

*The Dynamics of Contemporary Capital Accumulation in Europe, Imperialist
Domination and Land Grabbing in Africa*

(Paper Prepared for Rosa Luxemburg International Workshop in March 7-9, 2014, in Berlin)

Kojo Opoku Aidoo, PhD
Senior Research Fellow and Head
History and Politics Section
Institute of African Studies
University of Ghana

Draft Copy – Not to be cited

December 2013

Introduction

It is of historical significance that the Rosa Luxemburg international conference is taking place in the year 2014 as it is the 130th anniversary of the scramble for and the partition of Africa by the major European powers at the 1884 Berlin Conference. The paper addresses the emergence of a new global market for farmland, the commodification of African lands, and the alienation and disempowerment of African peasants. The internal dynamics and laws of motion of capitalism were the driving force that spawned such aggressive imperialist expansion which led to the colonial subjugation of Africa. In this treatise we re-visit the logic and dynamics of capitalist development, the laws of motion of capitalism and its attendant compulsion to accumulate capital, ravenous inclination for surplus value, propensity towards growing centralization and concentration of capital, and inherent expansionist proclivities to conclude that modern day land grabbing in Africa is a logical and direct outgrowth of the internal dynamics of the modern global system of capitalism. In recent times, a major concern among Africanist political economists relates to the waves of land grabs by foreign interests mediated by the state apparatus, but under circumstances bereft of definitive legal framework on the African continent. Hall (2011) draws attention to the fact that, as a term, “land grabbing” obscures vast differences in the legality, structures and outcomes of commercial land deals and deflects attention from the roles of domestic elites and governments as partners, intermediaries and beneficiaries. To comprehend the processes of land grabbing therefore, we need to first investigate the ‘laws of motion’ of the capitalist mode of production i.e. how capitalism functions, develops and transforms the world most certainly, but we also need to go beyond the conventional wisdom to interrogate the ways in which the exigencies of “domestic politics” also underscore the imperative of the local political elite to succumb to such massive land deals. The starting point then is the capitalists’ voracious thirst for surplus-value extraction. The compulsion for capital to grow, the irresistible urge for capital accumulation, materializes above all through a constant drive for the increase of the production of surplus-value. Capital accumulation is but surplus-value capitalization, the transformation of part of the new surplus-value into additional capital. It is significant to stress that one of the prerequisites for the formation of capitalism in Western Europe and North America was the establishment of land as private property. Under the capitalist mode individuals must be able to buy and sell land, to alienate it as they please, and to acquire as much as they can afford. Those who concentrate land in their hands can by so doing

acquire agricultural surpluses which may then be invested in urban industrial production. The situation today is, nonetheless, radically different. In the past capitalism was able to offer alternative jobs for displaced peasant farmers. During the rapid increase in industrial production many who lost land could emigrate to cities and work in industry. Today however, in the second decade of the twenty-first century, the world capitalist economy is not able to provide productive employment for the huge numbers of people displaced from their lands. Thus the fate of those migrating to cities or other countries is commonly to live in slums and to exist precariously within the “informal” economy. Fed by the rapid de-peasantization of Africa, “the global informal working class,” Mike Davis notes, “is about one billion strong, making it the fastest-growing and most unprecedented social class on earth.” Twenty first century capitalism is leading humankind into an entirely different world.

Land grabbing is thus not a new phenomenon, tied as it is to the emergence and development of capitalism. Many call land grabbing a new form of colonialism, a second “scramble for Africa” This time round it is not about mineral resources but about land itself. States and private owners are actively dividing Africa among themselves. United Nations data projects that foreigners have leased or bought approximately 20 million hectares of land in Africa in the past years, and that is a rather conservative estimate. It could as well be 50 million hectares, half as much as the entire area of farmland in the European Union. In recent times, land grabs - whether initiated by big multinational corporations and private investment firms emanating from the metropolitan capitalist states, sovereign wealth funds in the Arab world, or state entities such as China and India—are now in the international media constantly. We need to place what is going on today in the historical context of the continuous development and imperatives of capitalism. Key questions to pose include who are the key actors? What are their interests? What are the key discourses and the counter discourses? Who are the winners and losers? How are the affected communities resisting and engaging with these processes? What are the short and long-term impacts of these land deals on the whole agrarian question in Africa? In an attempt to explain this phenomenon, therefore, this paper re-interrogates the nexus between the laws of motion of capital accumulation in Europe and the political economy of policy making in the periphery, shaped by the exigencies domestic politics. The paper draws the inexorable conclusion that land grabbing, by its very design, serves the interests of the multinational capitalist engaged in the

