Ethiopia: Land for Sale?

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Over the past few decades, the Ethiopian government has been promoting a "win-win" situation for foreign, private corporations—the foreign investor gains land ownership to produce and export food and biofuels while Ethiopia gains foreign capital necessary to boost its fragile economy (Liu, Sinha, & Stern, 2013, p.5). This "win-win" situation, however, is weighted heavily towards the profit of the investors, while millions of people are forcibly displaced from their native lands (Liu, Sinha, & Stern, 2013). The abandonment of Ethiopia's most impoverished people due to corporate 'land grabs' highlights the government's prioritization of international investment over the health and wellbeing of both citizens and the environment and is a form of "post-modern liberalism" that stands for "pro-poor, pro-participatory approaches combined with promotion of global free trade" (Peters, 2004, p.270). This essay will review the methodology and implications of corporate 'land grabs' in Ethiopia with a particular focus on the Gambella region. The historical and political context of neo-liberalism, globalization, and capitalism in Ethiopia will explain the roots of the practice of 'land grabbing'. Finally, future predictions and recommendations for Ethiopia's economic growth and development will be discussed.

'Land grabbing' is a colloquial term that refers to the purchasing of agricultural land in resource-rich developing countries, primarily by wealthy countries that struggle with land scarcity and large populations (Robertson & Pinstrup-Andersen, 2010; Bush, Bujra, & Littlejohn, 2011). Reasons for this investment in foreign land include rising global populations and the pressures of an expanding middle class. The governments of resource-rich developing countries, primarily in Africa, encourage investment in order to boost gross domestic product (GDP) and to receive loans from the World Bank, primarily as a response to limited development aid funding (Robertson & Pinstrup-Andersen, 2010). According to the World Bank, over 70% of 'land grabs' occur in Africa where governments believe foreign investment will "accelerate industrialization" (Lavers, 2012, p. 106; Makki & Geisler, 2011). Due to the competitive price of land and the power dynamic involved in land trade, investors generally benefit substantially from the transactions while developing countries end up putting their citizens at risk (Robertson & Pinstrup-Andersen, 2010). These investments are encouraged by the World Bank, corporations, and donor governments, based on their principle of opportunistic liberalization and the opportunity for private sector entrepreneurship (Bush, Bujra, & Littlejohn, 2011, p.187). The rhetoric surrounding corporate 'land grabs' insists that the 'receiving' country will be able to assist the poor by increasing GDP which will eventually solve food crises, and create employment (Lavers, 2012). This economic trickle down frequently discussed is simply absent in most 'receiving' countries. This can be clearly seen in Ethiopia, where a 108% increase in GDP over the past 8 years has yet to benefit the 46% of the population that still suffers from undernourishment (Mauduy & Pelleray, 2014; Robertson & Pinstrup-Andersen, 2010).

The World Bank refers to corporate investment in agricultural land as a positive step towards economic modernization despite the resulting dispossession of land, increased rates of poverty, and violation of human rights (Bush, Bujra, & Littlejohn, 2011; Liu, Sinha, & Stern, 2013). Despite an established rule of law published by the World Bank (that requires standards of responsible business interactions with people and the environment), over one million Ethiopian people have been forcibly displaced from their land and made to live in makeshift villages that combine different ethnic groups from different regions (Bush, Bujra, & Littlejohn, 2011; Mauduy & Pelleray, 2014). Indigenous people in Ethiopia lack any formal land rights and are vulnerable to the decisions of the government resulting in threats to their safety, livelihood and culture (Robertson & Pinstrup-Andersen, 2010). Corporations involved in 'land grabs' frequently claim be following a "Corporate Social Responsibility (CSR) strategy," but these

CSRs “are not contractual obligations” and are not followed through (Lavers, 2012, p. 115). Ethiopian community elders and municipal leaders interviewed by Al Jazeera report being threatened, thrown in jail, and abandoned in terrible conditions in the name of big business (Mauduy & Pelleray, 2014).

Statistics and specifics regarding ‘land grabs’ are difficult to find due to a lack of public transparency. It is known that because Ethiopia boasts the most fertile farmland in Africa, over 70 investors from India, China, Saudi Arabia, and the United Kingdom have already bought land to produce coffee, sesame, corn, soy, and biofuels (Mauduy & Pelleray, 2014). Braun and Meinzen (2009) found that as of 2009, one Indian company had invested 4 billion dollars in land acquisition in Ethiopia, primarily to secure food supplies for domestic use within India. Another known investor, the MIDROC business empire from Saudi Arabia, has purchased millions of dollars’ worth of land, primarily in the Gambella region in south-western Ethiopia (Lavers, 2012; Braun & Meinzen-Dick, 2009).

