two stakeholders (government and foreign companies). International institutions such as the World Bank, World Food Programme, or FAO, let alone human rights and cultural organisations, have frequently mentioned this need. FAO spokesmen, including director Jacques Diouf, have criticised the current land rush practices and have proposed the development of a code of conduct.

The few cases from Ethiopia known so far suggest that improvements could be made along the following lines:

- Develop a legal framework where all 'stakeholders' can be involved.
- Sell/lease the land in auctions, and do not hurry giving away the land.
- Negotiate a package with investors, notably foreigners; reduce the waiving of taxes, free exports, etc.
- Develop proper compensation rules/packages for people losing their (access to) land, in accordance with Art. 44.2 of the Constitution and Regulation 135/2007 on compensation (Council of Ministers 2007) and implement them.
- Commission comprehensive economic, environmental, and socio-cultural research preliminary to land deals to assess the wider context, likely impacts and long-term consequences.
- Respect local customary rights and work out compromises, not impose and enforce, recognise that some land can simply not be taken, such as core ritual-religious places or burial sites.
- Respect pastoral grazing rights or negotiate sharing deals (cf. Eyasu and Feyera 2010, 19).
- Reform the national land law: allow communal property and conditional private property, so as to create a more dynamic land market.
- Demand training and transfer of agricultural knowledge from the large investor companies to the local agrarian producers; stimulate interaction.
- Smallholders in Ethiopia should not be discounted and seen as secondary to large foreign investors in agriculture. Annually, these farmers are said to be opening up on average some 1 mln ha. of new land for cultivation, and more

than 85% of annual agricultural production still comes from the smallholders. One possibility is contract farming, but even that carries risks to sustainability and long-term success (see Friends of the Earth 2010, 21–2).

- Oblige the foreign producers to bring part of the produce on the local market against locally affordable prices.
- In view of the rising value of land in Ethiopia, the government should assure continuity of successful agrarian schemes and not terminate or transfer them to other companies for higher lease rates without guarantees for productive capacity and for workers. One can predict that in 5 or 10 years' time the lease rates will be up significantly.

The objection that the government will give to the pleas for regulation and inclusivity, for example, that there is no time and that otherwise the interested foreign parties will go elsewhere, is not convincing: the land will not run away. As American author Mark Twain once said: 'Get a piece of land; they don't make it any more'. That is, there will always be a 'market', and prices will rise. Neither convincing is the remark that it would 'slow down development' (assuming we know what this concept exactly means). No serious national government should engage in land deals to foreigners without proper pre-project research and adequate preparation. There is little public evidence that Ethiopia has done either.

While offering a highly prevaricating and insufficient analysis, the recent World Bank report (2010) on the land acquisitions – not without reason speaking of a 'land rush' – has highlighted many of the problems mentioned so far. It did not include a thorough discussion of the legal and socio-cultural context and effects of the phenomenon (cf. GRAIN 2010a). Time is ripe for detailed field-based studies to assess the entire range of problems, the clash of legal and 'rights' narratives, the environmental aspects, and make an inventory of actual local responses, including the conflict potential. Such studies would help to work towards informing and including local people – as users and owners of the lands since generations – in the process of imposed change redefining their livelihoods and their identity (cf. Cotula et al. 2009, 3, 90).

In conclusion, most of the current land acquisitions, with some justification called 'land grabs' (in the eyes of the local population, not in the statutory legal sense) carry economic and social risks and do often not deliver (as even the World Bank report asserts 2010, 51, and cf. Blas 2010).

The phenomenon of LSLAs can also have the effect of subverting the rule of law, democratic governance, and constitutional/human rights in the broad sense of the term (see Kugelman and Levenstein 2009, 47–8). Rights to livelihood and to protection from resource alienation and citizens' rights to be heard are insufficiently respected. In Ethiopia the old revolutionary ideal of 'land to the tiller' has been abandoned, as the tiller is urged to work on the 'land of the foreigner'. In fact, the LSLA process in Ethiopia is an example of the curious global alliance of international capitalist enterprise (including China, reinventing state capitalism) and undemocratic governance in the countries with the land resources. This process will yield great profits but also do serious damage, and no voluntary 'codes of conduct' will impact on it. This is not likely to be a 'win-win' situation, unless consultative structures are improved, limiting conditions are imposed, social and

environmental impact assessments are made and are taken seriously, and the durability of the large-scale projects is properly assessed.