grabbing to the detriment of the local people who face quintessential dispossession and estrangement, and that explain why most land deals in Africa tend to be characterized by secrecy and lack of transparency. What, then is the rationale behind the massive land grabs in Africa in the twenty first century.

Explaining Twenty-First-Century Land Grabs: Accumulation by Rural Dispossession

The intense land grabbing across Africa is said to emanate from three main drivers, which are reflected in the term ‘the triple-F crisis’: food, fuel and finance. More generally nonetheless, a mixture of tendencies has contributed to twenty-first-century waves of land grabs. These include, first of all new global trade accords initiated by the World Trade Organization, which are favorable to international capital and the burgeoning and unprecedented penetration of the global South by foreign direct investment. Second, there has been the growth of globalized financialization and speculation within the metropolitan capitalist nations. It is pertinent to stress that the meltdown in international financial markets in late 2009 and the ensuing depression led capitalist investors to consider those markets volatile and risky. Many sought to invest in the more tangible asset of farmland, with the promise that rising demand for food and fuel would make this a secure investment in an increasingly erratic global system. While some may have long-term plans for these investments, others are clearly speculators, bargaining on short-term gains. So the uncertainties, risks and precariousness facing modern capitalist investors explain the land rush. In addition, the world in recent times has witnessed perennial food crises. In particular, the 2008 World Food Crisis and its aftermath were devastating for food-importing countries and served as a wakeup call. Then there have been the U.S. and European states’ desire for “green” biofuels as a substitute for conventional liquid fuels—thus, stimulating the market for corn to make ethanol and soybeans and palm oil to produce biodiesel. What exacerbates the problem has been the depletion of groundwater reserves in a significant number of agricultural regions. Such proclivities, in mixture with insecure peasant land tenure in many countries and widespread corruption, have led to a rapid and large movement of foreign capital taking control over huge tracts of land mainly in Africa, but also in Southeast Asia, and Latin America. In a nutshell, the imperatives of contemporary capitalism bear a heavy responsibility for the massive land grabs discernible in the twenty first century. So much for the causal factors of the land grab of the twenty first century. We now turn attention to the new scramble for Africa.

