

The highest bidder takes it all: World Bank's new scheme to privatise land in the Global South

by Frédéric Mousseau, Oakland Institute

At issue



April 2019

The World Bank is launching an unprecedented attack on the commons by pushing for the privatisation of customary and public land and its sale by auction to the highest bidder. The land indicator of the Bank's Enabling the Business of Agriculture rankings prescribes policy reforms to ease access to land for agribusiness, at the expense of family farmers, pastoralists, and Indigenous Peoples.

The effects of rapid expansion of large-scale industrial farming for palm oil and other commodities have been [devastating](#) all over the Global South in recent years. It is forcing people off their land and destroying the livelihoods of millions, while contributing to climate change through deforestation and environmental destruction. The trend has [intensified](#) since the food and financial crises of 2008, when high commodity prices led to a surge of interest in large-scale agriculture for food and biofuel crops. It continues today with millions of hectares of forests, grazing areas, and farmland converted to plantations every year.

The World Bank's central role in the expansion of large scale agricultural plantations

The [World Bank has played a pivotal role](#) in promoting these large-scale land deals. For years, through different mechanisms including technical assistance and advisory services to governments, aid conditionality, and business rankings, the [Bank has encouraged regulatory reforms](#) aimed at attracting foreign private investment for economic growth and development. By 2014, the International Finance Corporation (IFC), the World Bank's

private-sector arm, was managing [156 projects in 34 countries worth \\$260 million](#) for advisory services to promote private-sector development.

Among these efforts, the Enabling the Business of Agriculture (EBA) project was launched by the Bank in 2013 at the request of the G8, as one of the so-called "[enabling actions](#)" for the then newly formed New Alliance for Food Security and Nutrition. The EBA's goal is to help create "[policies that facilitate doing business in agriculture and increase the investment attractiveness and competitiveness of countries.](#)" To achieve this, the EBA identifies the "legal barriers" for agribusinesses and [prescribes policy reforms](#) to remove them. Under the World Bank's guidance, governments should, for instance, [loosen regulations](#) on seeds and phytosanitary products, meaning fertilizers and pesticides. Initially focused on 12 topic areas, including seeds, fertilizers, trade, and machinery, [the latest EBA report](#), published in 2017, introduced a new indicator: land.

Over [3.1 billion](#) people worldwide – half of humanity – relies on land for their livelihoods, the majority [in developing countries](#). [Most of them](#) have no property titles over this land



Frédéric Mousseau is the Policy Director at the US-based Oakland Institute where he coordinates the Institute's research and advocacy activities on land, food security and agriculture. He has conducted numerous reviews and studies on food and agriculture in the Global South and authored many reports and articles on these issues.

– legally, it is typically either state-owned land or customary land. In the Global South, natural resources such as water, forests, savannas, farming and grazing lands are often used and managed communally under customary laws. Agribusiness firms have at times been successful at using traditional leadership to acquire customary land, as in the case of [SOCFIN in Sierra Leone](#). However, customary land is generally not considered as an individual's property that can be bought or sold but instead is valued as a common good, an ancestral asset with deep social and cultural significance, which must be preserved for future generations.

This is why farmers, pastoralists, and Indigenous Peoples around the world have been resisting the takeover of their land, protecting their livelihoods as well as their cultural and social identity. Resistance has often been met with repression and violence by private militias or government security forces, which takes the lives of [hundreds of land defenders every](#)

[year](#). Yet, with protests and blockades, petitions, administrative recourse or legal action, many of these struggles have been successful in delaying, disrupting, or stalling the establishment of plantations.

The EBA land indicator: An unprecedented attack on land rights

For the World Bank, a key promoter of industrial agriculture in the Global South, this resistance is a problem as customary land rights stand in the way of the Bank's proposed model of economic development. According to the institution, "[undocumented \[land\] rights pose challenges and risks to investors](#)" and, in the case of Africa, the development of the continent is "[held back by land ownership confusion](#)."

