

Large-Scale Land Acquisitions (LSLAs) in the Global South

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While large-scale land acquisitions (LSLAs) are not new, the rapid rise of such land transfers in recent years has far outstripped historical precedent in both scale and the pace at which these changes have occurred (Cotula 2012, McMichael 2013), particularly since the financial crisis of 2008, which is seen a key (though not the only) driver. Soaring food and fuel prices and the instability of global financial markets prompted agribusiness companies, investment banks and food- and energy-hungry nations to increasingly look abroad to secure resources in countries where land was available—or, more precisely, made available—for investment (Zoomers 2010). Conservatively, the amount of land involved in land deals between 2008 and 2009 were 15-fold higher than average annual transactions over the previous 40 years (Keene et al. 2015). As of 2015, it is estimated that more than 200 million hectares of land, primarily in the Global South, have been acquired through these processes (Nally 2015). These land-based investments have broadly involved food, fiber, and fuel sectors (Cotula and Vermeulen 2009). The global impacts of LSLAs are substantial and apparently accelerating. While potentially positive impacts are relevant, including increased investment in developing economies and some revenue generated for public institutions through royalties, the negative impacts are serious, and generally impact the poor most directly. These include large-scale displacement of rural people and dispossession of land and other resources (Daniel 2012), biodiversity decline, forest loss (Meyfroidt et al. 2013, Ingalls et al. 2018), and major transformation of rural land relations as local farmers are increasingly marginalized in land and commodity-markets (Keene et al. 2015).

The Mekong region lies at the centre of these processes, serving as both a major site for these investments and also as a global hub of production and export. Understanding regional processes and patterns of LSLAs in the Mekong benefits from a global perspective with regard to how these regional dynamics intersect with global patterns of investment.

The Land Matrix provides a globally-comprehensive set of data on recent LSLAs in the Global South. This data provides an overview on the extent, regional patterns, and implementation of such land deals²³. The Land Matrix Analytical Report (Nolte et al. 2016) provides an analysis based on 1004 concluded deals for agricultural purposes, covering 26.7 million ha. Africa is the most targeted region (10 million ha) but Eastern Europe, Latin America, and Asia (with each approximately 5 million ha) are also key investment destinations. A global heat map shows sub-regional hotspots, for instance in Southeast Asia (especially the Mekong), Indonesia and Papua New Guinea (Map 19). More detailed analysis of Land Matrix data has shown that the availability of land and water resources are key determinants of the locational choice of land acquisitions (Lay and Nolte 2018), and that land which is accessible, is of relatively good potential, and often already used for farming and supporting substantial local population densities is often targeted (Messerli et al 2014, Oberlack et al. 2016).

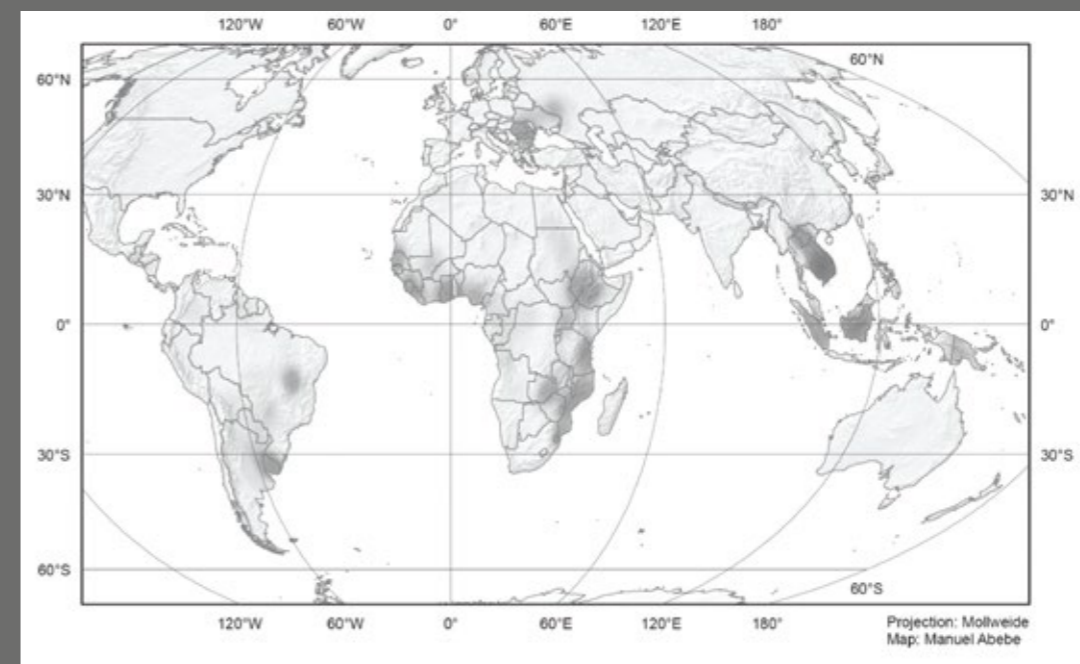
Globally, the largest portion of the area of agricultural deals is intended for food crops (38 percent of the area). According to Nolte et al. (2016) unspecified agricultural products (23 percent) and agrofuels (21 percent), are also important, but take a smaller share. However, in Asia, non-food agricultural commodities (29 percent) and unspecified agricultural products (33 percent) together account for 62 percent of the area, while agrofuels account for a smaller share of only 16 percent. In Latin America food crops (50 percent) dominate. In Africa, agrofuels are more important (32 percent) than in other regions, but food crops nevertheless occupy the largest share of the area (39 percent).

²³ The LMI is an international partnership of research organizations and regionally operating land-focused organizations, that collects data on international LSLAs in low and middle-income countries. Through providing open access to this data, the LMI aims to contribute towards increased transparency about land acquisitions and to contribute towards more balanced and equitable decision making over land. The database can be accessed at: www.landmatrix.org

Investors come from all regions of the world. However, Western European investors comprise the largest investors, involved in 31 percent of concluded deals. The second most important investor region is South-East Asia. Amongst the top 20 individual investor countries, five Asian countries are listed (Malaysia, Singapore, India, Hong Kong and China). Globally, private (non-listed) companies are the most important investor category and are involved in over 40 percent of all concluded deals. Stock exchange-listed firms account for a further 30 percent of deals. In Asia, however, stock exchange-listed firms are by far the most important investor category in terms of area acquired.

Findings of the land matrix thus nuance and contradict widely held perceptions that state investors from emerging countries (e.g. the Gulf and China) are the main actors in the new land rush. On the contrary, the private sector from developed countries in the North, more specifically the US and Europe, are also key players at the global level, and especially in Africa and Latin America. However, strong regional patterns also emerge, as for instance the strong presence of investors from Asia in Southeast Asia in general and the Mekong countries in particular. This pattern was also confirmed in a recent statistical analysis of LMI data, where geographical proximity, common official language, and former colonial relationship were all positively correlated with land acquisition and the amount of land acquired. This material is based to a large extent on the Land Matrix Analytical Report II (Nolte et al., 2016)

Map 19: Global heat map of land deals (Nolte et al., 2016)²⁴



²⁴ The figure above shows a global heat map of land deals in the Land Matrix indicating the target regions of land acquisitions. The higher the density, the darker the grey tones.