The New Scramble for Africa – Land Grab

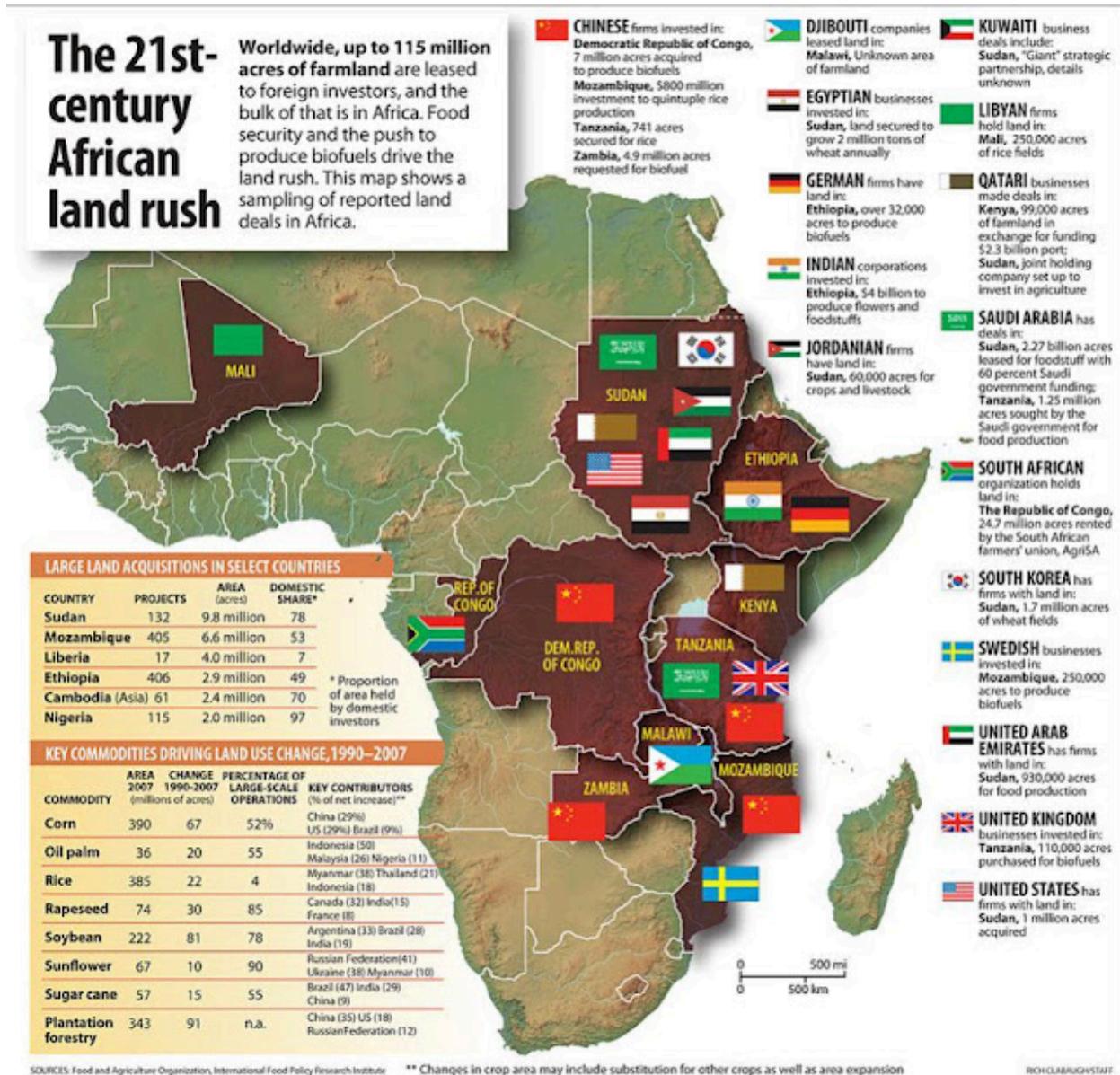
The last ten years have witnessed massive, systematic dispossession of African land by foreigners. Out of the 416 cases of land grabbing identified to date 228 are in Africa. And, as Table 1 below indicates African states dominate the top ten land grab targets and investor nations. African lands are being grabbed in order to satisfy the imperial requirements of European and North American capital.

Table 1. Top Ten Land Grab Targets and Investor Countries

Target (millions of hectares)	Countries Investor (millions of hectares)	Countries
South Sudan	4.1 United States	8.0
Papua New Guinea	3.9 Malaysia	3.5
Indonesia	3.5 Arab Emirates	2.8
DRC	2.7 UK	2.1
Mozambique	2.2 Singapore	1.9
Niger	2.0 China	1.6
Liberia	1.4 Saudi Arabia	1.5
Argentina	1.3 South Sudan	1.4
Sierra Leone	1.2 China, Hong Kong	1.3
<i>Madagascar</i>	<i>1.1 India</i>	<i>1.3</i>

Before we consider instances and magnitude of land grabbing in Africa however, it is useful to understanding the reasons behind the phenomenon. Why the new “scramble for Africa? Increased demand for agro fuels, the 2008 world food crisis, and the recent financial crisis, are said to have pushed corporations, financial investors, and the governments of rich countries to seek investment opportunities and to acquire cheap farmland in poorer African countries where land rights are not enforced. These have led to the displacement of millions without adequate compensation. These have worsened the highly unequal distribution of land ownership and raised tension between communities. The result has been re-location, food insecurity and extreme poverty in rural Africa. Generally, food-importing countries with land and water constraints but rich in capital, such as the Gulf States, are at the forefront of new investments in farmland abroad. In addition, countries with large populations and food security concerns such as China, South Korea, and

India are seeking opportunities to produce food in Africa. These investments are targeted toward African states where production costs are much lower and where land and water are more abundant according to IFPRI Policy Brief (2009). The map below indicates a sampling of reported land deals in Africa. The deals were initially concentrated in East Africa, but by and large they have extended to most parts of West Africa.



