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Abstract

Food security has been a problem of developing countries. Recently it has also become a policy priority of some wealthy nations, notably after the 2008 economic crisis. Large scale agricultural land investment, which is referred to as land grabbing in critical literature, is being used partially as a solution to address food shortages besides, profit making. The paradox is how developing countries could be food secure while the investing countries are also driven by the same need.

Africa is the main destination for those multinational companies for a variety of reasons. However, there is a debate on whether these agricultural investments are beneficial to the host countries or whether it is just land grabbing. The aim of this paper is to investigate the perceived benefit of agricultural land transactions for developing countries, precisely, in ensuring food security. National development policies are therefore key elements to be analysed in light of food security priorities. Ethiopia illustrates the impact of large scale land transactions on food security by analysing those investment deals in relation to the national development policies and by applying theories that address both availability and the accessibility of food. This analysis contributes to identifying whether large scale land investments have a positive contribution towards achieving food security and ending the dependence of developing countries?

The article argues that large scale land investments hardly meet food security in Ethiopia, largely, due to the export oriented agricultural development policy of the government.

Key words: *Large scale land deals, land grabbing, food security, food sovereignty, Ethiopia*

Introduction

Each year more people die due to hunger and malnutrition than of AIDS, tuberculosis, and malaria combined (WFP 2004). The Food and Agriculture Organization of the United Nations (FAO) estimated that a total of 870 million people were chronically undernourished in 2010-12. Most of them live in developing countries, and sixty-five percent of them live in only seven countries: China, India, Bangladesh, the Democratic Republic of Congo, Indonesia, Pakistan and Ethiopia (FAO 2012).

The main form of economic production dwells in agriculture in most of those poor countries and its poor performance has been stated as a reason for their food insecurity. Foreign Direct investment (FDI) in the agricultural sector is partly being used as a solution to address food security. FDI is stated by many as an important factor for a country's development, despite the debate on how to make it useful for the host country. Large scale land investment is one aspect of FDI, which is now becoming a priority in both the investing nation (including corporations) and the host country. Land acquisition is not a new phenomenon, even though it comprises a large part of the current wrangles in international development.

After the 2008 food crisis states designed a new mechanism to deal with food shortage. One of these is referred to by critics as "land grabbing". Multinational corporations from the developed world are renting large scale fertile land on a long lease from developing countries, mainly from Africa. This land investment is growing at an accelerating rate and many debates and problems are arising in the process of the land deals and their impact in general. By the end of 2009, land investment deals covered 56 million hectares of farmland around the world (Horne 2011:6). East and central Africa (most of it is in food deficient areas) being the main destination of these companies, while in East Africa around 13 million people were in need of food (World Food Program 2011). One may however wonder how a country can be food secure, while the investing country is driven by the need to achieve its own food supply. Consequently, a new debate emerged, mainly circulating around whether those land deals are beneficial to the host countries. There are many different views, the media and activists on the right on the one hand and the governments on the other. Most media reported the negative effect of

the land deals especially on the local communities, so do the activists advocating a ban on these land deals. However, there is also a middle ground position which is also shared by some of the international organizations like FAO, that claim large scale agricultural land investments could be beneficial, if regulated properly.

This study uses the perceived benefits of land transactions stated by many advocators of the investment on the one hand and availability and accessibility as key components of food security on the other, to understand the impact of land transactions on food security. By applying availability and accessibility tools, which are inspired from Entitlement, Normative and Dependency theories of development, the study examines the possible contribution of land transactions to food security.

Most of the land grab literature addresses mainly the general impact of land grabs, since the global land grab started to be publicly documented and reported (GRAIN 2008). The most relevant literature to this study done towards understanding land deal investments in Africa is the report on seven African countries including Ethiopia (Horne 2011). The analysis of risk and opportunities of land grabbing in developing countries made by IFRI (Braun 2009) and Cotula (2009) and Daniel S. (2009) pointed out how food security is becoming a frontline agenda for many nations. The Oakland Institute also came up with a report on a detailed study of land deals in Ethiopia that discusses its impact in general and incidentally addresses food security as well (Horne 2011). There is also a paper, which suggests that there is a weak link between land grabbing, livelihood and the protection of forest resources in the Benshaingul region in Ethiopia (Shete 2011). Borras and Franco (2010) and Ruth (2010) are worth mentioning in explaining land grabs on agrarian structural changes. Rahmato (2011a) has also attempted to assess the large scale land deals in Ethiopia in relation to land rights. He argues that large scale land investments might increase state power dominance over the people. A World Bank study has also codified and investigated the legal framework of land rights in relation to land grabbing in Ethiopia (Tamrat 2010a).

