

A THIRSTY THIRD WORLD:  
HOW LAND GRABS ARE LEAVING ETHIOPIA IN THE DUST

By

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**Abstract**

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As global prices of fuel and food continue to rise, so too does the incidence of a relatively new phenomenon known as “land grabbing.” Foreign and domestic investors alike are eager to pour money into countries with lax regulations and ambiguous land use rights, and Ethiopia leads the way in the number of hectares offered for occupation. The Ethiopian government, under the guise of promoting free market policies, is ignoring the long established communal land use rights in order to lease land and water rights to foreign investors.

This thesis explores the issue of land grabs to assess what effect these investments will have, or already have had, on water access, quality, and human development in Ethiopia. Also examined is the construction of large-scale water projects designed to support investor agriculture, as well as the relatively new policy of villagization, which, under the guise of improved service delivery, has relocated thousands of indigenous people from their ancestral land. Using a case study of the Gambella region, this thesis demonstrates how the government’s policies have led to an influx of investors, mass forced relocation, and permanent damage to residents’ water access and basic quality of life.

*Key concepts: Ethiopia, land investment, water access, water quality, land rights, indigenous rights, resource sovereignty, villagization, foreign direct investment*

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**List of Abbreviations**

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AfDB- African Development Bank

AISD- Agricultural Investment Support Directorate

ASO- Anywaa Survival Organization (Anywaa are also known as Anuak)

EIA- Environmental Impact Assessments

EPRDF- Ethiopian People's Revolutionary Democratic Front- ruling party of Ethiopia

FAO- Food and Agriculture Organization of the United Nations

GPLF- Gambella People's Liberation Front

HRW- Human Rights Watch

IFAD- The International Fund for Agricultural Development

IIED- The International Institute for Environment and Development

IR- International Rivers

MoARD- Ministry of Agriculture and Regional Development

NEPAD- New Partnership for African Development

OI- Oakland Institute

ORDA- Organization for Rehabilitation and Development in Amhara

PNSP- Productive Safety Net Program

SSA- Sub-Saharan Africa

TPLF- Tigrayan Peoples' Liberation Front

TWM- Transboundary Water Management

WHO- World Health Organization

WSS- Water Supply And Sanitation

**List of Terms**

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Agrofuels

Agrobusiness

Anuak/Anywaa

Federal Land Bank

Hectares

Land Grab

Megadams

Nuer

Outgrowers

Pastoralists

Smallholders

Transboundary Water

Villagization

## Introduction

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Attracting investment to Ethiopia by offering large plots of land to agricultural investors is a development strategy being aggressively pursued by the Ethiopian government. The government announced this strategy in 2009, stating it planned to lease 3 million hectares<sup>1</sup> of land to foreign and domestic investors for agriculture use over a period of three years in order to increase productivity and earn foreign exchange (McClure 2009, 1). The simplest motivation for these actions is macroeconomic. In 2009, the IMF issued a staff report stating that the balance of payments in Ethiopia for the 2009-2010 year was “troubling” due to the global recession taking a toll on remittances, exports, and direct foreign investment. The impact of rising oil prices and decreasing foreign assistance was also expected to have an impact (IMF 2009, 5). In response to these prospects, the Ethiopian government created the Federal Land Bank to facilitate the acquisition of land by investors looking to acquire large tracts for cultivation.

The foreign investors are mainly coming from India and Saudi Arabia, but also from Germany, Israel, the Netherlands, Italy, China, and recently, even the National Bank of Egypt (Makki and Geisler 2011, 13). In addition, about half of the investors are domestic, representing Ethiopian diaspora or wealthy Ethiopian highland residents (Vidal 2011). The investors are mainly interested in growing crops to export to their home markets or in cultivating agrofuels, crops which are used to create biofuels. While some

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<sup>1</sup>Approximately 7.4 million acres

companies promise to sell some produce on the domestic market, there are no contractual obligations to do such.