The citation at the head of this paper, ascribed to Ethiopian emperor Tewodros II (r. 1855–68), who spoke these words when the British invaded his country in an 1868 punitive expedition, would perhaps be seen as pathetic by the current Ethiopian authorities. Nevertheless, for local smallholders and pastoralists, let alone for politically oriented nationalists, it resonates strongly. They feel anxiety in the face of an unprecedented sell-out that not only has an economic-environmental impact but also a socio-cultural and psychological one; the local producers perceive that they are unwanted on the land which they thought was their own and denied a say in their destiny. They seem to be on the receiving end again. The challenge, also for African governments, is to develop shared regimes that allow local producers and investors to join forces, and to secure both the production of local (subsistence) food crops as well as the production of new (cash) crops for domestic and foreign markets that give local farmers and labourers a stake in the new investments.

## Notes

1. Cited in: D. Levine, 'Protecting Ethiopia?', online paper at: <http://www.eineps.org/forum/viewtopic.php?t=2806> (accessed 4 June 2010).
2. See: [www.hindu.com/2011/05/26/stories/2011052667031400.htm](http://www.hindu.com/2011/05/26/stories/2011052667031400.htm) (accessed 8 September 2011).
3. A first version of this paper was presented at the international NVAS conference "Africa for Sale: Analysing and Theorizing Foreign Land Claims and Acquisitions", at the University of Groningen, 28–29 October 2010. I am grateful to various participants in our session for critical comments and suggestions. I also thank the anonymous reviewer of JCAS for giving feedback with very helpful suggestions to improve this text.
4. Even Uganda, with not much land to spare, has reputedly leased out c. 2 mln acres to Egypt; see N. Williams, 'Alarm bells over Africa land deals', *Current Biology* 19(23), 2009, p. R1053.
5. Interview, Addis Ababa, 3 August 2009. Information on the Ethiopian case is based on interviews done in the country in July–August 2009 and September 2010.
6. The high-strung expectations about *jatropha curcas* were dimmed by a number of conspicuous failures, for example, in India; see: 'Govt's biofuel dream fails to take off', in: *Business Standard* (New Delhi), 27 April 2010. See also the critical report of the African Biodiversity Network et al., 2010, *Biofuels: A Failure for Africa*, online: [www.gaiafoundation.org/sites/default/files/Biofuels\\_A\\_Failure\\_for\\_Africa\\_Dec2010\\_lowres.pdf](http://www.gaiafoundation.org/sites/default/files/Biofuels_A_Failure_for_Africa_Dec2010_lowres.pdf). In 2009 a 5000 ha. *jatropha* plantation in Wolaitta was closed due to disappointing yields. A shift to castor beans is in progress, but also these yields prove disappointing. It has become evident that *jatropha* does *not* flourish in 'marginal', rain-poor soils, but needs better watered, fertile areas, and thus becomes a competitor of food crop cultivation.
7. See: Ministry of Mines and Energy, Ethiopia (2007), *Biofuel Development and Utilisation Strategy*. Addis Ababa: MoME. Here the estimated potential surface for biofuel cultivation was given as 23, 3 mln ha., roughly one-fifth of the country's total agricultural surface.
8. In late 2010 there were 49 domestic investors in this sector with projects above a 1000 ha.
9. One of the biggest domestic investors was BDFC Ethiopia Industry P.L.C., which in 2008 obtained a claim to 18,000 ha. of land to grow sugarcane (for ethanol and sugar) in the Awi Zone, Amhara Region (Oakland Institute 2011, 2). Another was the Ambasel *Jatropha* Project, a private (ruling party-linked) company that obtained 20,000 ha. of land, with an option to expand to 80,000 ha., for a *jatropha* plantation in a forest in Metekel Zone, Amhara Region. Production was said to be mainly for the domestic market.