Now, let us look at the magnitude of the problem. Table 2 below gives indication of the magnitude of land grabbing in Africa.

Table 2: Percentage of farmland controlled by foreign agro-food interests in West and Central Africa

Country	Percentage	Land area leased or sold to foreign investors for agro-food production
Benin	Arable land: 10% Farmland: 3% Total area: 2%	236,100 ha
Gabon	Arable land: 128% Farmland: 8% Total area: 2%	415,000 ha
Ghana	Arable land: 21% Farmland: 6% Total area: 4%	907,000 ha
Guinée	Arable land: 56% Farmland: 11% Total area: 7%	1,608,215 ha
Liberia	Arable land: 434% Farmland: 67% Total area: 16%	1,737,000 ha
Mali	Arable land: 6% Farmland: 1% Total area: 0.3%	372,167 ha
Nigeria	Arable land: 2% Farmland: 1% Total area: 1%	542,500 ha
Republic of Congo	Arable land: 134% Farmland: 6% Total area: 2%	670,000 ha
Dem. Republic of Congo	Arable land: 6% Farmland: 2% Total area: 0.2%	401,000 ha
Senegal	Arable land: 12% Farmland: 5% Total area: 2%	460,000 ha
Sierra Leone	Arable land: 46% Farmland: 15% Total area: 7%	501,250 ha

* Land agreements with foreign investors as a percentage of country's agricultural land area (FAO figures for 2009), where "arable land" means areas used for temporary cropping,

temporary pastureland, market gardens, family gardens, and temporary fallows; “farmland” includes arable land, permanent cropland, and permanent pastureland; and “total area” means the total area of the country, including internal waterways but not coastal waters. Figures are rounded.

Between 2008 and 2009 alone some 148 million acres of farmland in Africa were purchased by Western hedge funds. In the period between 2009 and 2013, over 6 million hectares of fertile land were bought by European biofuel investors in Sub-Saharan Africa alone. They took advantage of mandates and subsidies in the European Union. In 2009, nearly 60 million hectares – an area the size of France – was purchased or leased (compared to an average annual expansion of global agricultural land of less than 4 million hectares before 2008). In Sierra Leone, Mali, and Ethiopia, 230,000 Hectares, 230,000 Hectares, and 2,100,000 Hectares respectively were taken by foreigners. The Government of Malawi is implementing a bio-fuel project that involves two farmers per constituency growing *jatropha* with funding from USAID. The UK farmland fund Investment Management has acquired a 2,000 hectare estate to produce paprika and other crops for export to Europe. Lonhro, also a UK based firm, is negotiating a deal of tens of thousands of hectares of bordering Lake Malawi where it intends to grow rice under the Green Belt initiative alongside other companies mostly from India and China. Mining companies, notably, the Australian based Paladin Africa, have been given enormous hectares of land dispossessing hundreds of small farmers of their land. The absurdity is that these are not lands owned by the political class, most of it which lies idle, that is the target of the massive transnational land grabs but that owned by smallholder farmers who are already struggling with grave land shortages. Already up to 50 million hectares of land have been acquired in the last few years or is in the process of being negotiated by governments and wealthy investors working with state subsidies. For example, Ethiopia is one of the hungriest countries in the world, with more than 13 million people needing food aid, but paradoxically the government is offering at least three million hectares of its most fertile land to rich countries and some of the world’s most wealthy individuals to export food for their own populations. The Africa-wide trend is characterized by many as the new twenty-first-century colonization. Oromia in Ethiopia is one of the centers of the African land rush. Haile Hirpa, president of the Oromia Studies Association, said in a letter of protest to UN Secretary General Ban Ki-moon that India had acquired one million hectares; Djibouti, 10,000 hectares; Saudi Arabia, 100,000 hectares; and that Egyptian, South Korean, Chinese, Nigerian, and other Arab investors were all active in the state. “The Saudis are enjoying