The issue of transferring land and its productive uses from domestic cultivators to foreign interests is particularly concerning in Ethiopia as it is a country that has often made headlines for famines, and the underlying issue, droughts. Despite having a great deal of water in certain areas, sporadic rainfall and poor collection techniques make water security a central issue of concern for the country. Many of the countries that are choosing to grow crops in Ethiopia are countries that face water insecurities of their own. They are seeking to stabilize their food security, but the impact that this will have on water access and quality for Ethiopians who depend on subsistence agriculture for survival is not being addressed in the deals that have been made. Anders Jågerskog, a leading scholar on the issue of water and land deals from the Stockholm International Water Institute (SIWI) has noted that, “The risk from poorly supervised land acquisitions is that a wealthy economy simply exports its water "footprint" elsewhere” (SAPA 2012). It is especially concerning that the design and implementation of this policy is having a stratified, possibly intentional, impact on the different ethnically divided regions of the country.

The region experiencing the heaviest concentration of land deals is Gambella, a comparatively tiny region in the southwestern part of the country, bordered by newly formed South Sudan to its west. This area has had 42 percent of its land leased out to investors. Gambella also has had a difficult and increasingly violent relationship with the federal government. There have been numerous instances of the government targeting this region with oppressive tactics, violence, and biased policies. It is also one of the

areas that has been identified for the latest wave of villagization, a process of relocation that is being undertaken to “increase service delivery.” However, Gambella’s villagization program appears to be being pursued with greater intensity than other regions’ programs as the government has stated it intends to relocate every indigenous, rural household in Gambella (HRW 2012, 22). The scale and intensity of these land grabs in this region coupled with the fervor of villagization is very concerning and merits much closer attention.

The purpose of my research is to analyze the policy of land investment and the subsequent program of villagization in the context of the development that the government claims it will bring, specifically with an emphasis on their impact on water access. I will show that many people are being displaced and, in the process, have lost access to water sources, infrastructure, fertile soil, and other vital community resources. The impact of these programs on water supply cannot be ignored. Saudi Star’s investment in Gambella, for example, a 300,000 hectare plot of rice and a thirty-mile canal, is estimated to use more than twice the amount of water that was used in all of Ethiopia for agriculture in 2002 (Oakland Institute 2011 (b), 3). My thesis will explain why water is important and must be a central part of any development policy for Ethiopia. I will also demonstrate, in greater detail, the relationship between land grabs and water availability in Ethiopia, the political atmosphere surrounding these deals and the land they concern, and provide an in-depth case study of the Gambella region to demonstrate that this land investment policy may have intentions other than development.



**Chapter 1: Literature Review***Global Context of Land Deals*

Land deals and their impact of water are the subject of much debate, research, and scrutiny. Several factors encouraged the surge of interest in land investment. Global food prices in 2008 were especially high, and many countries that imported a significant amount of their food consumption were adversely affected by the rise in prices. During this same time many of those countries imposed export bans on key food crops, further affecting the price of food. In 2007 and early 2008, oil prices rose, making all imports and exports more expensive, prompting governments to call for alternative fuel sources to alleviate their countries' reliance on oil and gas (Smaller and Mann 2009, 4). European countries imposed agrofuel deadlines, which are now fast approaching. The profitability of growing agrofuels has increased investors' demand for land. Countries, and later investors, saw an opportunity to guard against food price instability and insecurity by investing in new areas where they could grow food and alternative fuels. Finally, the financial crisis of 2008 sent investors looking for new markets to invest in outside of the banking and property sector. Agricultural land markets have been deemed profitable because of the demand for food and agrofuels is expected to continue to grow (Smaller and Mann 2009, 4).

Because of the connection between land deals and agricultural issues many scholars argue that water is actually the underlying motivation of land grabs (Woodhouse and Ganho 2011; Kay and Franco 2012; Skinner and Cotula 2011; PBS 2012; Oakland Institute (b) 2011; Provost 2012). The World Bank, International Rivers, and the Transnational Institute note in their publications that the lack of regulation on water and

poor environmental regulation enforcement attract investors (World Bank 2011, Fisher 2011, Kay and Franco 2011, 13). In fact, some agricultural investors explicitly state that they are investing in water supplies (Oakland Institute 2011 (b), 1). Yet, as many studies point out, there are no safeguards for local populations to ensure the safety of their water sources, food security, or many times, even their right to land. These agriculture projects are usually connected with a large increase in water use, making safeguards for this resource all the more necessary (Fisher 2011, Meyers 2012). Ethiopia's policy of uninhibited access to water has been a key factor for attracting land investors and has resulted in investors' "cavalier attitudes" towards water management, with a demonstrable lack of interest in conservation practices (Kay and Franco 2011, 14).

