The Promises of Large-Scale Land Acquisition and Existing Realities in Southwestern Ethiopia

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Abstract
The aim of this paper is to examine the multiple effects of large-scale land acquisition on local community. Since recent years the world has seen a sharp rise in the number of large-scale land acquisitions in developing countries including Ethiopia. Developed countries began offshore farming in large-scale to overcome their home-grown problems such as food price hikes, energy and financial crisis. Ethiopia is one of the forefronts of African countries in delivering large-scale agricultural land to foreign companies. Hence, this article is focused on one of the large-scale land given to Karuturi Global in Bako Tibe Woreda of Oromia in southwest Ethiopia in 2008. The study examined a range of issues, including how and whether the local community benefited from the investment and what kinds of local employment the investment created, how the investment has affected local people’s access to different types of natural resources and how local people perceive the land acquisition process and the investment. The findings of the study show that despite the fact that the investment provided few families with employment opportunities the process of land acquisition has been full of flaws, and the investment caused socio-economic and socio-cultural problems to the local people.

Keywords: investment, expected outcomes, existing realities

Introduction
This article has dealt with the impact of large-scale agricultural land acquisition on local community in Bachera Oda Gibe Kebele\(^1\) of Bako Tibe Woreda\(^2\) of Oromia regional state in southwest Ethiopia. Karuturi Global was an Indian company which was given 11,704.33 hectares of land from Bako Tibe Woreda, Oromia regional state in 2008. Before it was given to the Karuturi, the land was communal land used for various purposes like grazing land, access to firewood, plants and water sources even though it was claimed by the state as ‘unused’ land.

Local inhabitants of the area have been using the land for long period of time for various sources of livelihoods and other social and cultural events including, watering points, pasture, farming, forest, and grass for roof thatching. Despite this, the land deal that was carried out between the government and Karuturi led to the leasing out of the land away from the local community. As a result of the leasing out of the land, the local residents became squatters on the land that they regard is theirs and the land has also come to be regarded as “unused” land.

Consequently, conflict ensued between the local community on one hand and the state and the investor on the other. The local community resisted the leasing out of the land to a foreign investor though their resistance bore no fruit. The resistance of the local community was both overt and covert. When the company started to clear the land it leased from the government, the local community has tried to stop it and as a result conflict broke out between the two.

The land acquisition was not based on transparent contracts that specify clear and binding commitments and it was not based on meaningful participation of the local community and benefits sharing. Regarding free, prior and informed consent, several informants indicated that this was not the case during the land acquisition process. My informants made clear that they had never been invited to any consultation meetings, and were not consulted during the process.

In fact, all these happened in the name of promoting development for local community in particular and the country in general. However, it is important to critically examine the gap between the expected outcomes of the investment and the existing realities. It is also important to examine how different valuing of the land by the local community on the one hand and the state and the company on the other resulted in such state of affairs.

The Promise of Development: Expected Outcomes and Existing Realities

\(a\) Technology Transfer to Smallholder Farmers

The government agents have tried to persuade the local community to accept the transfer of the land to Karuturi on the premise that the main aim of the investment was to transfer knowledge by facilitating learning from each other, to share experience by farming side by side with the international investor, to expand their working culture and producing more output through exposure to modern farming system. According to officials, the company has

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\(^1\) Kebele is the smallest unit of administration under federal structure of Ethiopia.

\(^2\) Woreda’s English equivalent is district
the obligation to transfer technology to the small farmers so that the farmers use the knowledge to alleviate poverty by reforming their means of production. Nonetheless, the local people argue that they did not gain any input from the investment project to boost the productivity and reform their own agriculture. They claim that the company produces maize in a similar way to them and that there is little knowledge to gain from the company. According to Mousseau and Sosnoff (2011: 34), despite the government’s claim of technology transfers, many smallholder farmers continue to use low-tech farming techniques. It is even not clear how large scale farm machinery brings the transfer of technology and knowhow to smallholder farmers.

In addition, local community argued that let alone to share experience and transfer knowledge, the company is even not willing to discuss anything with them. It prefers to directly contact state officials even if the issue is between the local community and the company. The people complain that the company officials look down them. Thus, the assumption of plowing side by side with a large scale investor and technology transfer to the smallholder is not implemented.