This may explain why the Bank, with funding from the US and UK governments and the Bill and Melinda Gates Foundation – all strong proponents of corporate

agriculture – has embarked on a new, unprecedented effort to tackle the "land issue" in developing countries. By introducing a land indicator in the EBA project, the Bank has created an instrument to prescribe policy reforms that will ease access to land for agribusiness. Introduced as a pilot in 38 countries in 2017, the land indicator is expected to be expanded to 80 countries in the 2019 EBA report. As detailed in the 2019 Oakland Institute report, [The Highest Bidder Takes It All: The World Bank's Scheme to Privatize the Commons](#), this indicator ranks countries on their "[laws and regulations that impact access to land markets for producers and agribusinesses](#)." The EBA identifies and evaluates the "[regulatory burdens](#)" impacting private access to land. The scores countries obtain are intended to [condition](#) aid and investment money.

Whereas the Bank [claims](#) its intention is to protect land rights and bring freedom and equity in access to land, its prescriptions pander to a drastically different agenda centered on promoting large-scale industrial agriculture at the expense of family farmers, pastoralists, and Indigenous Peoples. To regulate countries' land tenure arrangements and "enhance productivity of land use," the Bank [asks](#) governments to formalise private property rights, ease the sale and lease of land for commercial use, systematise the sale of public land by auction to the highest bidder, and improve procedures for expropriation.

Suggesting that low-income countries do not manage public land in an effective manner, the Bank recommends the privatisation



Photo: Paul Bica

of public land as the way forward: Governments should become land brokers and offer public lands with “potential economic value” to private interests, so that the land can be put to its “best use”.

The Bank’s approach thus provides a legal avenue for increased land dispossession, land concentration, and land grabbing. This agenda is made obvious as the Bank encourages governments to prioritise formalising private land rights in “[high-potential agricultural areas](#).” The Bank only considers other forms of land tenure arrangements, such as communal or customary land tenure, “in rural areas with lower levels of agricultural potential.” Yet, communally managed natural resources such as farmland, water, forests, and savannas are essential to the livelihoods of millions of family farmers, pastoralists, and Indigenous Peoples. In Africa, it is generally customary arrangements that organise cultivation and grazing, as well as fallows and reserves, the gathering of wild food, timber, fishing, and hunting.

The fallacy of the Bank’s “effective” land use argument

The Bank claims that land must be privatised “[to encourage investments that can increase productivity](#)” and that land markets will allocate land to the most “efficient” producers who are able to invest in capital-intensive methods, while less profitable farmers will supposedly “[choose](#)” to exit agriculture. Whereas the EBA pushes governments to facilitate “efficiency-enhancing” land transfers – i.e. farmland sales or leases to agribusinesses – it [also urges](#) them to deregulate the

import of chemical fertilizers and the production and marketing of industrial seeds. Although presented as the key solution for increasing food production while lifting millions out of poverty, the Bank’s promotion of “capital-intensive” agriculture is based on a widely refuted assumption that overlooks some key realities.

It is actually highly questionable that giving land away to private investors or developing more “capital-intensive agriculture” will lead to more efficient land use. The World Bank’s own experts have [documented](#) that the expansion of large-scale industrial farms has little impact on poverty reduction compared to increasing access to land and water for smallholder farming communities. A [comprehensive study](#), carried out by its own research staff in 2009, deconstructed the fallacy of the economic efficiency argument that is used to favor the privatisation of land and expansion of land markets. It also showed that the creation of land markets ultimately leads to land concentration for industrialised agriculture and monocultures in large mechanised land holdings, which are less productive than family farms. Meanwhile, “[small-scale farmers generally use land, labour, and capital more efficiently than do large-scale farmers who depend primarily on hired labour.](#)”

The 2009 [International Assessment of Agricultural Knowledge, Science and Technology for Development \(IAASTD\)](#), a multidisciplinary study involving over 400 scientists and co-sponsored by the Food and Agriculture Organization of the United Nations (FAO), the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), and the World Bank itself, widely discredited the supposed

benefits of capital-intensive, industrial agriculture. The report urged all actors involved in agricultural development to shift their support toward agroecological practices that are less dependent on capital and external inputs. The IAASTD also called attention to the negative environmental impacts of intensive agriculture, which are hardly taken into consideration by the Bank’s current policy advice.