#### *Main Actors, Major Players*

The main investors in Ethiopian farmland are from countries that are experiencing, or expect to experience, their own water shortages such as India and Saudi Arabia. India is quickly losing its underground water supply and Saudi Arabia, once a net exporter of wheat, has stated that they intend to taper off their domestic wheat production by 2016 because of the depletion of their fresh water reserves (Fisher 2011; Kay and Franco 2012, 8). Saudi Arabia is "securing the equivalent of hundreds of millions of gallons of scarce water a year" by investing in Africa (Fisher 2011). It has been said that the export of food is the export of water (Fisher 2011). Rather than find solutions to the lack of the water in their own countries, investors are coming to Ethiopia because land is being leased so cheap, at around \$1 per hectare per year. It is an attractive alternative to other water solutions.

The main Indian investors and agricultural companies are Karuturi, Ruchi Soya, BHO Agro, Sonnati Agro Farm Enterprise, and the Confederation of Potato Seed Farmers. Excluding Sonnati, all of these have land specifically in Gambella (Makki and Geisler 2011, 13). These investors are focused on growing rice, maize, sorghum, pulses, soybeans, sugar, and palm oil (Woodhouse and Ganho 2011, 10). The biggest Indian Investor is Karuturi Global, best known as the largest producer of cut roses in the world; but in Ethiopia seeking to expand into other crops by growing palm oil, rice, maize, and sugarcane.

In Gambella, Karuturi's current operations have three phases (Vidal 2011). In an interview with John Vidal, Karuturi's Project Director for Ethiopia, Karmjeet Sekhon, stated they are currently in Phase I of III, with 100,000 hectares of land. Of this first 100,000 hectares, 70,000 hectares will be cultivated for cereal crops, like rice and maize, while 20,000 hectares will grow oil palm (Karuturi 2012).<sup>2</sup> Each successive phase will cultivate an additional 100,000 hectares, bringing their project in Gambella to 300,000 hectares in total<sup>3</sup>. According to one source, the lease on this land is for 50 years (Rugman 2012). Karuturi states that they have acquired the land "on lease hold basis" from the Ethiopian government in the Gambella and Baka regions, but does not specify for how long (Karuturi 2012). Regardless of the length of the lease, Mr. Sekhon claims that the 300,000 hectares of land will create employment for 60,000 people in 3 years (Vidal 2011).

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<sup>2</sup> That leaves 10,000 hectares from Phase 1 unspoken for- it is assumed that some of the land from each phase must be used for infrastructure, offices, storage, and equipment.

<sup>3</sup> Despite the size of the investment, the company initially paid only 150 pounds for 1,000 hectares per month (Vidal 2011).

It is interesting to note that (according to Mr. Sekhon) company executives never saw the land in Ethiopia before they leased it. The Ethiopian government offered the land to Karuturi, and Karuturi took the offer (Vidal 2011). In another interview, Mr. Sekhon, remarked that, “Its very good land... We have no land like this in India... There is absolutely nothing that will not grow on it...” “We could feed a nation here” (Vidal 2011). Whether that nation is India, or Ethiopia is still unclear (Mugo Mugo 2012, 5).

Karuturi is in Ethiopia for the long haul with a planned investment of \$300 million dollars over the coming years (Badrinath 2012). In fact, the company has new plans to develop a more integrated agricultural process by creating 15,000 hectares of sugarcane plantations. Karuturi is also currently trying to create a deal with an Indian sugar company to build a plant to process the sugar cane they will grow on Ethiopian soil (Badrinath 2012).

