**Scramble for Ethiopia’s Land**

**By Gilles Van Kote, Le Monde**

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Rich soil, a tropical climate, and an abundance of water: the region of Gambela in the west of the country is fertile. Foreign investors are renting thousands of hectares of it to develop intensive agriculture without regard for the environment and the population.

A few kilometers before the village of Ilya, in western Ethiopia, the forest abruptly gives way to a tortured landscape where knocked down stumps and grassy islands emerge in the middle of broad savage cuts to the rich black soil stripped by clearing operations. "Welcome to the 100,000 hectare Karuturi farm," says the sign planted along the trail.

In 2010, the global market leader in cut roses, the Indian group, Karuturi Global, signed an agreement with Ethiopia to lease 100,000 hectares of land in Gambela, with an option for an additional 200,000 hectares. The nine page document, available on the Internet, fixes the rent Karuturi paiys at 20 Ethiopian Birrs (0,90 Euro) per hectare, per year for fifty years. That’s standard for this kind of contract.

Ethiopia – and the region of Gambela in particular – is the site of a real competition for arable land. Non-governmental organizations (NGOs) call the phenomenon “land grabbing”. It’s when mostly foreign investors purchase or lease hundreds of thousands of hectares at a low price and it’s become widespread in Africa, but also in Asia, Latin America and in Eastern Europe.

“We prefer to talk of land development,” says Birinder Singh, the Indian manager in charge of Karuturi’s operations in Ethiopia, from his office in Addis Ababa, located in a brand new office building. “We contribute to the development of the country through exporting and returning currency, or producing food for the local market.”

In Gambela, which some have renamed “Karuturiland”, the land used by the Indian group extends as far as the eye can see around Ilya to the left bank of the Baro River whose waters end in the Nile. Karuturi plans to cultivate rice, corn, sugarcane and palm oil. But the 80 km of dikes built to contain the Baro failed: 20,000 hectares of maize, the first harvest expected by Karuturi, were destroyed in October by flooding. The company estimates the loss at 11 million Euros.

Since then the company’s turned to Dutch and Indian experts to rethink their water management operations and create a variety of dikes. But Sai Ramakrishna Karuturi, the young owner of the company, who claimed not long ago he wants “food to feed the world”, provokes scepticism in other investors. They believe that his aims are essentially speculative. "Karuturi is doing all it shouldn’t do, "says François Achour, a Frenchman working for a German investment fund.

The last example dates back to October, when the clearing of a wooded area caused a clash with the residents of Ilya. “When we heard the machines, we immediately went to stop them,” says an official from the village. “What’s happening is not good for us. They are destroying the forests where we look for wood and where each year we hunt antelopes and wild pigs.” The villagers are already struggling to find wood to cover their traditional boxes decorated with beautiful geometric patterns; some plan to use corrugated metal as a replacement.

Before this spontaneous uprising of protest, the regional government convened a meeting where they decided to save the disputed area. Now, every Saturday, an information session is held to bring together representatives of the company and the village. According to the latter, Karuturi, whose base camp on the other sides of the road is surrounded by wire fencing, has promised the villagers electrical generators.

The Gambela region is far from most everything, including the concerns of Ethiopia’s central government: Addis Ababa is a fifteen-hour drive away, and only three weekly flights link the capital to the region. Its position at the foot of the Ethiopian high lands with Sudan to the south, as well as its tropical climate, makes it a world apart.

Its sparse population (307,000 people on 30,000 km2, a territory the size of Belgium) is mainly composed of Anuaks and of Nuer, of Nilotic origin whose relations with those they contemptuously call the "Highlanders" (people of highlands) are strained. Singled out by the NGO, Human Right Watch, the Ethiopian army has always denied responsibility for the massacre of hundreds of Anuaks in Gambela in 2003.

But this new El Dorado has three advantages: its incredibly fertile soil, its hot sun, and especially, its water, which flows in abundance from the high plateaus. This explains the enthusiasm of investors: according to the regional government, 7 foreign entrepreneurs (4 Indians, 2 Chinese, and 1 Saudi) as well as about 300 Ethiopian investors – on the surface modest numbers – rent land there.

This has meant massive deforestation. Saudi Star, owned by the wealthy Ethiopian-born millionaire, Sheikh Mohammed Al-Amoudi, plans to covert 10,000 hectares – and perhaps one day up to 130, 000 hectares to rice fields. He acknowledges they’ll have to cut down about 100,000 trees, but he says they plan to replant one million.