the rice harvest, while the Oromos are dying from man-made famine as we speak,” he said. Leading the rush are international agribusinesses, investment banks, hedge funds, commodity traders, and sovereign wealth funds, as well as UK pension funds, foundations, and individuals attracted by some of the world’s cheapest land. Together they are scouring Sudan, Kenya, Nigeria, Tanzania, Malawi, Ethiopia, Congo, Zambia, Uganda, Madagascar, Zimbabwe, Mali, Sierra Leone, Ghana, and elsewhere. Ethiopia alone has approved 815 foreign-financed agricultural projects since 2007. Any land there which investors have not been able to buy is being leased for approximately one dollar per year per hectare. Saudi Arabia, along with other Middle Eastern emirate states such as Qatar, Kuwait, and Abu Dhabi, is thought to be the biggest buyer. In 2008, the Saudi government, which was one of the Middle East’s largest wheat growers, announced it would reduce its domestic cereal production by 12 percent a year to conserve its water. It earmarked \$5 billion to provide loans at preferential rates to Saudi companies which wanted to invest in countries with strong agricultural potential.

The evidence as shown in the examples below, indicate the arrival of a “golden age” of land grabbing, and points to massive dispossessions of African lands owned by smallholder farmers. In Cameroon, in 2006, a subsidiary of the Shaanxi Land Reclamation General Corporation named IKO signed a US \$120 million investment agreement with the government of Cameroon, thereby acquiring the Nanga-Eboko rice farm and a 99-year lease on a further 10,000 hectares, including 2,000 ha in Nanga-Eboko, and 4,000 ha in the neighboring district of Ndjoré. The corporation has begun trialing rice and maize and also plans to grow cassava. In Guinea the American corporation Farm Lands of Guinea Inc (FLGI) controls over 100,000 ha that it uses to produce corn and soya for export or agrofuels production. In addition, FLGI has been entrusted by the government with prospecting for an additional 1.5 million hectares to lease to other investors – a contract on which it earns a 15% commission. In the Ivory Coast, SIFCA has 47,000 ha of oil palm and sugarcane plantations. In 2007, Wilmar and Olam (Singapore-based agribusiness transnationals) created a joint venture, Nauvu, to acquire a 27% stake in SIFCA, the country's largest sugarcane and oil palm producer. In Sierra Leone, in 2010, the Swiss firm Addax took control of 10,000 ha to produce sugar cane for ethanol starting in 2013. In 2011, SOCFIN, a subsidiary of the French Bolloré group, rented 12,500 ha for oil palm production. Vietnamese firms are getting ready to launch major rice and rubber projects, which

obtained Chinese financial backing in 2012. As of 2011, a number of European development banks (from Sweden, Germany, the Netherlands, and Belgium) are participating in the project. In Senegal, the Saudis are growing rice to take home to its own citizens, while an Italian firm is producing biofuel for European export. In Mali, Libya and Saudi Arabia are growing rice for export as well as sunflower and jatropha for agrofuels. In Congo, South African groups are growing rice, corn, and soy, some of which goes to feed poultry. “Congo Agriculture” is a corporation set up by South African agribusiness interests to establish large-scale farms in Congo-Brazzaville. The corporation obtained 80,000 ha from the government under a 30-year lease. In Gabon, foreign investors are growing rice for export to Persian Gulf countries, while oil palm for biodiesel is being grown on behalf of Singapore. And, in Benin Chinese investors are growing vegetables, corn, and sugarcane for export to the home country. The picture that emerges then is one which shows a burgeoning dispossession of African lands by multinational groups to produce food and fuel for home countries, and in the process rendering the African smallholder landless and jobless. But, how does domestic political context contribute to all of this?