Whether or not these investments will be beneficial to Ethiopians remains to be seen. According to Karuturi, the regional government of Gambella offered to move the village of Ilea, but the company chose not to pursue that course of action (Johnson 2012, 1, Horne 2011, 43). However, other sources cite Karuturi as denying any knowledge of this offer, insisting that they never would condone nor request people to be moved from their land. Despite of any knowledge of the offer or not, the government has now told Ilea villagers that they will be moved some time between 2011 to 2012 as part of the villagization program (Mahaprashasta 2012, 4; HRW 2012, 113). Karuturi already leases some Ilea farmland (HRW 2012, 54). Whether or not this forced displacement was known about or desired by Karuturi before the move, it seems unlikely that these people

would have been moved if it were not a policy of the government to try and attract land investment.

The largest Saudi Arabian company is Saudi Star, owned by Saudi-Ethiopian billionaire Mohammed Hussein Al-Amoudi (Forbes 2012). Saudi Star is aiming to export one billion tons of rice from its projects in Ethiopia. This rice is meant for consumption in Gulf nations no longer able to irrigate their own rice (PBS 2012). Growing rice and other crops in other countries is part of some Gulf nations' food security initiatives. Despite the claim that these investments bring employment, there are few people actually employed through the projects this company has created in Ethiopia (GRAIN 2011). In addition, Saudi Star in Gambella has said it will require "development of a dam and extensive irrigation canals on the Alwero River to carry out its development plans" (Horne 2011, 35). Like Karuturi, Saudi Star's activity has threatened the community of indigenous populations. They are in the process now of clearing forests that were being used by former residents who were forced to relocate as part of the villagization program (Johnson 2012, 1-2).

The extent of China's role in Africa has been a topic of discussion for quite some time (Economist 2011). According to Günter Nooke, German Chancellor Angela Merkel's adviser on Africa, China's large-scale land investments were partly to blame for the devastating 2011 famine in Ethiopia (Bräutigam 2012). However, the Oakland Institute's comprehensive research of Ethiopia found that China was "surprisingly absent from land investment deals" in Ethiopia (Horne 2011, 23). However, this appears to be changing. Recent evidence suggests that a Chinese company claiming to be the first agricultural company from China investing in Ethiopia is signing a 25,000-hectare lease

to produce sugarcane in the Gambella region (Horne 2011, 23). Other Chinese companies may be expected to follow suit. The Huajan Group, the biggest shoe manufacturer in China, decided to invest after visiting the country in the fall of 2011 at Prime Minister Zenawi's invitation (Bräutigam 2012). The investment moved rapidly, with the company visiting Ethiopia in August 2011, and pledging to invest October of the same year. By January 2012, the Huajan Group began production in their factory outside the capital, Addis Ababa (Hai 2012 Interview). Despite that this investment differs from the more traditional agricultural land investments, Huajan's large investment indicates that other Chinese investors will follow.

Despite the large foreign investment, more than 50 percent of the investors are Ethiopians. Some sources say the number may be as high as 95 percent (Horne 2011, 23-24; Deininger and Byerlee 2011, 63). In terms of the actual physical land, these investors account for more than half of the area leased to investors (Vidal 2011). In addition, land investors in Ethiopia are often portrayed as foreigners perpetrating neocolonialism (Deininger and Byerlee 2011, 63). While these land investments may not produce development for Ethiopia, the assumption that all investors are foreign (and thus their investments are detrimental) fails to examine the qualities that make investments beneficial or detrimental. For example, the Tigrayan Peoples' Liberation Front (TPLF) members, who are federal government supporters, are investing in more land in southern and western Ethiopia than India, Saudi Arabia, and China combined. Many have also been investing in companies like Karuturi, who are, as mentioned previously, investing heavily in Gambella (EHSNA 2012, 1). Their motivations, considering the relationship

Gambella has with the government, must not be considered harmless because they are ‘domestic,’ but rather examined carefully (HRW 2005; HRW 2012).