10. Ethiopian Peoples' Revolutionary Democratic Front, with at its core the leading insurgent movement of the 1970s–80s, the Tigray People's Liberation Front, ruling still.
11. See: N. Yaffe and L. Dismore, 2010a, 'Landgrabs – a view from the ground' (Online: [www.globaldashboard.org/2010/10-11/landgrabs-a-view-from-the-ground](http://www.globaldashboard.org/2010/10-11/landgrabs-a-view-from-the-ground), accessed 17 October 2010).
12. See: UN (Policy Analysis and Networks Branch of the Division for Sustainable Development Department of Economic and Social Affairs), 'Foreign land purchases for agriculture: what impact on sustainable development?' *Sustainable Development Innovation Brief* no. 8 (2010), p. 6.
13. See for 2010: 'Ethiopia seeks urgent food aid for 6 million', AP news message, 12 August 2010 ([http://article.wn.com/view/2010/08/12/Ethiopia\\_seeks\\_urgent\\_food\\_aid\\_for\\_6\\_million](http://article.wn.com/view/2010/08/12/Ethiopia_seeks_urgent_food_aid_for_6_million), accessed 30 September 2010). Ethiopia's leadership is, however, optimistic: cf. 'Ethiopia won't need food aid after 2015: Meles' AFP news message, 15 September 2010 (Online: [http://news.yahoo.com/s/afp/20100915/wl\\_africa\\_afp/ethiopiadroughteconomypolitics](http://news.yahoo.com/s/afp/20100915/wl_africa_afp/ethiopiadroughteconomypolitics), accessed 15 September 2010).
14. Cf. N. Yaffe and L. Dismore, 2010b, 'Ethiopian case study illustrates shortcomings of "land grab" debate' (Online: <http://newsecuritybeat.blogspot.com/2010/10/beat-on-ground-ethiopian-case-study.html>, accessed 22 October 2010).
15. As was also noted in: T. McConnell and J. Overdorf, *ibid.*, 'New scramble for Africa's land', in *Global Post*, 5 October 2010.
16. 'EPRDF banks on outsourcing food production', *Indian Ocean Newsletter*, no. 1294, 9 October 2010. But, reportedly, corruption around the LSLAs also frequently occurs on the national level.
17. Ethiopia is the largest donor-money recipient in Sub-Saharan Africa.
18. Incidentally, the sums acquired with the leases do not appear as income in the Reports of the National Bank of Ethiopia or in the federal government budget.
19. With a total of 740,000 acres leased, effective six years after signing the agreement, this would be \$ 1.85 mln annually for the company's total area.
20. See: [http://nazret.com/blog/index.php/2010/03/07/justifiable\\_concerns\\_over\\_ethiopia\\_s\\_rec?blog=15](http://nazret.com/blog/index.php/2010/03/07/justifiable_concerns_over_ethiopia_s_rec?blog=15).
21. Basically it is a non-constitutional and non-electoral internal party control mechanism.
22. 'The Best Investment Opportunity in SNNP South Omo. Federal Ministry of Agriculture and Rural Development', at: [www.eap.gov.et/Investment-Opportunities/SNNP-Regional-State-InvestmentAreas](http://www.eap.gov.et/Investment-Opportunities/SNNP-Regional-State-InvestmentAreas), of 10 March 2009 (accessed 20 September 2009, since removed. Accessed 20 May 2010 online: <http://assets.survivalinternational.org/documents/194/SouthOmoAgrInvestmentAreas.pdf>).
23. Cited in: J. McLure, 'Ethiopia leases land for agriculture to earn foreign exchange', Bloomberg news message, 11 November 2009 (accessed 17 January 2010)
24. UN (Policy Analysis and Networks Branch of the Division for Sustainable Development Department of Economic and Social Affairs), 'Foreign land purchases for agriculture: what impact on sustainable development?' *Sustainable Development Innovation Brief* no. 8 (2010), p. 6.
25. Cf. 'EPRDF banks on outsourcing food production', *Indian Ocean Newsletter* no. 1294, 9 October 2010.
26. The *Vitellaria paradoxa*, also known as *Butyrospermum parkii*.
27. See: 'Ethiopian "sacred forests" sold to Indian tea producer' (Online: <http://farmlandgrab.org/post/view/18190>).
28. See 'Ecology is key to effective aid, UN told', in: *Nature* 437 (8 September 2005), p. 180.
29. See P. Heinlein, 'Foreign agro firms scoop up Ethiopian farmland', VOA news, 22 February 2010 (Online: <http://www.voanews.com/english/news/africa/east/Foreign-Agro-Firms-Scoop-Up-Ethiopian-Farmland-84973402.html>, accessed 4 September 2010).
30. See also the film 'Food crisis and the global land grab', a *Planet for Sale2* documentary, at: <http://www.youtube.com/watch?v=IU1-PpxqeZc>.
31. See: 'Ethiopia: HRLHA presents concern over land grabs at the UN 13th session Human Rights Council' (Online: <http://www.oromoindex.com/latest-news/ethiopia-hrlha-presents-concern-over-land-grabs-at-the-un-13th-session-human-gadaacom-oduu-news.html>, accessed 30 August 2010).