Theoretical framework

In this section I will first describe which theories are considered along with its justification and then I will present the chosen theories and concepts

that are relevant to explain and understand the relationship between land transactions and food security. Different theories are considered before choosing the most relevant ones. Most of the theories developed to address famine can be categorized into the following general groups: economic theories (entitlements and market failure), political economy (natural resource and development model), government policy (appropriate policy that addresses vulnerable groups), and international relations (food regime analysis). The specific theories chosen somehow address all the above general group of theories. Amartya Sen's entitlement approach (addresses both from economic and legal entitlements) and could explain the phenomena of land transactions by analysing availability and accessibility as key points. However, I have also considered supply side theories, which only address the issue of food shortage. The normative approach is also chosen, because it complements the entitlement approach and fills in the gaps that might not be explained by it, namely whether those land deals ensure the protection of the right to food. In addition food sovereignty is relevant as a political concept, since it is contemporary and developed along with the expansion of agricultural land investments. Moreover, I have also used a historical explanation of food regime to expose the international trade based agricultural investments. From the development model I considered neo liberalism and developmental state theory, but I chose developmental state theory because of its relevance and capacity to explain this situation in a better way for the selected case study. The dependency theory reinforces the food regime explanation and the entitlement approach.

The Entitlement Approach

This approach is mainly developed in response to the deficiency of supply side theories explanations to the cure of famine. The previous theories focused on income, abundance and the effective demand of food.

The Nobel Laureate, Amartya Sen is the main proponent of this approach. His main point of departure from the supply-side theories is the distinction he draws between aggregate availability or supply of food, and an individual's access to or ownership of food. It incorporates more than just earned income or own production: Entitlement refers to the set of alternative commodities which are boundless and that a person can command in a society using the totality of rights and opportunities that he

or she faces. The entitlement itself suggests the notion of moral or legal rights. Thus, the Entitlement approach is broader than the 'income-based' or 'moral-economy' approach:

“A person’s ability to command food...depends on the entitlement relations that govern possession and use in that society. It depends on what he owns, what exchange possibilities are offered to him, what is given to him free, and what is taken away from him (Sen 1981: 154-5).

Sen identifies four main types of entitlement relations in private ownership market economies:

- Trade based entitlement, which describes ownership transfer through commodity exchanges.
- Production-based entitlement, which describes the right to own what one produces with one’s own (or hired) resources.
- Own-labor entitlement, which incorporates all trade-based and production based entitlements derived from the sale of one’s own labor power.
- Inheritance and transfer entitlement, which refers to the right to own what is willingly given to others, including gifts and bequeaths, as well as transfers by the state such as social security or pensions.

According to Sen, people suffer when they cannot establish their entitlement over an adequate amount of food. The ability to acquire food has to be earned, since food is not distributed evenly in the economy and isn’t accessible to everyone. Hence, he gives emphasis to the entitlement that each person enjoys-the commodities over he can establish his own ownership and command rather than the food supply in the economy (Sen 1999: 162-65).

He argues that one of the reasons why a person suffers starvation is, when there is some change in his endowment (e.g alienation of land, or loss of labor power due to ill health), or a change in his exchange entitlement (Sen 1988, cited in Devereux 1993: 8). This point of view is very important because it could explain how the changes in an individuals’ ownership or possession of land could lead to poverty or food insecurity. If the two main components of entitlement(i.e. endowment and exchange entitlements) for

example, when crops fail or livestock die on one hand and at the same time when food prices raise or wages or asset prices fall on the other. So when production fails a farmer who is dependent on subsistence production will depend on the market for his food and that in turn might lead to famine.

Food Sovereignty

The concept of Food sovereignty is developed in the struggle against neoliberal policies which has dominated international policies and national policies in most countries when it comes to food and agriculture (Eide.W(ed) 2007, P.66). It can be seen as a wider concept encompassing food security. Food security and food sovereignty are overlapping but different concepts. Here in I shall discuss the meaning of food sovereignty in relation to food security. Food sovereignty developed based on the presumption that food security has not been enough and also on the argument that we cannot achieve food security without being a food sovereign. As per the definitions of food security discussed above, food security gives us availability and access to food for all at all times but it does not address other important things, which are being advocated by food sovereignty. Equally, availability does not assure access, and consuming enough calories does not assure a healthy and nutritional diet. The distribution of the available food is also critical.

First we have to bear in mind that there are two perspectives of understanding food sovereignty- food sovereignty as a movement and food sovereignty as a theoretical construct. The food sovereignty movement considers that the practices of multi-national corporations are akin to colonization; as such companies buy up large tracts of land and turn local agricultural resources into export cash-crops. As a model to re-consider and re-evaluate food, it highlights important challenges and offers potential remedies to current challenges (Rosset 2006). Hence, for the purpose of this study I shall dwell on the theoretical aspect of food sovereignty.

Food sovereignty argues that the people should have both ownership and the rights to define local food systems, without first being subjected to international market concerns.

A broader definition of food sovereignty could be:

The right of peoples to define their own food and agriculture; to protect and regulate domestic agricultural production and trade in order to achieve sustainable development objectives; to determine the extent to which they want to be self-reliant; to restrict the dumping of products in their markets; and to provide local fisheries-based communities the priority in managing the use of and the rights to aquatic resources. It also implies new social relations free of oppression and inequality between men and women, peoples, racial groups, social classes and generations (The Peasants' Way 2007).