The Context: The State and Politics in Africa

The form is structured by context. So, to comprehend what incentivize Africa governments to enter into such dysfunctional land deals, we need to analyze the context i.e. the nature of the post-colonial state, the configuration of social forces in which it is embedded, and the politics it engenders. Whitfield (2011) in a paper, *Ghana: Vicious Circle of Competitive Clientelism – Easy Financing and Weak Capitalists* maintains that the governing coalitions in Africa are characterized by a high degree of vulnerability in power due to a strong opposition party, by strong lower level factions within the ruling coalition due to their importance in winning elections, and by a high degree of fragmentation among the ruling elite. Whitfield then concludes that such characteristics, combined with a weak domestic capitalist class and high inflows of foreign aid, lead ruling elites to pursue initiatives in productive sectors that are shaped by a need to deliver quickly visible benefits to a large section of the population in order to garner more votes at election time, as well as to avoid policies that negatively affect key sections of the population or which benefit a small group (such as in nascent industries and emerging productive entrepreneurs). Furthermore, Whitfield notes, the political class also focus on accumulating

themselves, because they must fund electoral campaigns or because they are also aspiring businessmen. Thus, the impulse of the African political elite to accumulate to be able to sustain and reproduce the system of clientelism and patronage leads to African political leader to enter into such destabilizing land deals. We must understand land grab and the political class complicity in it within these contexts of the exigencies of neopatrimonialism too.. Ake (1997), on the other hand, notes that the state in post-colonial Africa is not an autonomous social force rising above particular interests to express the cooperate identity of political society. The post-colonial Africa state is not administered in strict conformity to the rule of law, it is tendentially authoritarian, and in the absence of check and balances absolutely arbitrary. Arbitrariness and coercive authoritarianism have produced opaqueness, which make land grabbing an exercise out of public purview. To that extent, domestic political context provides a permissive condition in which land grab takes place. In fine, the laws of motion of capitalism becomes a causal factor, whilst domestic political context is a permissive factor. We not focus on the destabilizing and dysfunctionalities of land grabbing in Africa.

The Dysfunctionalities of Land Grabbing

The short and long term dysfunctions of land grab are mind-boggling. Ecologist Vandana Shiva posits that large scale industrial agriculture not only de-peasantize farmers, but also but also requires chemicals, pesticides, herbicides, fertilizers, intensive water use, and large-scale transport, storage, and distribution, which together turns landscapes into enormous monocultural plantations. So the long term effects of land grab would be dispossessions, de-peasantization and monocropism, which would further strengthen Africa as dependent, underdeveloped entity. Summarizing, Shiva draws a rather pessimistic prognosis and says: “We are seeing dispossession on a massive scale. It means less food is available and local people will have less. There will be more conflict and political instability and cultures will be uprooted. The small farmers of Africa are the basis of food security. The food availability of the planet will decline,” (Shiva). Samir Amin observes that capitalism’s ideal is for 20 million large-scale highly mechanized farmers to produce all the food needed in the world. He nevertheless, notes that there are two significant problems with such objective. To Samir, it is rather more difficult to manage larger farms in ecologically sound ways—such as using complex rotations, integrating animal and crop production, raising animals humanely, having unmanaged natural areas, using intercropping, and

trap crops. Beside that problem, there is also, according to Samir, the problem of what the literally hundreds of millions of people involved in agriculture today do if they are no longer farming? The antidote may be for most people to flock to urban slums that do not have sufficient job openings. This “surplus” population is already swiftly increasing larger with land grabs and increased agricultural mechanization—people not needed for either industrial or agricultural production, and who no longer have access to land to grow their own food. What loom large on the horizon in Africa then are dispossessions, disempowerment, poverty, and alienation.

The Struggle Against Land Grabbing

The struggle by the poor African peasants against the land rush is complicated and a hard one. First of all, powerful European Union states are heavily implicated in land grabbing, both directly through the involvement of EU capital and corporations in the takeover of land, and indirectly through the suite of EU policies which are transforming land into a global commodity. A remarkable feature has been the involvement of new financial actors and institutional investors – such as European pension funds – in the acquisition of farmland, including the Swedish AP2, the Dutch APG and PGGM, and the Danish PKA. With such powerful actors and their local collaborators, the political class, it is likely to be a long drawn –out struggle. At present, there are two broad types of resistance linked to current land grabbing. The first type is a defensive struggle to resist expulsion of people from the land, or resistance against the appropriation of their water resources or community forest. The second type is a pro-active struggle where local communities occupy and enclose their land, water or forest and develop alternative livelihoods and production systems such as agro-ecology that challenge the dominant model of industrial development. Admittedly, these are life-and-death struggles. The most successful struggles often use a multiple range of tactics including direct action, mass mobilization and legal strategies and work hard at linking with other sectors and putting pressure at all the key points in the “chain” of dispossession/adverse incorporation. But, since global capitalism is coordinating their activities at the international level, it become imperative for civil society and progressive groups in the global north to show solidarity with the struggling masses of Africa.