A third of the area (830,000 hectares) has been placed in a “federal land bank” so investors can begin working it and this is changing the face of the area. Huge empty spaces and cultivated fields have replaced the tropical foliage and tall grasses.

Cotton fields, cultivated primarily by Ethiopian investors (only one of whom is from the region) now line the track between Gambela and Abodo, making the area feel like the American “deep south”. Dirt roads have been drawn in the bush to allow for the movement of heavy trucks which kick up clouds of dust.

Using a branch, Muhammad Manzoor Khan scratches the surface of the ground at the foot of a tree. "Look at this land, it has everything you need, everything grows! Why are the people here hungry?” cries the distinguished looking 69-year old Pakistani agronomist in charge of Saudi Star’s operations in the Gambela region. According to the World Food Programme (WFP), almost a third of the population of the region receives food aid.

Saudi Star’s goal is to produce 1 million tons of high quality rice each year, two thirds of which will be exported to the Middle East and Saudi Arabia. To ensure the irrigation of the rice paddies, a canal dug in the 1980s by the Soviets - then abandoned - is being extended. Its speed will be 22m3 per second taken from a large water reservoir near Abobo. Land rental contracts provide no limit to the use of natural resources.

Activity around the canal is intense; heavy machinery is working in the rice paddies and combines are reaping the first harvest on a test area of 112 hectares. Under the blazing sun, Pakistani experts supervise dozens of Ethiopian labourers. “The rains have been very late, the soil is muddy and the machines are having unusual problems.” acknowledges one of the technicians, Habib Ur Rahman.

Two kilometres away, several hundred tractors and agricultural machines are waiting for the day when operations will be at full capacity. “There are 89 million dollars [68 million Euros] here,” says Muhammad Manzoor Khan. Two camps called Alphaet Bravo have been constructed in the middle of the savannah. They have prefabricated offices, living spaces and rooms for the Pakistani experts and Swedish workers who are digging the canal. The Ethiopians, who are in skilled jobs, mostly machine operators, are also housed there.

Day labourers, like the women employed in the small rice bleaching unit, make their way each day by bus from Abodo, located 20 kilometres away. “We get paid 25 Birrs [1.10 Euro] each day,” says a women who’s in water up to her knees planting rice. “We have asked again and again for increases but without success.”

Saudi Star anticipates enough work for 3000 to 4000 Ethiopians when their project reaches its cruising speed, while Karuturi today mentions 20000 future jobs – after have having dangled the prospect of 60000. For the time being, there are, at most, a few hundred jobs investors have created in the region.

Ruchi Group, an Indian company that rents 25000 hectares on the other side of the canal to Saudi Star, has just made its first harvest of soybeans, a legume foreign to this land. Today, they employ 11 Ethiopian contract workers paid between 2500 and 4500 Birrs [110 – 195 Euros] a month who are supervised by seven Indian experts. The day labourers, as well as the security guards who ensure their safety, are provided at the request of the local authorities.

Ruchi Group says it wants to involve local farmers in the project. “We offered to help them get into the cultivation of soybeans,” says Lankella Manohar, a 38 year old agronomist who left his wife and children in India to grow oilseeds in the Ethiopian savannah. “They don’t need machines; two oxen are sufficient. We’ll provide them with seeds and tools this first year, a few tips, and then we’ll buy their crop.”

Ruchi Group says it plans to open a soybean oil manufacturing plant in the town of Gambela where there is currently no industry. This would create 1500 direct and 2000 indirect jobs and brighten the eyes of regional government officials.

"But there are very few jobs for indigenous people," says an Anuak for whom anonymity is “a matter of life or death." “The jobs are taken by the ‘highlanders’. The forests, vital for villagers, who used them for medicinal plants, roots and wild fruits in times of scarcity and took refuge in them if needed, are disappearing. It’s a way of dispossessing us...”

Since the fall of Haile Selassie in 1975, the land has belonged to the state which doesn’t recognize customary laws or rights of usage. Without necessarily being inhabited, land leased to investors could be used by residents for collecting firewood, for grazing herds, or for periodic crops by farmers who practiced land rotation.