The Bank’s vision of “effective” land use must be challenged today more than ever, ten years after the IAASTD, as the world has entered a major climate crisis, which is largely driven by “capital intensive” modes of production that increasingly affect soils and water supplies around the planet. It is obvious that the effectiveness of land use should not only consider yields per hectare but should also incorporate sustainability in social, environmental, and economic terms.



For the World Bank, a key promoter of industrial agriculture in the Global South, this resistance is a problem as customary land rights stand in the way of the Bank’s proposed model of economic development.

The war on Indigenous Peoples and farmer rights

The World Bank's EBA doctrine finds frightening echoes in Brazil's newly elected far-right president, Jair Bolsonaro, who intends to put "economically valuable" land to use by abolishing protected Indigenous lands in order to expand ranching, industrial agriculture, and resource extraction. Considering that "[where there is Indigenous land, there is wealth underneath it](#)," Bolsonaro is threatening the very survival of the hundreds of Indigenous communities living on that land, whereas his plans are likely to lead to more deforestation, an acceleration of the climate crisis, and increased environmental degradation, posing a major threat to billions of people around the world.

The World Bank also pushes for the formalisation of private land ownership as a way to spur agribusiness investments in capital-intensive agriculture and increase productivity. Part of the process is to make land a "transferable asset" and encourage its use as a collateral for credit. The Bank's premise overlooks the high vulnerability of family farmers around the world, which is further increased when the land that they rely on for their livelihoods becomes an asset that can be traded and speculated upon. In Western economies, with "formal" land tenure systems, stories of farmers losing their land to banks

and creditors abound. Just in the last year, the expropriation of family farms by banks and vulture funds created outrage in [Ireland](#) and [Australia](#). Expanding this model to the developing world will provide a legal avenue for more land dispossession, land concentration, and land grabbing.

By making land a marketable commodity that must be offered to the highest bidder, the land indicator will shift land from being an essential source of livelihoods and the basis of resilient farming and ecological balance, to an increasingly speculated upon financial asset that will expand corporate agriculture.

Governments should be urged and helped to design food and agricultural policies that put family farmers, pastoralists, and Indigenous Peoples at the centre, to address the major challenges of hunger, environmental degradation, and climate change. Instead, the World Bank is launching an unprecedented attack on their land rights and their future. Whereas the EBA was already heavily biased towards industrial agriculture and agribusiness corporations, the threats that come with this new land indicator make it even more important to end this harmful initiative permanently.

[The Highest Bidder Takes It All](#) was released as part of the Our Land Our Business campaign, made up

of 280 organisations worldwide, demanding an end to the Enabling Business of Agriculture program.

April 2019

The Our Land Our Business campaign

Read the [joint statement](#) signed by over 280 organizations

To add your organization to the campaign, please email: ourlandourbusiness@oaklandinstitute.org

For more information, visit the [campaign website](#) (English, French, Spanish)



Bretton Woods Project
33-39 Bowling Green Lane
London EC1R 0BJ
United Kingdom
Tel: +44 (0)20 3122 0610
info@brettonwoodsproject.org

The Bretton Woods Project is an ActionAid-hosted project, UK registered charity no. 274467, England and Wales charity no. 274467, Scottish charity no. SC045476. This publication is supported by a network of UK NGOs, the C.S. Mott Foundation, the William and Flora Hewlett Foundation and the Rockefeller Brothers Fund.

[@brettonwoodspr](https://twitter.com/brettonwoodspr)
facebook.com/BrettonWoodsProject
www.brettonwoodsproject.org

This publication has been produced with financial assistance of the European Union (EU). The contents of this publication are the sole responsibility of the Project and can in no way be taken to reflect the views of the EU.

The views expressed in this publication by guest authors do not necessarily represent those of the Bretton Woods Project.