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Sri Lanka

New Farmland grab

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Sri Lanka's farmlands are being aggressively marketed as investment opportunities for agro-export agriculture by the island's foreign missions in the Gulf, and to Gulf-based businesses, including at the recently concluded Sri Lanka Expo 2012 (28-31 March) in Colombo.

The island's Consul-General in Dubai was quoted recently urging emiratis to acquire land in Sri Lanka to produce food for export to the Gulf: "UAE's imports of food products have significantly increased over the recent years. Investing in agricultural land will greatly benefit in preventing steep increase in prices and ensuring steady supply." [1]

While the acquisition of arable lands abroad may be a short-term response to the shortage of land for food production and to the demand for vegetables and fruits which cannot be met through local production in the Gulf states; it spells ruin for farmers and consumers in Sri Lanka: a net-food importing country itself that is not self-reliant even in the cultivation of staple foods and vegetables.

45 million hectares of farmland have been acquired by agribusiness companies in just two years (2008-9), mainly in Sub-Saharan Africa, but also in Latin America and Asia. Kuwait has obtained 50,000 hectares of Cambodian farmland. Indian commercial interests have bought or leased lands in Africa, for the cultivation of food grains, pulses and edible oils, including vast territories in Ethiopia. [2]

The rush for farmlands for export purposes undermines local economies, distorts production of appropriate foods for the domestic market, while inevitably increasing the volatility and upward spiral of food prices; pushes people off customary lands or turns them into seasonal labour for the new owners; increases peasant dependence on the market for food; reduces or even removes their share of natural resources such as water for irrigation; increases the cost of external inputs into small-scale agriculture; and so on.

Women – whose land rights are already precarious as there is gender bias in the award and succession to state lands under the Land Development Ordinance 1935 and Land Grants Act 1979, as well as in the entrenched perception that the â€˜head of the household' is always male – are likely to be less protected from acquisition of lands which they access through customary rights, and less likely to benefit from compensation.

As a larger proportion of the active labour force in Sri Lanka is dependent on agriculture (32.7%) compared to industry (24.2%) for employment; as around 80% of the poor live in the rural sector; and as the majority of the poor are women; the consequences of large scale investments in farmland will be multiple and far-reaching.

This isn't scare-mongering. A study on international investments in agriculture recently asked: "Can such international investment in land be a means to improve agricultural productivity and rural livelihoods?" The high level panel of experts concluded: "The evidence from this land rush to date shows very few such cases. Rather, large scale investment is damaging the food security, incomes, livelihoods and environment for local people." [3]

Once again, the yawning gap between the populist pro-small farmer rhetoric of this government; and the neoliberal thrust of its macro-economic policies is plain to see.

The 2012 Budget liberalised use and control of state lands, through permitting foreign investors (in joint ventures with local capitalists) to lease unlimited acreages for up to 99 years.

In its 2010 election manifesto, Mahinda Chinthanaya – Vision for the Future, the government claimed that “44% of the agricultural lands are sparsely used but have a huge potential for development…the end of the prolonged conflict has released a huge amount of arable land that can be utilised for productive purposes.” One â€˜productive purpose’ identified is the establishment of 1,500 floriculture villages (for production of cut-flowers for export) in the Western, North-Western and Central Provinces by 2020.

The farmland grab is just one of other forms of land-grabbing that are underway in Sri Lanka today – for purposes as varied as bio-fuel production; tourist development; energy production; special economic zones, construction or expansion of permanent military camps and so on – and where the actors are as diverse as private individuals, local and national politicians, state agencies, the state security forces etc. [4]

Industrial agriculture for export is not a new idea in Sri Lanka. Over 30 years ago, the United National Party government of JR Jayewardene that introduced â€˜open economy’ reforms first mooted the creation of agricultural promotion zones.

Similar to industrial zones, these areas were to be earmarked for foreign investments in non-traditional crops (i.e. not tea, rubber and coconut), such as soya, cut-flowers, fruits and vegetables for export to the world market, and with tax-holidays and export concessions as incentives. [5]

However, the areas identified were adjacent to, or in the, conflict area and the outbreak of war after July 1983 stalled the establishment of these zones in the districts of Mannar, Vavuniya and Moneragala.

Only in Moneragala was it possible – after protracted peasant struggles that were ultimately overwhelmed in the violence in the South in the late 1980s – to privatise land for sugar cane cultivation. However, two sugar cane plantations quickly folded-up, sugar production has been on a downward trend, and the remaining factories plagued by political machinations. Sri Lanka imports 95% of its sugar consumption.

Now that the war has ended, and conflict-affected territories have been pacified through saturated military occupation, a new wave of neo-liberalism is underway; driven by state policy and directed by an avowedly left-of-centre regime raiding the policy toolkit of its one-time ideological opposite, the United National Party.

In the government’s sights is the accumulation of dizzying degrees of private wealth, through the dispossession of the peasantry of its farmland.

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[1] “Sri Lanka seeks investment in agriculture”, Emirates 24/7, 05 March 2012, http://www.emirates247.com/business...

[2] Rowden, Rick 2011. India’s Role in the New Global Farmland Grab: An examination of the Role of the Indian Government and Indian Companies Engaged in Overseas Agricultural Land Acquisitions in Developing Countries, New Delhi: GRAIN and Economic Research Foundation 2011,http://www.networkideas.org/featart...

[3] High Level Panel of Experts 2011. Land tenure and international investments in agriculture: A report by the High Level Panel of Experts on Food Security and Nutrition of the Committee on World Food Security, Rome 2011, p. 8, http://www.fao.org/fileadmin/user_u...

[4] See our written submission to the 19th regular session of the UN Human Rights Council, â€˜Sri Lanka: Land-Grabbing and Development-Induced Displacement’, A/HRC/19/NGO/64, 22 February 2012, http://daccess-dds-ny.un.org/doc/UN...

[5] Rupesinghe, Kumar 1982. “Free Trade Zones to Agricultural Promotion Zones in Sri Lanka”, Social Science Review (Colombo), No. 4 (1982): 116-138.