The locals argue that their indigenous knowledge of soil conservation and crop production is even better than that of the company’s. According to the people, there are traditional methods of maintenance and conservation of soil fertility in the Woreda. Crop rotation, fallowing (lafo baasuu), adding of manure, terrace making, and counter mounding are major mechanisms of protecting the land. People of the area prepare land for seeds properly before sowing. In the Woreda, traditionally, the soil is maintained through manure as well as by modern method through using artificial fertilizers.

However, the people argue that they were not able to share their knowledge with the company because they do not have positive relation with the company. According to the local community, the company does not know the proper farming season and that it failed to take local peoples indigenous knowledge into consideration. For instance, the company repeatedly ploughs maize on the land that is not favorable for maize. It was the land the people were using for teff and niger seed that the company repeatedly sows maize on. According to the locals, the company does not know rotation mechanism and always ploughs maize on the same land for almost four years. An informant claims that “if we learn from each other as said in the promise and the investor does not undermine us; we have to tell them when land is prepared and when seed is sowed”.

From the people’s perspective, frequently planting mono crop on the land has its own effect on the production one gets. That is why, the company, the company is not becoming productive. Citing the workers who are employed in the company as a source of evidence, the local people claim that the company has sown maize on 5000 hectares and got 1000 quintals in 2012/13. The local people perceive their own productivity as better when compared to the company’s production. Therefore, according to them, plowing maize by the machinery is nothing if the productivity is less when compared to plowing by oxen. In fact, this can be a rumor that has emanated from the peoples negative wish for the company for loss of their land, a form of everyday resistance. Whatever the case may be, one can conclude that there is no smooth relation between the locals and the company and as such technology transfer to the smallholder farmers has not been realized.

b) Building Infrastructure

Karuturi has pledged to provide basic infrastructures to Bachera Oda Gibe Kebele villages. Some promises to build infrastructure have not been materialized yet. According to the agreement signed between Karuturi and the government, the company has to fulfill all infrastructures. It was expected to build roads, schools, clinic, and pipe water. However, some positive developments have taken place in the area though these are rarely mentioned by those who have lost the land that they had used for years. The company repaired and improved six kilometers old gravel road leading from the main road to the project and built two primary schools in the villages of Goromti and Milmil. Electric service is also introduced to the village up on the coming of the investor. However, the question for the construction of clinic and pipe water is unanswered yet. Let alone constructing pipe water, the loss of livestock route to Gibe River forced both humans and livestock to use the same watering point.

c) Creation of Employment

It is often believed that large scale agricultural schemes create job for the local community. The hope for the creation of employment is a major reason to welcome investors. However, the local people complain of created job opportunity as exaggeration and relatively small. Certain numbers of workers are employed seasonally during labor-intensive periods of the production. At the time of arrival, the investor took the land to plant palm oil which might need more labor. Nevertheless, the company has sowed maize which creates little job opportunity. The working condition and created job opportunity is seasonal and temporal. The employees work temporarily.

The wages that daily laborers get can also be considered as very low. The company hired expatriate staff for the positions of management and supervision while locals only get precarious laborer positions, and low paid jobs. At the beginning of the project workers were paid on average wage of eight Ethiopian Birr per day.

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1 Interview with Dhaba Dabale at Bachera Oda Gibe Kebele on February 04, 2013
which is under the World Bank poverty limit of two US dollar per day. During maize husking season, the pay is low because the company perceives the work as easy task. When this happens, local employees usually refuse to work on the company’s farmland and the investor brings in maize husker machinery in place of human labor. There is no consensus amongst the informants whether they benefitted from the Karuturi investment or not. Some individuals agreed that they have benefitted from the project while others don’t agree. Those who disagreed complained that they work in the company because of lack of other alternatives. These people expressed their feeling through proverb in a fascinating way: “Rakkataan ulfa faudhee mucaq guddisuu rakkata” (An impudent man marries a pregnant woman and faces difficulty in bringing up the child).

Despite the low wage rates, in many cases the project provides a valuable source of income for workers and their families. Many of these laborers are landless or have small land holdings, and many consider the employment to be their only chance to survive. The following case substantiates this:

Before I started working with the Karuturi, my family was in a difficult situation. I was hired here to the position of company guard. I have four families who rely on my salary from the company for their survival. Previously, I was very poor and support my life by usury from the rich. I usually take one quunnaa¹ of grain and return two quunnaas. As a result, after the harvest season, almost I have been paying half of my produce for the rich. Really I was in trouble situation. Now, I am living better as compared to the past. I bought two lambs by the salary I got from the company. I am able to feed my children and become free of paying usury. The company benefitted me. There are some rich people who want the removal of the Karuturi because they lost the benefits they used to get through usury from poor people like me².