32. Cf. the farmer cited in: 'Land grabbing still rampant in Ethiopia', in: *The Reporter* (Addis Ababa), 4 September 2010, p. 9.
33. See: 'Al-Amoudi to farm inside Gambella National Park' (message of 10 December 2009), online: <http://www.geocities.com/~dagmawi/Zebanya/Zebanya.html>, accessed 23 December 2009.
34. For a quite radical view, see: GRAIN, 'Land grabs threaten Anyuak – GRAIN interviews Nyikaw Ochalla', in *Seedling*, April 2010b, pp. 12–13 (<http://www.grain.org/seedling/?id=680>).
35. In interviews with farmers in the Southern Region, Wolaitta, Oromiya and Wollo (2004–2009) this point was constantly reiterated.
36. Interview with informants in Addis Ababa, 3 August 2009, 9 September 2010.
37. Cf. 'Harrisons Malayalam plans to develop plantations in Ethiopia', online: <http://www.thehindubusinessline.com/2010/09/15/stories/2010091552060300.htm> (accessed 1 October 2010).
38. I could not get confirmation of this. The extent of unconfirmed rumours circulating indicates the apprehensions and the lack of transparency in the LSLA business.
39. Cf. 'Land grabbing still rampant in Ethiopia', in: *The Reporter* (Addis Ababa), 4 September 2010.
40. One example: 'Sululta town residents revolt against land giveaway', ESAT news (in Amharic), 12 November 2010. [http://www.youtube.com/results?search\\_query=Sululta+town+residents&aq=f](http://www.youtube.com/results?search_query=Sululta+town+residents&aq=f). See also Ray and Roy 2010.
41. A confirmation of this came in the recent critical but well-researched report of Human Rights Watch (2010), although quickly denied by the Ethiopian government and the DAG, the donor countries' group in Ethiopia (See their website: <http://www.dagethiopia.org>).
42. See: US Department of State, Bureau of Democracy, Human Rights, and Labor, *2009 Human Rights Report: Ethiopia* (Online: <http://www.state.gov/g/drl/rls/hrrpt/2009/af/135953.htm>).
43. A study of the legacy of the land expropriations for large state and private farms in the Afar area since the 1970s would yield lessons: these ventures undermined Afar livelihoods and probably contributed to making the Afar area what it is now: one of the most famine-prone in Ethiopia.
44. However, as the current phase of the global land rush will end in a couple of years when the lands will have been divided among the foreign players, it is likely that the central government will substantially raise the fees, whereupon the foreign investors will face the choice to pay or to leave and lose on their investments already made. This tendency already started in 2011; see Oakland Institute 2011, 29.