Domestic land investments have already caused harm in Ethiopia. According to several Ethiopian review sources, because of chemical fertilizer used on one plot of land being used by a domestic investor, “the land will be rendered useless within a few years” (EHSNA 2012, 1). In many cases, domestic investors have less capacity or experience than their foreign counterparts, and the Oakland Institute received repeated reports of the failure of crops on domestic farms (Horne 2011, 23-24). On the other hand, domestic investors generally use more basic technologies, have smaller farms, are quicker to begin their operations, and are likely to employ more workers per hectare of land (due to technology used). All of those aspects bode well for Ethiopians who are looking for jobs or for farmers who are hoping to benefit from some more basic technology transfers that are actually accessible to them (Horne 2011, 23-24).

### *Development or Disaster*

Not surprisingly, there are differing opinions on the likely effects of land grabs on development. Some argue that these deals can improve agricultural productivity, increase food security, provide jobs, and increase technological transfers, such as improved irrigation methods.<sup>4</sup> Few organizations that advocate for land grabs based on these potential benefits, but those that do wield a great deal of influence. The two most prominent organizations, the World Bank and the Food and Agricultural Organization of the United Nations (FAO), present arguments for land investments, although with

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<sup>4</sup>Most farmers in Ethiopia use rain-fed agriculture

specific caveats, such as the projects must be sure to pay attention to land rights or that the contracts must recognize and consider the concerns of locals.

The FAO's argument for increased land investment focuses on the reality that the agricultural sector has suffered from decades of low investment. They state that if development initiatives want to decrease the world's hungry population by half by 2015 (the first Millennium Development Goal), \$30 billion must be spent each year in the agricultural sector (FAO 2009, 1). The need to guide and influence land deals is apparent, though, as the FAO has put forth certain practices for land deals, outlined in their Voluntary Guidelines for Responsible Governance of Tenure of Land and Other Natural Resources, published in February 2012 (SAPA 2012). The African Union Commission, the United Nations Economic Commission for Africa, and the African Development Bank have also created their own guidelines, known as the Framework and Guidelines for Land Policies in Africa (Cotula 2009, 7).

The World Bank approaches land investments from the macroeconomic perspective, stating the benefits could be an increased multiplier effect, purchasing power, and technological transfers. From this framework, the early indicators in Ethiopia on those issues are not good (Horne 2011, 34). In addition, the World Bank has neglected to include current events in Ethiopia in their assessment of land investment there (Mugo Mugo 2012, 2). The World Bank, in conjunction with the Finnish Embassy in Ethiopia, conducted an assessment of villagization in Benishangul-Gumuz, a region north of Gambella, in February and March of 2011 that has yet to be made public (HRW 2012, 64). The World Bank stated their findings did not prompt them to put in motion involuntary resettlement safeguards, saying the "villagization was voluntary," a



conclusion that is very contrary to the Human Rights Watch's most recent findings (HRW 2012, 64).

Furthermore, the World Bank has promoted Sub-Saharan Africa as a "sleeping giant" ready to be "awakened by commercial agriculture" (from the World Bank's 2009 report *Awakening Africa's Sleeping Giants*, referenced on Woodhouse and Ganho 2011, 2; Makki and Geisler 2011, 8). The World Bank outlines the conditions that would be necessary for land investment to be beneficial to a country's citizens. They argue, "as property rights to land and, where necessary, water, are well-defined and a proper regulatory framework to prevent externalities is in place, productivity- and welfare-enhancing transactions can occur without the need for active intervention by the state" (Deininger and Byerlee 2011, 34). This argument essentially posits that as long as there is the right market situation functioning in a country with laws of good governance for investors and investees, the government will not need to intervene, because the market will produce results that are beneficial and desirable for both parties. However, they later say "In many of the countries where land is relatively plentiful, land markets are either absent or do not function well," hence the potential benefits to such countries would be hard to realize (Deininger and Byerlee 2011, 40).