- **d) Ensuring Food Security**

Food security implies the provision of adequate, safe and nutritious food both quantitatively and qualitatively. Food production is not the same as food availability because the company has produced maize for export and the local community has not used from the production. The contribution of large scale farm to food security depends on the type of crops grown and marketability of these crops at locally affordable price. The Karuturi grow maize for export and doesn’t sell its harvest at local market.

The major assumptions behind the promotion of investment are the ensuring of food security and the earning of foreign currency. Most of the local people complain that the investment project impoverished and undernourished them since they lost their farmland. Farmers who have been ploughing the land are living at the cost of food insecurity and unable to feed their extended families. In relation to this, Escobar (1995: 22) argued that depriving people from access to land, water and other natural resources would aggravate poverty than assuring food security. What an informant said about the anomaly between development and food security deserves mentioning here: “Mootummaan keenya biyya guddisuf jedhee lafa qonnnaa keenya nurbaa faudhee inveesteriff kenne. Inveesteriff inmoo midhaan isaallee nutti gurguree hinbeeku. Nuti beela’aa jirra biyyi akkamitti guddata?.³” (In the name of promoting development in the country, our government took away land from us and gave it to the investor. But the investor has never sold its productions to us. How can the country develop when we are hungry?). Therefore, it is better if the concerned policy makers analyze the advantage and disadvantage of large scale land deals and its implications from the local community’s point of view. “Development is about transforming the lives of the people, not just transforming economies” (Stiglitz 2007: 50).

State officials and the project managers admitted that the company exports its produce abroad. One of the driving causes of large scale agricultural farming is the need to strengthen financial position of the investors. Accordingly, private companies such as Karuturi are working to boost its finance and do not bother for the realization of food security at local and national level in host country. As a result, local people of the study area seem to prefer domestic investors than foreign ones. This is because domestic investors’ products are available and affordable at local price. My informant reveals this fact: “The domestic investors are doing many things for us. They are providing us with chill and cabbage even during the dry season. But the Indian investor waits for the rainy season and produce maize like us. We have never seen and heard that they are selling their products in us. They are providing us with chill and cabbage even during the dry season. But the Indian investor waits for the rainy season and produce maize like us. We have never seen and heard that they are selling their products in us.”

- **Article 11 of International Covenant on Economic, Social and Cultural Rights** reveals that every country has to ensure sufficient food which is nutritionally adequate for its respective citizens. If the state leases

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¹ A bowl made of wood or woven straw used for measuring grain. Approximately one quunnaa measures ten kilogram of grain.

² Interview with Tullu Boru at Bachera Oda Gibe Kebele on February 23, 2013

³ Interview with Chala Gamtessa at Bachera Oda Gibe Kebele on February 06, 2013

⁴ Interview with Galata Guddina Bachera Oda Gibe Kebele on February 02, 2013
the land to investors without recognizing people’s productive resource of the land and livelihoods, it is the state’s violation of human rights to food. If the land delivered to the investors doesn’t bring sustainable food security, it is also the violation of people’s right to food (UNHRC 2009: 8). Moreover, large scale land deals could contribute to poverty alleviation and ensure food security if controlled and managed very well (Zoomers 2010: 430).

e) Inter- Individual Conflicts

The restriction of local people access to grazing land and other natural resources has sparked conflict among individuals. Abbink (2011: 513) states that delivering land to investors in the country without consultation and people’s participation is escalating conflicts among the community themselves and between the community and investors. The people who have lost their grazing land are now grazing their animals on limited plots of land mainly farm land. Competition over grazing land, therefore, has been increasing since the takeover of the land for investment. Such competition is a new phenomenon mainly after the loss of the communal grazing land.