In other words it is the right of each nation to maintain and develop its own capacity to produce its basic foods respecting cultural and productive diversity. Hence, some consider it as a precondition to genuine food security (The Peasants' Way 2007). Therefore, food sovereignty *puts those who produce, distribute and consume food at the heart of food systems and policies rather than the demands of markets and corporations* (Eidde 2007: 64). National food sovereignty was and still is used to measure the extent to which a country has the means to make available to its people the food needed or demanded, irrespective of whether the food is domestically produced or imported (Andersen 2009).

Some people like George Kent tend to differentiate between self-sufficiency and self-reliance:

Self-reliance

Autonomy

Trade when beneficial

Local control

Self-rule

Food Sovereignty

Self sufficiency

Autarky

Minimum trade

Local production to meet local needs

Economic isolation

Local production to meet local needs

Food sovereignty argues that being able to produce your own food is a kind of safety net. With that protection, the quality of life cannot be pushed

below a certain limit. No matter how prices might fluctuate in the marketplace, comfort can be derived from being able to produce food at one's own home.

Jean Ziegler, the previous UN rapporteur on the right to food also recommends that: (...) food sovereignty be considered as an alternative model for agriculture and agricultural trade, in order to meet state obligations to respect, protect and fulfil the right to food (...) (UN Committee on Human Rights 2003). To describe the contents of food sovereignty many organizations define what they see as the main pillars of food sovereignty. Most of them include the right to food trend and local markets, access to and control over resources, and agro ecological and other sustainable production system as key points (Eddie 2007).

Dependency Theory

This theory originated from Latin America scholars, whereas the U.S. Paul Baran was the first one to lay the foundations, and he was then followed by A.G Frank, Samir Amin, Dos Santos and others. It generally argues that the existing capitalist world structure makes the least developing countries poorer while the richest are getting richer (Tetreault & Abel 1986).

Ghosh argues that 'the dependency paradigm is still relevant as a partial explanation of development and underdevelopment, although it might not be the only explanatory full-blown theory' (Ghosh 2001). Similarly, in the context of this study the dependency theory is relevant in explaining the possible effect of land grabbing in Ethiopia. Even though the country was not colonized, the dependency theory can address the land investment phenomenon.

According to Dos Santos, dependency is a conditioning situation in which the economy of one group of countries are conditioned by the development and expansion of the other more powerful and developed group (Santos 1970 cited in Ghosh 2001). Marx identifies five stages of development: primitive communism, followed by slavery, feudalism, capitalism and then communism. He stated that the international market is based on the philosophy of international division of labour in which the developed capitalist countries dominate the industrial production and the poor

countries become the '*hewers of wood and drawers of waters*' (Santos 1970: 18).

Samir Amin's thesis on unequal development states that after 1945 capitalism organized itself to absorb the surplus from the peripheral states through militarism, capital export and unequal exchange to overcome their own problem posed by capitalism itself. All these led to the unleashing of imperialistic design on the part of central capitalism. Amin defines this design as the perpetuation and expansion of capitalist relations abroad by force or without the spontaneous consent of the affected people. He observes that capitalism requires imperialism to counteract the adverse effects on profit maximization. In the process of imposed extraverted accumulation, the peripheral economies find themselves distorted and disarticulated and in the midst of several modes of production. In such a case, the growth of capitalism is blocked and underdevelopment becomes a permanent feature. He looks in to the world economies by dividing them in to two groups of states the periphery and the central economies. According to him the peripheral countries have the following main characteristics:

- The predominance of agrarian capitalism
- A local, mainly merchant , bourgeois that is dominated by foreign capitalism
- The growth of bureaucracy, which substitutes for the leadership of an urban bourgeoisie, and
- Incomplete polarization, which takes the form of masses of poor peasants, urban unemployed people and many marginal workers, who have not developed completely in to a proletarian class.

These countries cannot achieve development of their own momentum, but are reduced to an incomplete and extraverted development of local capitalism. Moreover central capitalism also imposes an equal exchange between it and the periphery is exploited through trade. The dominance of foreign capital over the periphery means a distorted type of development. He even went on arguing that the peripheral countries, which have achieved some industrial growth and are now exporting industrial finished products, are simply showing a new form of inequality (Biel 2000: 191-196).

Developmental State Theory

The main purpose of using developmental state theory in approaching this problem is to understand and thereby explain the government's policy towards large scale land investment. There is always an ideology behind any policy that a government follows. In the case of Ethiopia the government shifted its ideology from liberalism to the developmental state as claimed by the government. There however is a debate as to whether the EPRDF government is a developmental state, which is not the subject matter of this study. Nevertheless, it is crucial to see the ideology underneath the policy in question.

The origin of the Developmental state theory can be traced back to the theory of mercantilism that advocates the intervention of the state in the economy. It is believed that, 'historically, developmental state existed in Bismarck's Prussia and in Japan during the Meiji era. The governments of those states followed a state designed developmental path and until now have been favouring a state interventionism over a liberal open market'

The theorists believe that a neo-liberal economic model hinder fast development in developing countries. They argue that '*...economic development requires a state which can create and regulate appropriate conditions for development. Successful conditions require a state which has the necessary tools to deal with burden, and it is not merely the guardian of certain freedoms*' (Bolesta 2007).

