1-20-2012

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Recommended Citation
Gaudán, Andrés. 'Land Grabbing Has Serious Repercussions in Latin America.' (2012). https://digitalrepository.unm.edu/notisur/14025

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Land Grabbing Has Serious Repercussions in Latin America

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Category/Department: Region
Published: 2012-01-20

A UN Food and Agriculture Organization (FAO) study, "Reflexiones sobre la Dinámica Reciente del Mercado de la Tierra en América Latina y El Caribe," released in late-November 2011, warned of the accelerated process of foreignization and concentration of land in 17 Latin America and Caribbean countries and said that the phenomenon has serious social and environmental consequences. The study focused on 10 South American countries (Argentina, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, and Uruguay), especially the four South American Common Market (MERCOSUR) countries (Argentina, Brazil, Paraguay, and Uruguay), which are among the world's largest food producers.

Another FAO study presented at the Climate Change Conference (COP17) in Durban, South Africa, on Nov. 28 said that 25% of the world's arable lands "are highly degraded."

Two private organizations later picked up on the same issue. On Dec. 14, the International Land Coalition (ILC) gave a new twist to the UN agency's studies, saying that in land purchases "the national elites play a much larger role than foreign investors."

Two days later, GRAIN, which describes itself as "a small international nonprofit organization that works to support small farmers and social movements," said land foreignization is leading to "land grabbing," defined as the process of purchasing land intended for food production in which, besides private investors, foreign governments participate (it mentions China, Saudi Arabia, and South Korea).

Martine Dirven, an FAO specialist in rural development in South America, says the 17 countries that were analyzed experience processes of land concentration and foreignization, with a marked expansion of those processes in Brazil and Argentina. The Belgian-born expert warned that "we are facing a new and aggressive wave of foreignization that has led, for example, to a sevenfold increase in the price of land in Uruguay in the last 10 years."

**Foreignization uproots rural families**

The most serious effect for the four MERCOSUR countries is the marked reduction in the number of small family farms, meaning that, besides having to abandon production, the families are being uprooted, generally to the periphery of large cities.

Commenting on this reality, which formerly affected only rural workers, Fernando Eguren, director of the Centro Peruano de Estudios Sociales (CEPES), who presented the FAO study, said, "Land concentration in a few hands is not only an economic phenomenon, it is also a concentration of influence, of political power in the territorial areas where this is happening, which also has to do with restrictions on democracy."

In line with ILC definitions, Eguren said that in the Andean region of South America, land concentration is led by local investors, sometimes with foreign participation, but basically it is
an internal national dynamic of property concentration for export-oriented agriculture, which is ignoring concerns for food security and the development of family farms.

Besides warning regional governments that they must "find ways to ensure that the processes of concentration and foreign ownership of land do not have a negative impact on food security, agricultural employment, and the development of family farming," the FAO warned about government policies that offer economic incentives to encourage specific productive activities, which, "definitively, mean transferring public resources to private third parties and facilitating concentration."

The FAO used the example of policies to promote investments in irrigation in Peru, the irrigation-promotion law in Chile, the stimulus for forest development in Chile and Uruguay, promotion of agriculture and forestry export in several countries in the region, and incentives aimed at promoting crops tied to renewable energy (biofuels).

The FAO study analyzed the evolution of land ownership and its concentration since the 1970s, which allowed it to compare early attempts at agrarian reform in those years—when concentration of land ownership was considered an obstacle to modernizing agriculture—with the present in which monopolization is considered an indispensible requirement for modernization and growth.

The FAO gives some background and recalls that in those years of the 20th century, Latin America "had one of the most inequitable agrarian structures in the world. At one extreme were the minifundistas [small farmers] and at the other the latifundistas [large landholders]." In 1960, the latifundios comprised about 5% of agriculture units but encompassed 80% of the land, while the minifundistas had 80% of agriculture units but only 5% of the land.

The study concludes that "concentration and globalization (foreignization) of land ownership are part of the process of modernization of agriculture and the food system, which in turn is an expression of the logic of the current development model." It says that currently "the dynamic of the land market is subordinated to the situation of the value chains and the modalities of organizing production at the local and/or global level."

**Uneven regional efforts to stop foreignization**

The same day that the study of the 17 countries was released, Brazil's Congress received a bill for consideration that has the backing of President Dilma Rousseff. If passed, the bill would establish that Brazilian businesses with foreign capital could not acquire more than 5,000 hectares within any municipality.

"This doesn't seem serious, we cannot even say 'well, it's something,'": the Movimento dos Trabalhadores Rurais Sem Terra (MST) said is a public statement. The MST had hoped for "some significant structural measure" from the government.

At about the same time, in Uruguay, the government noticeably set aside a bill aimed at setting strict limits on land ownership and exchanged it for another that in reality created a small tax with which it expects to collect some US$300 million annually to be used for maintaining roads and bridges. It did not address foreignization even though, according to official figures, in 2010, 83% of land-ownership transfers went to foreigners, so that 6.3 million ha of the 16 million ha of arable land is under the control of foreigners.
By contrast, in Argentina, Congress approved a law establishing that only 15% of arable land can be in foreign hands, and, of that 15%, only 30% can belong to nationals from the same country. It also for the first time creates a land registry that will make it possible, finally, to determine the amount of rural land under foreign ownership (NotiSur, Jan. 13, 2012).

Various analysts object that the FAO study does not take an in-depth look at the causes of land degradation that it denounced in its report for the Durban panel. To get to the root of the problem, it is necessary to look at a previous work by the UN Environment Programme (UNEP) titled "Resource Efficiency: Economics and Outlook for Latin America," dated August 2011. In the study, the agency says that MERCOSUR is responsible for half of all global trade in genetically modified soy, for which it uses a "direct-planting" system without human labor that requires large amounts of the herbicide glyphosate, which causes serious damage to humans and to the surrounding ecosystem.

GRAIN said foreign investors care for neither the soil nor the atmosphere, and they move when the land resource in one area has been degraded. Within MERCOSUR, Brazil is the world's largest soy producer in absolute terms, Argentina is the largest exporter of soybeans and processed products (flour, oil), soy is Uruguay's principal export, and Paraguay dedicates 65% of it rural land to soy cultivation.

But the expansion of soy plantations has had a strong environmental impact, warned the UNEP. Among the negative consequences, it mentioned the expansion of the agriculture frontier into protected areas, the loss of native species of flora and fauna, the reduction in biodiversity, the contamination of soil and water from agrochemicals, and localized soil erosion.

GRAIN raises the same objections, emphasizing that land foreignization aimed at converting land to intensive soy cultivation has had a major environmental impact and has caused the disappearance of rural communities, and finally it asks if the time has not come for governments to act.

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