
The World Bank and land grabbing

In an international context of growing privatization and concentration of wealth, a process that is also manifested through land grabbing, financial actors are seeking out mechanisms that will enable their speculative activities. The circulation of enormous amounts of money is needed, and the international financial institutions and multilateral banks have fulfilled this role.

The World Bank has been instrumental in the promotion of policies that have led to the current state of affairs, in which deforestation worsens, climate change continues, and social inequalities grow deeper.

In terms of forests, the World Bank has promoted a system of trade concessions on the one hand, and “forestry” activities – which have primarily taken the form of industrial monoculture tree plantations – on the other. Both policies have served the transformation of wood into a market commodity, with devastating consequences both for the world’s forests and for the people who depend on them. In the meantime, other types of policies, such as the privatization of electricity generation, for example, have also acted as a factor in deforestation, in places like Zambia, as we denounced all the way back in 2001 (see WRM Bulletin 50): the increase in electricity prices resulting from privatization pushed local people to turn to charcoal for energy, leading to its commodification and thus driving the clearing of forests as more and more trees were cut to produce charcoal.

Although the World Bank has provided copious sums of money to finance activities involving the acquisition of land, at the recent Annual World Bank Conference on Land and Poverty, held in April, the World Bank Group issued a statement in which the group’s president, Dr. Jim Yong Kim, declared that it shares the concerns about the risks associated with large-scale land acquisitions (1).

But this concern expressed by the World Bank is not reflected in what has been and continues to be its line of action.

The bank claims to be committed to promoting policies that “recognize all forms of land tenure,” yet as Oxfam points out (2), its programmes have resulted in the loss of land and livelihoods for vulnerable communities in countries like Cambodia and Guatemala, and to conflicts in Cambodia, the Philippines and Panama, sometimes due to the promotion of private and individual land tenure, to the detriment of collective demands for the recognition of communal territories.

To refresh our memories regarding the leading role played by the World Bank in the current process of land grabbing, we could take a look at a 2010 report from GRAIN (3), which reveals that the Bank’s commercial investment arm, the International Finance Corporation (IFC), is a major investor in private equity firms that are buying up rights to farmland, while its Multilateral Investment Guarantee Agency (MIGA) is providing land grab projects with political risk insurance.

Based on information from the World Bank itself, GRAIN reports that MIGA put up 50 million dollars as cover for 300 million dollars in investments by Chayton Capital, a UK-based private equity firm that invests in farmland in southern Africa. MIGA’s role in protecting farmland investments has also been

crucial for firms like British hedge fund SilverStreet Capital. If problems arise, “you’ll have the World Bank on your side,” one of the fund’s chief investment officers stated.

As we noted earlier, the World Bank claims to be concerned about land grabs. But do its new initiatives reflect this preoccupation? The Bretton Woods Project looked at the current priorities that are actually indicated by the Bank’s new initiatives, such as the announcement in late September 2012 of a contribution of 1.2 million dollars to support 10 countries in Latin America, Africa and Asia “that are adopting, or are considering the adoption of agricultural biotechnology.” These funds would be used to help the countries “make their biosafety regulations more efficient and harmonised” (4). This implies the insertion of these countries into an industrial agricultural model based on chemical and biotechnological inputs and large-scale production, which leads to farming without farmers. It implies greater appropriation by big capital. It implies increased concentration of land ownership and land grabbing.

Along these same lines, the World Bank is developing a programme called “Doing Business in Agriculture”, which has received official backing from the G8 and aims to stimulate reforms in the legal and regulatory environment to enable the development of agribusiness.

Meanwhile, in its October 2012 report “Africa can help feed Africa”, the World Bank advised Africa to remove trade barriers, based on the argument that a competitive food market will help poor people most. Does market liberalization actually benefit the most disadvantaged?

GenderAction, in its report “Gender, IFIs and Food Insecurity Case Study: Zambia” (5), noted that in the second half of the 1980s, the World Bank and other international financial institutions (IFIs) pushed the Zambian government to adopt neoliberal structural adjustment policies including trade liberalization, the privatization of state enterprises, and the removal of government subsidies and price controls, claiming that these measures would reduce poverty. In fact, however, the country’s economic growth stagnated, and these policies led to a deterioration in public service delivery, which hurt small farmers who were ill-prepared to face the challenges and exploit the supposed emerging market opportunities that come with market liberalization. The neoliberal policies adopted were particularly devastating for rural women, whose earnings decreased while unemployment rates and food prices rose, contributing to an increase in food insecurity in Zambia. In addition, a growing shift to individual land ownership resulting from the process of “modernization” and commercialization led to the marginalization of women who did not have the right to land ownership, despite carrying out the majority of Zambia’s agricultural work. Even though the government eventually abandoned these policies, the damage had already been done.

In October 2012, Oxfam International called on the World Bank to freeze all lending across the World Bank Group to projects that involve or enable agricultural large-scale land acquisitions, and to review its policies and procedures in order to ensure the rights of small-scale food producers, women and other marginalized groups to the land and the natural resources on which they depend (6). According to Oxfam, since 2008, 21 communities have presented formal complaints to the World Bank over violations of their land rights, despite the enormous difficulties faced by a community in initiating processes like these, which are costly, require the involvement of trained technical personnel, and can be extremely time consuming.

The World Bank has played a decisive role in turning agriculture into an industry, and promoting the ever increasing incorporation of natural goods into the market. Everything seems to indicate that it remains faithful to this role today, and continues to facilitate land grabs that represent great business opportunities for capitalists but greater dispossession for rural communities.

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- (1) "World Bank Group: Access to Land is Critical for the Poor", World Bank Group press release, 8 April 2013, <http://www.worldbank.org/en/news/press-release/2013/04/08/world-bank-group-access-to-land-is-critical-for-the-poor>
- (2) "The World Bank and land grabs", Hannah Stoddart, Oxfam GB, 15 April 2013, <http://policy-practice.oxfam.org.uk/blog/2013/04/the-world-bank-and-land-grabs>
- (3) "World Bank report on land grabbing: beyond the smoke and mirrors", GRAIN, September 2010, <http://www.grain.org/article/entries/4021-world-bank-report-on-land-grabbing-beyond-the-smoke-and-mirrors>
- (4) "Call for freeze on World Bank 'land grabs'", Bretton Woods Project, www.brettonwoodsproject.org/art-571586
- (5) "Gender, IFIs and Food Insecurity Case Study: Zambia", GenderAction, <http://www.genderaction.org/program/food/case/zambia.html>
- (6) "'Our Land, Our Lives': Time out on the global land rush", Oxfam International, <http://www.oxfamnovib.nl/redactie/Downloads/Rapporten/bn-land-lives-freeze-041012-en%20%5Bembargoed%5D.pdf>