The private investors that are entering in Ethiopia's market are functioning in a capitalist sense, trading land and water rights for the government's monetary gain. However, there are two main issues that make Ethiopia not the correct type of market described as necessary according to the World Bank. The first is that when attempting to attract companies and individuals to invest in the land, the government is not offering to sell the land, but rather to lease it. This is because ownership of land by any entity other

than the Ethiopian government is strictly forbidden in the Constitution, which is based in Communist tradition. Yet, the length of these agreements is usually between 15 to 99 years, making them effectively sales despite the government's laws (Cotula 2009, 8). This becomes problematic for the second reason that makes Ethiopia an unsuitable market for land investment; many indigenous and local populations in Ethiopia lack formal land rights. Thus they are not able to engage in leasing (or effectively selling) the land that they use or inhabit, which cuts them out of any potential benefits, as they are not even defined as stakeholders in the market.

This lack of formal rights to the land is not true for all of Ethiopia; in fact the Highlands have been lauded for the success and low cost of their recent land certification program. In effect, the Lowlands have been ignored from this process, intentionally perhaps, and now are powerless. Due to the fact that there are no formal land and water rights, the government is able to also evict people through villagization (while stating that it is unrelated to investment), make the claim that the lands are vacant or underused, and then lease the land to investors with little to no regulation or oversight.

### *The Impacts on Water*

The critics of land investment argue that land investment will harm development by relocating and displacing indigenous populations (often to less fertile land), increasing food and water insecurity, and harming Ethiopia's natural resources. This scenario is argued to be likely because it introduces a transactional system that commodifies land in a country where residents with the most desirable land lack formal land rights, hence the right to sell or lease their property; and does not seek to quantify the monetary value of

the water usage. It is often portrayed as an unfair and skewed market situation. This creates a problem of unchecked use of water, a Tragedy of the Commons situation, where it is in everyone's best interest (in this case, the investors) to use as much of a resource (in this case, water) as they possibly can, because there is no limit or regulation on it. It is also important to note that the agrofuels that dominate the crops being grown by investors in Ethiopia, sugarcane, maize, and jatropha, are all especially "thirsty plants" (Oakland Institute 2011 (b), 2).

The Oakland Institute has conducted some of the most comprehensive research on land grabs in Africa, recently conducting nine case studies of countries on the continent that are experiencing an influx in land investment. The founder of the Oakland Institute, Anuradha Mittal, has noted that land grabs target the two most important sources of livelihood for most people in Africa; land and water (Fisher 2011). Land grabs allow for these core natural resources to be exported, but there is a fear that this will, or already has, damaged Ethiopians' food and water security, as well as the cultural integrity of communities (Fisher 2011). Their purpose of the report on Ethiopia, written by Felix Horne, was to examine the role of commercial investments in food security, which by default necessarily includes water use, and the impacts of these enterprises on local people.

The Stockholm International Water Institute report goes in depth about the potential impacts of land grabs on transboundary waters, and notes that while the impacts of land grabs on water on a country level have not been sufficiently examined, the regional impacts have even less data and analysis. Julia Meyer, in her review of land grabs' impact on water, reiterates that how little research has been done to analyze the

impacts of land agreements at the national or the basin level, or on the potential hydropolitical impacts of land deals (Meyer 2012).

The overall lack of regulation on water usage in land investment deals is troubling. International Rivers emphasizes that the ecological implications of a huge increase in water use of the Nile have not been examined, that pesticides and herbicide use is in no way restricted, and that many communities will be impacted by dramatic reductions of water flow. Even based on conservative estimates of impacts on rivers, the impact is expected to be severe. Felix Horne, of the Oakland Institute, also notes that there is “almost no provision for limits on water use and that there is no evidence of environmental impact surveys” (Fisher 2011). Many reports have found that, although these environmental impact assessments (EIAs) are required by law, the department that executes them is overwhelmed by the number and scale of investment and unable to enforce this requirement.

The World Bank succinctly sums up this situation, saying,

“Despite the potentially far-reaching environmental and social impacts of many projects, implementation of environmental and social impact assessments is deficient in many settings. Even where they are required by law, environmental and social impact assessments are often not conducted... Key reasons were a lack of capacity and a rush to approve projects by the investment authority that precluded sectoral agencies from performing due diligence” (Deininger and Byerlee 2011, 57).

Due to the lack of these assessments, it is very difficult to assess the full scale of what the environmental impact of these investments will be. However, it is certain that with 3.6 million hectares being made available for lease and cultivation, the demands on the water supply will certainly increase.