Gambella is of particular interest to many corporations participating in ‘land grabbing’ in Ethiopia. Land sold in Gambella is said to be “idle or underutilized” which is simply a misrepresentation of the region (Bush, Bujra, & Littlejohn, 2011, p.189; Lavers, 2012). Most aboriginal people in Gambella are pastoralists, and were displaced through a government-run villagization plan which has already moved 28,000 people without consultation and has plans to move another 225,000 in coming years (Liu, Sinha, & Stern, 2013; Mauduy & Pelleray, 2014). The ethnic majority in the Gambella region, the Anuak people, have not been given training to farm on foreign land. Without the ability to farm for their sustenance, many fear that their lives and their children’s futures are at risk (Liu, Sinha, & Stern, 2013). The Anuak were promised social services such as education, healthcare, and food security if they moved into government-run villages. These services are scarce, however, and in some villages’ even non-existent years after displacement (Mauduy & Pelleray, 2014).

The current situation in Gambella is symptomatic of a long history of injustice and exploitation in Ethiopia. Despite years of war between Italy and Ethiopia (then Abyssinia), Mussolini never managed to successfully colonize Ethiopia (Lavers, 2012). While this is frequently proclaimed with pride by the Ethiopian government, the last two decades have brought a neo-colonial wave all too similar to the experiences of many African countries during the imperial era (Robertson & Pinstrup-Andersen, 2010). In 1975, the government of Ethiopia overthrew all previously established land ownership rights and placed all control in the hands of the state (Makki & Geisler, 2011). This placed the lives of the peasantry in the hands of the state. This inevitably led to disaster when, in 1984, “an estimated 250,000 – 500,000 peasants perished from famine” to which the government responded by displacing and relocating 14 million farmers to government established communal village settlements (Makki & Geisler, 2011, p.9).

In 1991, the government was defeated by the Tigrayan People’s Liberation Front (TPLF), who made alliances with marginalized farmers and pastoralists in order to gain key political support, and subsequently formed the Ethiopian People’s Revolutionary Democratic Front (ERPDF) (Lavers, 2012). In order to qualify for development aid, the ERPDF claimed to have aspirations to enter the global marketplace and establish development goals in line with neoliberal ideals (Lavers, 2012). Based on the principle that the 85% of Ethiopians whose livelihoods depend on agriculture would be better off with high-tech, capital intensive, privatized ownership, the ERPDF established a plan to entice foreign corporate investment in agriculture called Agricultural Development-Led Industrialisation (ADLI) (Lavers, 2012). In order to understand the reasoning behind the policies that led to the contemporary problem of ‘land grabs,’ the aspects of neo-liberal ideology and influence must be deconstructed.

Neoliberalism advocates for privatization, economic liberalization, free markets, and deregulation, and is associated with capitalism and globalization (Steger & Roy, 2010). While Makki and Geisler (2011) argue that the period between the 1980s and the present represents a form of “neoliberal restructuring” that has drastically “reshaped African social landscapes” the second wave of neoliberalism in the 1990s was the foundation on which modern corporate land sale policy results from (p.2; Steger & Roy, 2010). The driving force of neoliberal policy and capitalist agendas in the global south was the Washington Consensus, which restructured the World Bank (WB) and the International Monetary Fund (IMF) for the purposes of loaning poor countries money for development projects and stabilizing domestic currency (Steger & Roy, 2010). These loans came at a very high price—loan interest continues to cripple countries funded by the IMF and the WB across Africa and the global south, and strict regulations for receiving funding are imposed (Steger & Roy, 2010). In this way, wealthy donor countries that fund the WB and the

IMF control and exploit countries in order to benefit their own economies (Steger & Roy, 2010). The money that the WB has lent Ethiopia has left the country at the mercy of donor puppeteering. Decisions are made largely without consultation, and are based on what they believe is best for Ethiopia's GDP. The WB, private banks, and corporations pushed the privatization of land that resulted in the beginning of corporate 'land grabs' (Bush, Bujra, & Littlejohn, 2011; Deininger & Binswanger, 1999). The commodification of people's native land is not only encouraged in Ethiopia, but in many countries across Africa, as it is an easy "mechanism to promote an agenda for capital accumulation and also a vehicle for exerting … power" (Bush, Bujra, & Littlejohn, 2011, p.190; Deininger & Binswanger, 1999).