Concluding Thoughts

This study has been about the emergence of a new global market for farmland, the commodification of African lands and the alienation of African peasants. And, it is the outgrowth of the laws of motion of capitalism at the core states. The paper establishes how the logic and laws of motion of capitalist development, in combination with the exigencies of domestic politics have engendered a system of land grabs that are de-peasantizing the rural farmers, dispossessing them of their land titles, disrupting social capital and creating a huge army of unemployed, which will swell up the urban slums. From the beginning of capitalism the drive for profits has been the major force in dispossessing peasant and small-scale farmers from the land. Dispossession of people from the land over the last three centuries have formed an important trajectory for the accumulation of capital. Today, we are witnessing accumulation by dispossession. Just as industrial capitalism spawned aggressive imperial expansion in the past, so also is the tendency for capitalist profit to fall. Itself a crisis of capitalism, is engendering dispossession as a way of re-maximizing capitalist profit. Dispossession is occurring in parts of Africa when small farmers are unable to compete with larger and increasingly capitalized farms. Today's land grabs bear some similarities to those of the past. It is the case that in some states local oligarchies continue to seize lands. But the magnitude of land grabs in contemporary Africa, The involvement of global financial capital, and, sovereign wealth funds, global trade covenants favourable to the global north, and national laws in tandem with the neo-liberal agenda, biofuel mania; and rapid food price increases all combine to project a qualitatively new, historically specific transformation. The world is moving through another historical phase, in which the two mega trends of capitalism i.e. neoliberalism and globalization, are engulfing the rest of the world. By way of prognostication, we may say that the periodic crisis of production that capitalism faces will persist leading to further internal adjustments. Meanwhile, the struggling people of Africa may be mobilized by the continuing and increasing levels of underdevelopment and dependency which would reinforce and exacerbate alienation, disempowerment and disillusionment, which may in turn induce Africa to either a revolutionary situation or extremism.

Bibliography

1. H. Magdoff, "Primitive Accumulation and Imperialism." *Monthly Review* 65, no. 5 (October 2013): 13–25.

2. (IFPRI Policy Brief 13, April 2009).
3. Karl Marx, *Capital*, vol. 3 (London: Penguin, 1981), 216.
4. Lindsay Whitfield, (2011) *Ghana: Vicious Circle of Competitive Clientelism – Easy Financing and Weak Capitalists*, paper presented at the Danish Institute for International Studies, Copenhagen
5. Ruth Hall *Land Grabbing in Africa: the many faces of the investor rush* in Review of African Political Economy, Vol. 38, No. 128, June 2011, 193-214
6. Food and Agriculture Organization Report 2009
7. Deborah Potts, “Land Alienation Under Colonial and White Settler Governments in Southern Africa,” in Allan, Keulertz, Sojamo, and Warner, eds., *Handbook of Land and Water Grabs in Africa*, Table 1.2.1, 26.
8. Mark Campanale, “Private Investment in Agriculture,” in Allan, Keulertz, Sojamo, and Warner, eds., *Handbook of Land and Water Grabs in Africa*.
9. Evans-Pritchard, “The Backlash Begins Against the World Landgrab.”
10. Maria Cristina Rullia, Antonio Savoria, and Paolo D’Odorico, “Global Land and Water Grabbing,” *Proceedings of the National Academy of Sciences* 110, no. 3 (2013): 892–97.
11. Michael Pettis, “[The Urbanization Fallacy](http://blog.mpettis.com),” *China Financial Markets*, August 16, 2013, <http://blog.mpettis.com>.
12. International Labour Office, [Global Employment Trends 2013: Recovering From A Second Jobs Dip](http://ilo.org) (Geneva: ILO, 2013), <http://ilo.org>.
13. Samir Amin, “[World Poverty, Pauperization, & Capital Accumulation](http://ilo.org),” *Monthly Review* 55, no. 5 (October 2003): 1–9.