In this region, the issue of land-grabbing collides with the program of “villagization” which aims to relocate 45,000 homes to settlements with basic health and education services by 2013. It’s a controversial plan, which could conceal the government’s true intentions of freeing up arable land to rent to investors.

However, in a 2011 report on the question of land leasing in Ethiopia, the NGO the Oakland Institute “found no evidence of population displacement directly attributable to the activities of investment in land.” South of Gambela, around the trails that lead to the land leased by Saudi Star and Ruchi Group, there’s no visible trace of recent human occupation.

“There’s been no population displacement, these were virgin lands,” insists Tesfaye Mulugeta, the very zealous Public Relations Manager for the regional government. “Our peasants have neither the means to invest nor the know how to exploit it. Say it in your articles, tell the truth: these lands weren’t being used by anyone and the investors are our partners on the path to development. We need them.”

Saudi Star says it plans to invest 1.5 billion Euros in its rice project, while Karuturi estimates the cost of cultivation of one hectare at 1500 Euros. But what significance do such amounts have for the villagers practicing subsistence agriculture, vaguely concerned about the arrival of intensive agriculture at their door?

"The lands we cultivated were sold by the county to an investor in Ethiopia” says a maize farmer from the village of Perbongo, nestled in the forest. “The government assigned us new land, but we’re afraid one day they’ll decide to rent it and tell us to leave for good.” Everything in the past attests to this: in these types of transactions, consultation and information sharing with the population does not happen.

**Green gold fuels the greed of speculators**

The annual growth rate of the farming sector, in Ethiopia, is more than 11 %, according to official figures. The allure of “green gold” has not waned and the government of Meles Zenawi has opened wide the doors of the country to foreign investors. "They rolled out the red carpet" says Indian businessman Sai Ramakrishna Karuturi.

Tax and customs exemptions, insignificant rental prices for land, unlimited use of natural resources, not to mention cheap and plentiful labour; these assets are in addition to a stable political environment with a level of security rare in this part of the world.

It’s why businessmen, Indian, Chinese, Arab, but also Westerners, are clamouring at the gate. The government estimates there are 74 million hectares of farmland in the country...15 million of which are currently being farmed.

In the centre of Ethiopia you come across the representative of a New Zealand dairy company whose plan is to transport, by boat, thousands of cows over the ocean, feed them locally produced alfalfa, then flood the market for milk powder from Africa to India through the Middle East.

**Collateral Damage**

“It’s here that we must be, and it’s here that it happens,” says Francois Achour, the General Manager of Acazis, an Ethiopian subsidiary of a German company that has obtained the right to 50000 hectares near Harar in the east of the country to produce biofuels and peanut oil. “The deal is simple, Ethiopia says to us: I have workers and virgin lands, bring me money and technology.”

But is there no other way for Ethiopia to convert its peasant agriculture – which today, for better or for worse, 85% of the population depends on for their livelihood – into intensive agriculture, given the social and environmental damage that is known?

A reporter published in December 2011 by the International Land Coalition, a network of international institutions, research centres, and non-governmental organizations (NGOs) found an overall negative impact from the “race for the Earth” on small farmers in the Global South. According to the report, the phenomenon concerns 203 million hectares of land worldwide, 71 million of which would be subject to firm contracts of lease or sale.

About 20% of this land would actually be exploited as these investments are often speculative. It can also be to secure a food supply as in the case of Saudi Arabia. Companies in Ethiopia owned by Sheikh Mohammed Al-Amoudi, ranked the 63rd richest man in the world by Forbes magazine, export the majority of what they produce back to the Persian Gulf. “Our goal isn’t just to ensure food security for Saudi Arabia, but to get Ethiopia out of poverty,” says Nebiyu Samuel, advisor to the sheikh. “It’s a win-win strategy.”

This could be the case if states were able to enforce existing land rights, impose counterbalances and dictate conditions of contract to the investors. But the Ethiopian example tends to show this is an illusion. “Monitoring of the implementation of contracts seems weak or non-existent,” says the Oakland Institute. They’ve only found only one case of inspection by the authorities and it involved an Ethiopian investor.

The obligations laid down by the contracts for the rental of land are often vague and no penalty is provided for non-compliance. Companies are expected to submit a survey and environmental impact assessment within three months of signing the contract. The three companies contacted by Le Monde said they had done this. None were able to produce proof.

***Source: Le Monde***