Most position the theory of developmental state between a liberal open economy and a centrally planned model and called it a plan-rational capitalist system, 'conjoining private ownership with state guidance' (Cumings 1999: 2). *The developmental state is based on combinations of positive advantages of private business and the positive role of government.* It is, then, private business which is an important part of the developmental state; hence a developmental state is capitalist in nature.

Source of legitimacy

One of the criticisms and debates against developmental state arose from the legitimacy of the government's power. Johnson stated that "*the source of authority in the developmental state is not one of the Weber's "holy trinity" of traditional, rational-legal, charismatic sources of authority. It is rather, revolutionary authority; the authority of a people committed to the*

transformation of the social, political or economic order” (Johnson 1981: 53).

Legitimacy is drawn from the developmental achievement of the government rather than democratic election or whatsoever. Consequently, it seems justifiable to claim that a developmental state would be difficult to sustain in a fully democratic system in which people enjoy extensive rights. East Asian states that include Japan, Korea, Taiwan and Singapore, which championed huge developmental achievements, are considered to be or have been developmental states (Cumings 1999). The role of large scale farming in ensuring food security should be seen in light of the role of the state in making policies vis-à-vis the stakeholders which is reflected in the ideology a government has behind the policies.

Ethiopian Agriculture Since 1991

Ethiopia comprises nearly 90 million people, where 85 % of it is deemed to be agriculturalists. It is considered as one of the fastest growing non-oil economies in Africa with agriculture accounting for about 45% of the gross domestic product (GDP). The current government, Ethiopian People’s Revolutionary Democratic Front (EPRDF), came to power in 1991 and after that many new development policies were designed including the agricultural sector reform.

The country experienced famine and drought through out its history, where the 1983 famine catastrophe was the worst in its history - 300,000 people lost their lives – and the second worst in terms of the number of people affected (7.8 million people). In terms of numbers of people affected, the drought in 2003 had the largest impact where more than 13 million people needed food aid and it is estimated that at least 5-6 million people depend on food aid every year, regardless of the rains or the harvest (FAO 2005a: 2). The drought in 2008 affected 6.4 million people. The country still has 14 million people in need of food aid. Ethiopia has been highly dependent on foreign aid and it is one of the largest recipients of foreign aid among the developing countries. According to the public expenditure review by the World Bank (2004), Ethiopia received approximately US\$ 1 billion equivalent in development assistance. In addition there are major inflows of emergency food relief, which vary from year to year, but have averaged US\$ 265 million equivalent per year. Over the past seven years,

approximately 65% of developmental aid is reflected in the budget. Using different data sources, it is estimated that about \$350-450 million equivalent p.a. is received off-budget (Tafesse 2004a) and in 2008, it received US\$3.3 billion (as ODA, the second largest recipient of ODA that year, after Afghanistan.) On average, in 2009 the total aid accounts of US\$3.9bn, where US\$693 million is humanitarian aid. In general 77.2% of all humanitarian aid to Ethiopia between 2005 and 2009 was spent on food aid (Global Humanitarian Assistance 2012).

Since 1991, Ethiopia follows and implements economic reform programs advocated by the World Bank and the IMF. However, it is argued that those neo-liberal reforms have failed to bring change in Ethiopia and elsewhere in Africa (Tafesse 2004b). Starting from around the mid-1990s and continuing for the next ten years, the government's agricultural development strategy was smallholder oriented and they were given a commanding role and expected to serve as the engine of growth for the national economy as a whole. Hence, smallholders were given extended support in the form of new technology packages, improved farming and resource management practices, credit services, and a variety of human capacity development programs with the primary intention of achieving self-sufficiency (Rahmato 2011b: 9).

The neo-liberal market led economy, which the government had proclaimed for many years, is now under revision. The government is claiming another model of development which is championed by South East Asian countries. According to the statements and the official documents of the government, the development model is 'Developmental state' - whether Ethiopia is a developmental state is by itself a debatable fact that needs research - while the shift of the government strategy to the East Asian model is also under public debate and critique.

The first indication of this shift can be found in a document published in 2001, Agricultural Development Led Industrialization (ADLI). While emphasis was still placed on the critical role of small farmers, the document establishes an important role for large-scale agricultural enterprises and foreign investment. In 2002, the government issued the first Poverty Reduction Strategy Paper (PRSP), known as the "Sustainable Development and Poverty Reduction Program" (SDPRP). The SDPRP was based on the basic tenets of ADLI with its major focus on agricultural and

rural development (Tamrat 2010c: 4). Its emphasis was mainly directed to stimulating rural growth centred on smallholder agriculture.

The 2006 poverty reduction strategy advocates a new strategy, which focuses on the commercialization of agriculture and the acceleration of private sector development, while at the same time giving attention to smallholders. This is followed by the enactment of foreign investor pro investment law and its subsequent regulations in 2002 and 2003. The Ministry of Agriculture and Rural Development (MOARD) was given the power to administer land deal issues with the purpose of attracting large scale foreign investment in 2008.

The last and the most recent document is the five year Agricultural Growth and Transformation Plan (2011-2015). The goal of this five year plan is to join the middle income countries category by 2028, with an annual growth rate of 14.9 %. Although this plan is criticized by some donors and IMF as ambitious, the late Prime Minister, Meles Zenawi, stated that ‘there is nothing that prohibits us to achieve our plan.’ Therefore, the recent trends in land grabbing in Ethiopia has to be seen in relation with the shift and changes of the country’s development strategies that enhance the role of the state.