The trend of globalization has had a pervasive effect on Ethiopia and many other countries in Africa. President Bill Clinton led the United States to connect with every corner of the globe and to take advantage of every economic opportunity and trade relationship possible (Steger & Roy, 2010). Clinton promoted lending to impoverished countries and encouraged heavy involvement in international trade as a way of getting out of poverty (Steger & Roy, 2010). While there are many positive effects of globalization, it has also caused the wealthy countries of the world to demand resources, food, and products only available through the exploitation of the global south. Bush, Bujra, and Littlejohn (2011) argue that the 2000s have seen a "capitalist crisis" for "fuel, food and finance" that is having dangerous effects on countries such as Ethiopia (p.188).

While neo-liberalism promotes private property and owners' rights in the global north, in Africa, the WB has applied the idea of *terra nullius* to struggling economies (Makki & Geisler, 2011). *Terra nullius*, Latin for "land belonging to no one," removes the agency of peasant farmers over their land in the name of large-scale agricultural investment (Makki & Geisler, 2011, p.7). This stems from the idea that "non-capitalist" land was simply a "void" that was to be converted and developed through "neoliberal accumulation" (Makki & Geisler, 2011). Neo-liberal policy only sees what is economically valuable and useful to business (Makki & Geisler, 2011). The WB and its donors have yet to take responsibility for creating the conditions necessary to allow private banks such as Morgan Stanley and Goldman Sachs to invest in African land in hopes of future economic returns while families across the continent are hopelessly immersed in poverty (Robertson & Pinstrup-Andersen, 2010; Liu, Sinha, & Stern, 2013).

The cycle of poverty experienced by many countries in Africa is largely based on the effects of capitalism and neoliberalism. First, wealthy countries and private banks do not provide enough development aid to tackle poverty effectively, but instead invest in the WB and the IMF, which in turn put restrictions and unreasonable demands on poor countries. These policies then not only fail to benefit the most in need, but actually serve to put money back in the pockets of those in the global north. While the international community is told such transactions will provide the economic stability necessary to lift a country out of poverty, the victims of this lie are the seven million Ethiopians that are "chronically food insecure" (Lavers, 2012, p.110).

Despite the seemingly obvious injustice and inefficiency of corporate 'land grabs' in Ethiopia, they are on the rise (Bush, Bujra, & Littlejohn, 2011). The future of Ethiopia's land will be almost inevitably geared towards supplying the world with resources necessary for biofuel production. While today "only 2% of the world's arable land is used for [biofuel production] … it is estimated that by 2030 this figure will have doubled to 4%, and by 2050 to 20%" (Bush, Bujra, & Littlejohn, 2011, p.188; Braun & Meinzen-Dick, 2009). Government estimates reported by Al Jazeera indicate that the current number of land sales to foreign investors in Ethiopia is expected to triple to three million hectares in coming years, with the majority of investment taking place in the Gambella region (Mauduy & Pelleray, 2014). Robertson & Pinstrup-Andersen (2010) argue that while 'land grabs' are at present only harmful for Ethiopian peasants, there is considerable potential for responsible agricultural investments if the 'receiving' countries' governments demand just and responsible investment and consult indigenous peoples. While compelling in theory, it is difficult to imagine how investments could still be made without dispossessing people of the land they need not only to retain their livelihood, but to retain their cultural and ethnic heritage. Another concern for the future is the environmental degradation that is being caused by industrial development of rich, biodiverse ecosystems and forests (Robertson & Pinstrup-Andersen, 2010). The permanent damage to local resources caused could further cripple Ethiopia, and reverse the small victories achieved in the fight against poverty over the past decade (Robertson & Pinstrup-Andersen, 2010).

The story of 'land grabs' in Ethiopia is not a unique phenomenon—much of the continent is riddled with agricultural investments for foreign multinationals. As the developed world demands more resources and more wealth in order to preserve the dominant neo-liberal capitalist model, the "world's hungriest continent" struggles to dig out of the depths of poverty (Robertson & Pinstrup-Andersen, 2010, p. 272). If the government of Ethiopia was supported in creating just guidelines for investment by private banks and donor countries, development could comply with international human rights laws and serve to truly be a "win-win" situation.

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