Previously, the land under investment was serving as common pool resources for the surrounding people besides private farming. Absence of the land forced the people to sub-divide their land for farming and grazing lands. This, besides shrinking the individuals holding of farm lands, has caused conflicts between neighbors. Regardless of the reality on the ground, state officials claim the existence of abundant grazing land. They further described that the government reserved sufficient grazing land for the community in proportion to their livestock. There is incompatibility of development goals from the official’s side: favoring development but impoverishing the locals.

f) Loss of Livelihood

The loss of farmland, grazing land, destruction of natural resources and the reduction of water supplies highly affected the livelihood of the local community. The effects of the loss of livelihoods are difficult to underestimate. The local people who were largely self sufficient with respect to food are now relying on sharecropping mechanism to support their life. Therefore, previous livelihood systems have become unsustainable. “Failed to live up to expectations and, instead of generating sustainable benefits, contributed to asset loss and left local people worse off than they would have been without the investment” (Deininger et al 2011: 71). Moreover, large scale land acquisition has adverse effect on the livelihoods of the people if not well managed. In relation to this Minimum Human Right Principle (MHRP) reports;

...alternatives should be explored prior to any shift in rights over the land. Unless such alternatives are prioritized, the development of large-scale land acquisitions or leases will result in nothing less than an agrarian counter-reform; such a consequence would be completely unacceptable and run directly counter to the realization of the right to food, further marginalizing the community that depend on access to land for their livelihoods (MHRP 2009 in De Schutter 2011b: 256).

Therefore, the concerned bodies of state and the local community have to discuss together in the land deal so as to minimize the loss of community’s livelihoods as much as possible.

Valuing the Land

The local community in Bachera Oda Gibe Kebele has been using the land under investment for various material and non-material purposes. In other words, the value that the local community attaches to the land is related to these material and non-material uses of land. Materially speaking, the local community is using the land for subsistence purposes. They were getting the material necessities of life from that land. On the other hand, the use of the land for the local community was beyond its material value. The land has both symbolic and spiritual values. Let alone the symbolic and spiritual values of the land, the leasing process did not even consider the subsistence need of the local community. It is this fact that “Loon kee millakeetti hidhadhu” (You can tie your cattle to your feet) clearly shows.

Contrary to the local community’s perception and use of the land, the state redefined the land and leased it out to the company on the premise that the land is “unused”. Why has the government defined the land that the local community has been using as unused land? It seems that such a difference has resulted from different valuation of the land. The local community values the land for the subsistence and other non-material needs it satisfies. On the other hand, the state and the company value the land for the economic profits it can serve. From this perspective, the designation of the land as unused does not seem to indicate the absence of any use on the land in the proper sense of the term. Rather it indicates the underutilization of the land compared to its productive potential. This is the point at which the capital-centric perceptions of the state and the company towards the land collide with the subsistence-centric perception of the local community. One can also argue that the redefinition of the land as unused serves to legitimate the intervention of the government. Government is now using such arguments to lease out land to foreign investors.
The Contention between Federal and Regional Governments

The Federal structure in the Ethiopian context allows autonomy to the Regional states in political, economic and social spheres including administration of land. The Federal Democratic Republic of Ethiopia (FDRE) constitution gives the mandate of administration and allocation of rural lands to Regional states. Accordingly, article 52(2) (d) of the FDRE constitution gives Regional states the powers and functions to administer land and other natural resources in accordance with Federal laws. However, Ministry of Agriculture and Rural Development has recently established an Agricultural Investment Support Directorate to administer the allocation of rural lands measuring 5000 and above hectares. This sharply contradicts the constitution, and utmost unconstitutional. Article 50 (9) provides that Federal government can delegate the mandate given to it under the constitution to Regional states but there is no provision in the constitution that permits for upward delegation of the mandates of the Regional states to Federal government.

Summary

Governments in the developing countries are justifying the leasing out of huge tracts of land to foreign investors on the premise that investment serves to transform agrarian structures, develops alternative energy sources and the cumulative effect of this is general economic growth. However, local communities who are custodians of their land and have age-old use rights are rarely consulted in investment dealings in Africa. Because of this, economic, ecological, social and cultural problems arise (Abbink 2011: 514).

What the state actors do not seem to understand is that in many African countries, land is not only economic asset but also used as social, cultural and ontological resources. It plays important role in the construction of social identity, organization of religious life, production and reproduction of culture (AU 2009:22). Land is a power which connects family, lineages and generations, and that it cements belonging (Zwan 2010: 8). Such perception and valuing of land by the local community collide with the state and foreign investors valuing and perception of the same land as a commodity. Therefore, any government should consider people’s right to the land (either statutory or customary) before handing out large hectares of land to foreign investors.

References


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