Large Scale Land Investment in Ethiopia

The expansion and the trends of large scale land investment in Ethiopia is part of the global political economy of land investment. Nevertheless, there are also some factors and drivers which are typical to Ethiopia, for example, the enactment of investment law in 2002, ADLI, domestic foreign exchange crisis, etc. The incentives given by the Investment Proclamation on the low price of leasing, tax holidays, remittance, loan access, and the simple procedure of finishing the deal have accelerated land investment and have made the country a favourite destination for most foreign investors in the sector.

Both foreign and domestic investors are involved in the investment. The proportion of land owned by domestic investors is 49 percent of the total land under investment, where Alhmoudi, an Ethiopian-born Saudi investor having the major share (Horne 2011: 19). The main foreign actors are from India, Saudi Arabia, Germany and China. Indians are the major players in the sector and it seems that the Ethiopian government also prioritizes them.

The Ethiopian Prime Minister assured Indians that no land grabbing was occurring in his country (Varadarajan 2011a) and, in August 2011 an Indian agri-business delegation organized by the Federation of Indian Chambers and Commerce Industry and led by Mr. Ramakrishna Karuturi, Managing Director of Karuturi Global Ltd., paid a visit to Ethiopia to conduct a pre-investment assessment of the country (Varadarajan 2011b).

In total, about 500 Indian companies have secured licenses to invest in different areas including agricultural investments. When we see the share of the two countries trade, India's export to Ethiopia accounts for up to \$250 million worth of goods and services each year (The figure is growing by 10 percent every year), whereas Ethiopia's exports to India are extremely small, it is something like \$20 million or so per year. Indian Ambassador, Bhagwant Bishnoi said the volume of Indian investment in Ethiopia was expected to grow by \$1 billion every year. Indian investment in Ethiopia was about \$400 million some five years ago. Now it has reached almost \$5 billion (Abate 2010:1).

Land Rights, Land Transactions and Livelihood

The importance of land to the Ethiopian peasantry can be seen from different dimensions. First and foremost, the fact that agriculture is the major source of production by itself makes the land issue a national question. The other thing is land defines the power relation between the state and the people. In order to analyze the relationship between land rights, land grabbing and food security, I shall first explain briefly the outline of land tenure in Ethiopia, since the EPRDF government and then analysis will be made to explain land transactions.

When we see the boundlessness of land rights given to the peasantry under the current political system, the first body of law that declares property rights is article 40 of the constitution which states that: *'The right to own rural and urban land as well as natural resources belongs only to the state and the people. Land is an inalienable common property of the nations, nationalities and peoples of Ethiopia.'* (FDRE 1995) The regional constitutions and land laws also confirm the same position. Farmers and pastoralists have only *usufruct* rights over the land in their care which they cannot sell, mortgage or exchange in any way. The power to administer land is given to regions as long as it is in line with the 1995 constitution

and the Federal land proclamation. The use right of land is, however subject to many restriction and is given based on some conditions. To mention some; personal engagement in agriculture, based on locality (kebele), proper use of land and the state can expropriate any land under the guise of ‘public use’. Accordingly, the government can evict land holders and give it to private investors. The rationale stated in the constitution for conditions of expropriation is vague. It empowers the government to expropriate land, if it considers that the land will be more valuable if utilized by investors, cooperative societies and other public or private entities.^{77 78}

Although the right to use land is given to the peasantry by both Derg regime (1974-1987) and EPRDF (since 1991), the question of land remains to be the major agenda in the country’s socio-political discourse. Most opposition parties have different policies than the current government on land issues. During the approval session of the Charter of the Transitional Government (TG) (1991-94), the votes were 495 in favour of the privatization of land whereas 499 for the retention of public ownership,. This demonstrates the existence of views against the current land policy from the very beginning.⁷⁹

The stated rationale for the government to own land comes from the fear that privatization of land would give rise to the possibility of land accumulating into a few hands, inevitably leading, once again, to a massive eviction of peasants, and also from the reminiscences of the pre-1974 revolution period, when the eviction of peasants and the displacement of pastoralists were a common phenomenon in areas where privatization of land was followed by the formation of large-scale commercial farms and plantations. The main reason that has been repeatedly said by the government in power is to protect the interest of the farmers who might sell the land and eventually impoverish themselves. However, the current land investment proves otherwise. The government is expropriating the smallholder farm lands and leasing out to private investors. It can be

⁷⁷ See Article 40, FDRE Constitution, 1995.

⁷⁸ See Article 40(7), FDRE Constitution, 1995.

⁷⁹ The current government has banned the main opposition parties, including those involved in the negotiation of the transitional government. Now, there is only one opposition member in the Federal Parliament.

argued that the real reason behind the state ownership of land is to control power rather than safeguarding the interest of the peasantry. One of the critiques of the state ownership of land is that it defines the power relationship in favour of the government. It is based on the presumption that the government should know the interest of the peasantry and this in turn leads to the exclusion of the people from important policies that directly affect their livelihood, which is manifested in the current agricultural investment policies. Moreover, it is argued that, 'all civil society organizations, opposition political parties, individuals and groups in private enterprise, and other groups are described as rent-seeking entities, while in contrast EPRDF, the ruling Party, is claimed to be the only one which has developmental credentials' (Rahmato 2011: 7).