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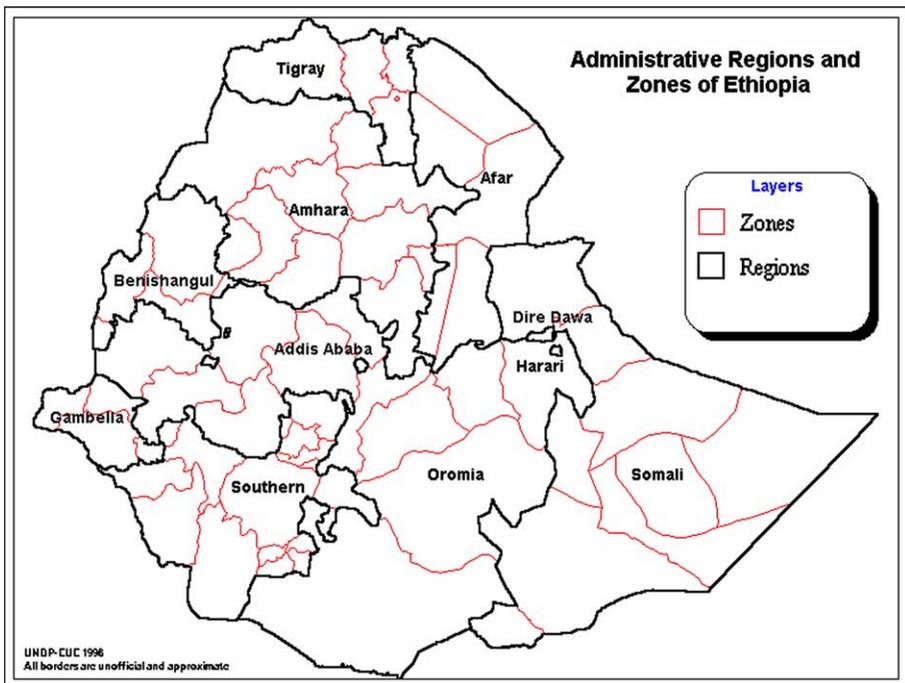
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### Appendix 1. Map of Ethiopia.



Source: UNDP (online: [www.africa.upenn.edu/eue\\_web/newzones.gif&imgrefurl=](http://www.africa.upenn.edu/eue_web/newzones.gif&imgrefurl=))

### Appendix 2. Some major foreign land deals and projects in Ethiopia, 2007–10.

#### Flora Ecopower (Germany), 2007

14,000 ha. for jatropha and castor bean cultivation, envisaged for expansion to 200,000 ha. This 77 mln \$ project took part of the Babile Elephant Sanctuary reserve in eastern Oromiya,

with government permission. (Source: Thompson 2008, 519; Reuters FACTBOX: Investing in Africa: Land and agriculture, 7 October 2008; Friends of the Earth 2010, 23). On 28 April 2010 this enterprise folded, due to bad management and lack of profitability (See: [www.afrik-news.com/article17480.html](http://www.afrik-news.com/article17480.html)), but restarted in 2011.

These are the largest schemes. The preferred trend in Ethiopia today is to give out land in huge tracts, a policy which allows the federal government to take more control. Until late 2009 the average size of plots given out was c. 700 ha., and roughly half of the investors were 'domestic' (which in the statistics included 'other African' investors). Smaller deals were concluded by individuals like Nigerian ex-president Olusegun Obasanjo, who in 2009 acquired 200 ha. for a business venture, and current Djiboutian president Ismail O. Guelleh, who leased 130 ha. An overview of land allocations for biofuel companies (49 projects) in various regions of the country (until late 2008) was given in the report by the local Ethiopian NGO Melca Mahiber (2008), *Rapid Assessment of Biofuels Development Status in Ethiopia and Proceedings of the National Workshop on Environmental Impact Assessment and Biofuels* (Addis Ababa: MELCA), pp. 46–50. (see: 'Flora EcoPower resumes biofuel farm activities', Capital (Addis Ababa), 15 November 2010).

**Becco Biofuels and National Biodiesel Corporation (USA), 2007**

Agreed to lease 35,000 ha. in Amaro (SNNPRS), for cultivation of diverse biofuels. (Source: 'The new scramble for Africa', online at: [www.grain.org/seedling/?id=481](http://www.grain.org/seedling/?id=481), accessed 2 July 2010).

**Karuturi (India), 2008**

Run an 11,000 ha. farm in Bako (Oromiya), since 2008. Conditions: no rent for six years, and 135 birr (7 euro) per hectare per year for the remainder of the 50-year lease. Also run a 100,000 ha. (120 km.-wide) farm in the Gambela Region, with option or claim to extend to 300,000. Conditions: rent of 15 birr per hectare (74 eurocents); freedom to export as much of its produce as it likes; workers' salary: 10 birr (=95 eurocents) a day (one birr above the minimum) and meals to the workers. (Source: Xan Rice 2010; see contract document on: <http://farmlandgrab.org/post/view/18548>)

**Saudi Star Agricultural Development (Saudi Arabia–Ethiopia), 2008**

10,000 ha. for rice farming in Gambela, since 2008. The Saudi-Ethiopian billionaire businessman Mohammed al-Almoudi is involved in this (and many other) companies. (Source: Xan Rice 2010.)