Recently the government started land registration and certification that is believed to give peasants better security through a lease that can be held for 99 years and can be inherited by family members. But land cannot be sold. Even though land certification and registration has started in some regions, land issue have not been settled in Ethiopia. Only four regional states constituting around 70% of the rural population of the country, namely, the Amhara, Oromia, Tigray and Southern Nations, Nationalities and Peoples (SNNP) have issued implementation legislation and proceeded with issuing land holdings.

It seems that the Ethiopian government approaches food deficiency as a problem caused by food shortage (traditional approach to food security), while this is not always the case. Famine has been occurring in countries where there is a surplus food. Amartya Sen argues that there are other important factors that lead to deprivation, for example, lack of production means entitlements (Sen 1988: 88-90). Ethiopian peasants have been farming the same small plot of land for so many years, even though there were land policy reforms throughout the different regimes and they have never been given enough rights for the land they farm. The lack of access to productive resources of the poor, therefore, remains the key problem in Ethiopia. According to the entitlement approach Ethiopian peasants don't have ownership of the main means of production-land- that results in low productivity and deprivation. In the problem at hand the limited land rights of the peasant aggravated land grabbing and has made the landholders more insecure.

Peasants, pastoralists and semi pastoralists have the right to lease their land to investors as far as it does not displace them. The other rationale of the constitution to prohibit private ownership of land is, to make sure those peasants or pastoralists would not lose their livelihood by selling their lands. Similarly, it seems that investment law confirms the constitution and the land law. But the constitution does not specify under which conditions the peasants are allowed to lease their land, rather it states in general terms ‘...in a manner that does not displace them...’ This shows a top down imposition of policy that undermines the freedom of peasants to choose their livelihood, it reduces them to tenants. This is the manifestation of the government’s centralized administration having its roots in the developmental state ideology. What is important here is its implication to the power relation between the government and the people. The government accumulates power. Moreover, this approach constrains peasants by limiting further the already limited land right.

The federal proclamation enacted for the purpose of land compensation also has shortcomings. Proclamation No.456/2005, defines compensation as a payment to be made in cash, in kind or both to a person for his/her property situated on the expropriated holdings. Compensation is payable among others for permanent displacement and, in case of temporary displacement, it is only payable as long as the displacement continues. It could be in cash or giving a substitute land in kind. It is the mandate of the regional states to issue directives however only Amhara regional state has enacted a detailed law so far. It is essential to underline here that there are large scale land investments in some of the regions, although they do not have such laws to govern expropriation.

In general terms one may assume that the certificate of holdings seem to be a requirement for eligibility of compensation in the regions which have already issued their own laws and are to issue certificate of holdings in their respective regions (Tamirat 2010: 3). It goes without saying that in those regions where land certification has not started yet, landowners might not be able to claim compensation. Moreover, as per Article 2(3) of Proclamation No.456/2005, claim can only be made only on the amount of compensation to be awarded. That means the “public purpose” of the property to be expropriated cannot be questioned before courts. It is vital to see Amartya Sen’s argument on describing reasons that would put a person to starvation, he stated that one of the reasons for starvation is, when there is some change in peoples endowment (e.g alienation of land, or loss of

labor power due to ill health) (Sen 1988: 88-90). The application of Sen's cause of starvation, in this case- the loss of land, could lead individuals to be food insecure.

Income from Rent, Tax and Foreign Exchange Earning

One of the serious criticisms to the recent land transactions is the low rent paid by the investors. In order to address this point, it is important to look at the contracts of the land deals. This study found that the price of land rent ranges from 20 Ethiopian Birr per hectare to 143 Birr/hectare. It is the lowest compared to Sudan, Mali, Brazil, and Argentina. The price of land lease rent is 5000 times higher in Brazil compared to Ethiopia. Besides the investors have a grace period of 1 to 5 years to pay the lease rent. For instance, the total price in land lease contract with S&G energy solutions for 50,000 hectares of land is 358, 750,000 Ethiopian Birr (and it is to be paid within 50 years period). The agricultural land investments, of course, could bring income tax for the country. The investors are, however, provided with a package of income tax exemptions as an incentive to encourage export based agricultural investments. The incentive package differentiate between investors who export more than 50% of their products or service and those who export less than that, in which the former are eligible for income tax exemption of five years with the possibility of extension for up to seven years. While the latter group of investors are eligible for income tax exemption for a period of two years with an extension possibility up to five years. The law is very generous to export oriented investors, while the country is dependent on foreign aid and facing severe food shortage.

The other perceived benefit of the land transactions is foreign exchange earnings. In the last few years, the country has a foreign currency shortage which is mentioned as one of the reasons for the domestic price increment. So, it is not much of a surprise that the government set it as its goal in the growth strategy policy document. In order to meet this goal the investment policy prioritizes export led investors. The land investment could actually increase the foreign currency earning, even though there is no evidence yet that agricultural investments have made an impact. Nonetheless, the same investment law allows investors to expatriate all profits and capital without any serious restrictions that in turn could affect what the country could

benefit from the re investment of profits and from retaining foreign currency.

Food Supply to the Domestic Market

The investment law and the corresponding policy of the country, which are also the main provokers in attracting land investment, are self-defeating and contradictory in their purpose. On one hand both stated expanding the domestic market and increasing foreign exchanges as their objectives, on the other one encouraging investor to export 75 percent of their products. The investment law in making incentives for investors favors investors who export over those who produce for the domestic market. For instance, an investor who exports at least 50% of his/her products or services; or supplies 75% of his/her product or services to an exporter as a production input shall be eligible for income tax exemption for five years, while the others are eligible for only two years of tax exemption. In addition, the first group of investors is entitled to an extension of tax exemption up to 7 years, whereas the second group can only be extended for a maximum of 5 years. If the true rationale of the policy is to encourage the development of the domestic market and to address food security, it would have favored producers who supply to the domestic market. Thus, it can be argued that the investment law discourages the development of the domestic market as investors will be interested in exporting their products and thereby affects food security.

Looking at the data on the country's crop import, from 2004 to 2009, there is an increase in the import of cereals, despite the increasing volume of production. The government subsidized the import of cereals to minimize the shortage of supply in the domestic market. In the last five years the price of cereals has increased tremendously, because of the escalation of input price, marketing problems, high transportation cost, and a shortage of supply (Development Bank of Ethiopia 2010). The export oriented policy of the agricultural investments could aggravate the price hike of cereals in the country. So far, the government is trying to regulate the export of crops during shortages and inflationary situations in the country. The problem, however, is in such a crisis situation in the future, how can the government control such big multinational corporations from exporting, who are attracted by the export oriented policy and notably those companies might become more powerful than the government in the future. In addition to

the generous incentives for the investment provided in the investment law for export oriented agricultural investments, the accession of Ethiopia to various trade agreements and institutions could make the investors ignore the domestic market. For example, Ethiopia is a Member of the Multilateral Investment Guarantee Agency (MIGA), a signatory of the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, Duty and quota free access into the U.S. (AGOA) and EU (EBA) markets. Export products from Ethiopia to the EU market are entitled to duty reductions or exemptions and are free from all quota restrictions under the terms of the Lome Convention. For longer term development, it is essential that priority be given to developing local markets before the development of export markets, otherwise dependence on imported food aid will remain, even while Ethiopia exports food (FAO 2005b: 3). Moreover, one of the main driving forces for the current large scale land investment is food insecurity from the side of investing countries, so that for those companies that have a preliminary intention of exporting back to their country the food, they will get additional benefits, besides ensuring their own food supply.

As Lavers (2005) argued it is highly unlikely that foreign investors would be interested in processing industry compared to the domestic ones', they would prefer to process the raw materials in their own country and the state directed private investors may also have other political interests. It seems that the investment policy intended to retain the country's export on primary products. This makes sense as agriculture accounts for 85 percent of the labor force and the major source of foreign revenue. Nevertheless, this once again strengthens the country's depends on the international market which is determined by the powerful economies and might not help the country to come out of poverty. The export lead agricultural policy might aggravate food insecurity, if it continues encouraging export of agricultural products rather than processed and manufactured goods. This ultimately helps the continuity or creates a dependency situation as stated by dependency theorist, Dos Santos in which the country's economy will be conditioned by the development of other more powerful countries.

Trade does not benefit the trading parties equally. The party with greater bargaining power is likely to benefit more. This means that trade contributes to widening the gap between the strong and the weak. This explains why the strong are vigorous advocates of free trade. The weak are more likely to benefit from self-sufficiency. If we look at the gap between

rich and poor countries, in 1960 gross domestic product per capital in the richest 20 countries was 18 times that in the poorest 20 countries. By 1995 this gap had widened to 37 times (ILO 2004) and in 2008 that ratio was well over 75. Thus, as stated by the dependency theory, this central capitalism also imposes an unequal exchange between Ethiopia and trade partners, as a periphery state it is exploited through trade. The reading of the concept of sovereignty also explains the shortcoming of this policy. Food sovereignty calls for self-reliance, where trade is important only when it is beneficial. It should also be noted that importing and exporting food is fine as long as local people have passed a fair and informed judgment about what serves their interests.

It appears that the policy even might fail to address its primary strategy to food security- increasing the food supply. The dependency theory explains the North to South dependency relation, but, in the land deals a new form of dependency is being created - South to South. For instance, the involvement of Indians and the Gulf states in Africa proves the same. In the case of Ethiopia India is the main investor in the land deals and in other sectors as well, but there exists an unbalanced trade relation between the two countries. Hence, one might question the high presence of Indian business in Ethiopia.

Access to Food

The other important question to be raised is where the peasants get their food. Normally, as majority of the Ethiopian peasants are subsistence farmers, they get their food supply from their own farms. The market is another option, if only what is produced in the farm is not enough, but the market has never been accessible and a reliable source of food, especially for the farmers. This is also seen in the recent food price hike in the country, where it is now a serious problem, even though the government is intervening in different forms to slow down the price of food by prohibiting the export of certain crops, setting a fixed price for food in the market, and selling food in government shops (IFPRI 2013).