**Horizon Ethiopia (another M. al-Amoudi company), 2010**

100,000 ha. of land in the Gambela region, for oil palm cultivation. Projected expansion to 250,000 ha. (Source: Indian Ocean Newsletter, 11 October 2010; Addis Fortune, 25 January 2009).

**National Bank of Egypt, 2009**

20,000 ha. of land in Afar Region for agricultural food products, to be developed in 2010–11. (Source: Agence de Presse Africaine, 30 December 2009).

**Sonnati Agro-Farms (India), 2009**

10,000 ha. for rice, pulses and cereal production, in Gambella Region. Source: The Oakland Institute, 2011, p. 2.

**Almidha (India), 2010**

28,000 ha. for sugar cane production in Oromiya Region.

Source: The Oakland Institute, 2011, p. 2.

**Ruchi Agri Plc.** (India), 2010

25,000 ha. for soybean cultivation in Benishangul-Gumuz state, and 25,000 ha. in Gambela state, under a lease for 25 years. Includes the setting up of a processing unit, with an option to double the surface to be leased.

(Sources: [www.dailyethiopia.com/index.php?aid=555](http://www.dailyethiopia.com/index.php?aid=555), and <http://allafrica.com/stories/201007200770.html>, 19 July 2010).

**An association of farmers from the Punjab**, 2010

50,000 hectares of land in 25- to 40-year leases for export food crops. Conditions: tax exemption of imports and equipment, and tax exemption on exports, no rent for the first five years, then a rent of \$9 per ha. per year.

(Source: Indian Ocean Newsletter, 11 October 2010).

**Global Energy Ethiopia** (Israel; part of the Group Machiels, Belgium), 2007

A 7500 ha. outsourcing project in Wolaitta via community farming for castor bean/ jatropha production (option on 30,000 ha.), active since 2007. Includes the construction of a biodiesel factory in Soddo, Wolaitta.

(Source: [www.biofuelsdigest.com/blog2/2008/03/28/global-energy-completes-phase-one-of-7500-hectare-jatropha-project-in-ethiopia](http://www.biofuelsdigest.com/blog2/2008/03/28/global-energy-completes-phase-one-of-7500-hectare-jatropha-project-in-ethiopia), and [www.waltainfo.com/EnNews/2007/Nov/05Nov07/38570.htm](http://www.waltainfo.com/EnNews/2007/Nov/05Nov07/38570.htm))

**BHO Agro** (India), 2010

27,000 ha. in Gambella Region, for biofuel production.

Source: The Oakland Institute, 2011, p. 2.

**Ardent Energy Group** (USA), 2009

15,000 ha. for biofuel production (jatropha and castor bean), active since 2009. They announced an agreement with United National Petroleum of Addis Ababa on 17 July 2009 for the distribution of biodiesel in Ethiopia.

(Source: [www.prweb.com/releases/2009/05/prweb2468304.htm](http://www.prweb.com/releases/2009/05/prweb2468304.htm); and [www.prweb.com/releases/2009/07/prweb2648314.htm](http://www.prweb.com/releases/2009/07/prweb2648314.htm)).

**Emami Biotech** (India), 2009

30,000 ha., used for jatropha production in Oromiya Region.

Source: The Oakland Institute, 2011, p. 2.

**Sun Biofuels** (UK), 2006

a) 5000 ha. in Mancha, Wolaitta, Southern Region, for the production of biofuels.

b) 80,000 ha. for a jatropha plantation in Metekkel Zone, Benishangul-Gumuz Region, under a lease for 50 years at a price of 25 birr/ha. Sun Biofuels Ethiopia has a share of 80% in the Ethiopian National Biodiesel Corporation.

(Source: Tibebwa and Negusu 2008, 54; The Oakland Institute 2011, 2).

**I.D.C. Investment** (Denmark), 2007

15,000 ha. in Asossa, Benishangul-Gumuz Region, for biofuel production.

Source: The Oakland Institute, 2011, p. 2.