The global food regime shows the risk of such trade based food policy. Some countries including India, Pakistan, Argentina, Russia and China have taken steps to block exports of food, to protect their own food sovereignty. They have found relying for food on the market unreliable,

which is also their motivation behind land grabbing (Paul & Wahlberg 2008). Hence, many countries are questioning and revising their policies towards food due to the failure of the market. It should be noted here that the contemporary understanding of food security also includes access to food besides availability. FAO defined food security as a situation that exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life (FAO 2003: 3).

According to the entitlement approach food availability is not enough to ensure food security; we also need to make sure that people have equal access to food. The fact that there is a surplus in production does not by itself mean that everyone be able to get food. The people should be able to afford to buy the food from the market. Ethiopia has been following a free market policy, so theoretically it is the market that sets the price of foods, but there has been market irregularities created by different actors. It is reflected in the high price of foods, when the sellers increase the price by reducing the supply, by storing food in their warehouse.

The export oriented nature of the government's policy and the tendency of focusing only on food availability in the market seem to neglect the accessibility of the food. The statement of Dr Abera Deressa, State Minister for Agriculture and Rural Development, confirms the same trend; he stated that *'If we get money we can buy food anywhere, and then we can solve the food problem'*. Most importantly, it would be even more risky when those multinational companies set a price in comparison to the international market. All the land transaction contracts, seen in this study do not put any contractual obligation on the investors to sell a certain amount of the crops to the domestic market. The government thus instead shall embrace food sovereignty oriented policies, which call for self-sufficiency and ownership of food. The country should be self-sufficient in food before exporting abroad.

Importance of the right to food

Looking at the political structure of the country, human right institutions are not developed and the government is accused of depriving democratic rights let alone economic and social and cultural rights that require a strong commitment from the side of the government. The new civil society's law

restricts domestic civil societies and international right based NGO's. With this kind of political structure how can we assure that peasants are not displaced or they would be compensated. According to United Nations rapporteur on the right to food, there are large numbers of people removed from their land as a result of agricultural investment without any payment of compensation. Even those who are given different land claim that the lands are not fertile and no public infrastructure has materialized as promised by the government and investors.

Furthermore, there is no free and fair political and legal room for citizens to claim against violation of their right to food unlike in India or Brazil. As discussed in the previous chapter Ethiopian law incorporated the right to food, even though it is not firmly established. Nevertheless there is much to be done from explicit legal prescription to enforcement. Looking at the Indian experience, Indian courts were active in firmly establishing the right to food in the legal framework.

India has been suffering from chronic famine due to food shortage but now it manages to be self-sufficient. However, they have a starvation incident, even though the central government of India has been storing many millions of tons of food. That is not new. What is news is that a human rights organization in India, the People's Union of Civil Liberties, has challenged this practice in the country's Supreme Court. Light is being shined into places that had been well hidden, and the scandal is being thoroughly aired in the Indian media. It resulted in a law that addresses access to food for the people (Kant 2005: 140-150). Thus, India's experience shows the contribution of democracy towards strengthening the right to food and thereby eradicating hunger.

The normative approach to food security is very important as it guarantees the citizens claim to their right and imposes obligations on the government to fulfil them accordingly. The policy makers shall also design policies in line with the right to food.

The Ethiopian government is accused of denying various democratic and human rights. The governing party's policy documents declare that it is a revolutionary developmental state. According to the developmental state theory, it is highly unlikely that a developmental state evolves out of a democratic environment, since developmental state gets its legitimacy from developmental achievements rather than free and democratic elections. However, the Ethiopian government on the one hand claims to

be a democratic one and on the other a developmental state. The development of the right to food should also be seen along with the progress of the democratic system. Therefore, the weakness of the democratic and legal structure for the development of the right to food could make large scale land deals a risky business.

Conclusions

This research used the perceived benefits of the land transactions (monetary income to the government, domestic market expansion, and new job opportunities) stated by the many advocates of investment on the one hand and the availability and accessibility as key components of food security on the other to understand the impact of land transactions on food security.

In the case of Ethiopia, it illustrates the impact of land transactions from the perspective food security that have not been sufficiently analysed in the global land grab literature. It pointed out the following main points:

- i) Agricultural land investments hardly contribute towards increasing food availability in the domestic market.
- ii) Those fruits of the agricultural investments, which could be offered to the domestic market, might not be accessible to the people, notably to the poorest.
- iii) Those agricultural investments could not bring an end to the country's dependence on food aid.
- iv) There is not enough means for the people, whose livelihoods are affected, to complain and get a remedy in the political and legal structure.
- v) Furthermore the right to food is not well enough established to be used as a framework for the policy makers.

Generally, the large scale land transactions are a risky business unless and otherwise the government designs a developmental strategy that could make it more suitable for ensuring food security. It should be noted that, there needs to be a comprehensive field based empirical study to come up with a more adequate picture of the impacts on food security.

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