Some proponents of land deals claim that the consumption of water resources is justified in the name of development. “The argument is that sufficient water resources for ensuring the successful operation of commercial projects will help generate employment, boost agricultural productivity, contribute to the creation of new infrastructure, and open up additional revenue streams for the government” (Kay and Franco 2012, 9). The caveat is that such projects must be managed in a sustainable way, with all affected communities consulted, and must be very successful to deliver on all of these benefits.

### *Irrigation Projects*

Articles, like Oakland Institute’s 2012 Brief on water and land investment, argue that the kind of irrigation projects that are being built to address investors’ agricultural needs do not promote development, but actually hurt it. By putting the needs of industrial agriculture first, the Institute's brief observes that African governments are neglecting opportunities to create sustainable water management systems, adding, “A focus on efficient small-scale irrigation, sustainable agriculture, and water management methods can improve the lives of local smallholders, enhance food security, and prevent environmental degradation from water depletion.” In fact, small irrigation uses less water with equal or better yields than large scale. Supporters of land investments claim the technology introduced by investors will aid local farmers, but opponents argue that large-scale agricultural projects usually do not have technology that is transferable to local farmers because it is not accessible in terms of scale, expense, or need for training to

operate it. Also, small agriculture typically does not require large, environmentally disruptive irrigation projects that could displace and negatively impact local populations.

### *Impacts on the People*

Land grabs have many drawbacks, especially when executed without proper transparency, informed consent of people who might need to be relocated, and environmental reports. The World Bank report mentions the lack of thoroughness of most of these contracts, noting that in Ethiopia many of the proposals are vague in their description of intended land use, with no estimates of economic viability, a lack of disclosure on the value of investment, and an absence of detail on what will be produced (Deininger and Byerlee 2011, 60). However at no point have they argued against the system of land investment in Ethiopia.

The International Institute for Environment and Development, Food and Agriculture Organization, and International Fund for Agricultural Development (IIED, FAO, and IFAD, respectively) collaborated recently on a report, *Land Grab or Development Opportunity*, which provided yet another comprehensive look at the issue of land investment. Because there was, and continues to be, so little research on the positive and negative impacts of land grabs, this report relied on credible media reports, interviews with staff, and in-country research (Cotula 2009, 16; 19). While the gathering of that type of information is, of course, vital, it is necessary due to the lack of data available for analysis in the field. Outlining the benefits to land investments at the macro-level as a potential increase in GDP and government revenues, as well as some development and livelihood improvement in rural areas, the report goes on to add that

local people could lose access to resources necessary for their food security and voices concern over the length of the written contracts, saying they are often too “short and simple compared to the economic reality of the transaction” (Cotula 2009, 5-7). The report further notes that the role of the home governments in supporting these deals is not well understood (Cotula 2009, 26-27). This lack of understanding of the Ethiopian government’s role in fostering this development is an area that will be explored further.

As a development strategy, land grabs are repeatedly argued to be job creators; the average number of expected jobs created per hectare of investor land is only 0.005 (Deininger and Byerlee 2011, 64). The small amount of projected job creation could be further diminished if these projects are delayed going into production, which is already occurring. In fact, some of this land investment just ensures future production capacity for food companies (Smaller and Mann 2009, 4). Holding land for future use would mean that those who were forced to move have left their only means of food production without any job to compensate them for their survival, and will be unable to return because those companies will have rights to the land that they do not have. The World Bank, despite its endorsement of land investment, went so far as to state in their report that small farmers may find it more profitable to continue being farmers than to become wage laborers for these investment farmers (Deininger and Byerlee 2011, 34). Their report recommends that outgrower schemes might be more beneficial to locals (where local farmers grow investors’ crops but maintain control of their land) than outright selling their land or letting investors use the land how they wish. Despite this they continue to advocate for land investments benefits.

In other countries, the combination of neglecting to respect local stakeholders' land rights and renting or selling large tracts of land to outside investors causes serious social disruption and environmental damage (Deininger and Byerlee 2011, 42). The similarities to the case of Ethiopia should be considered. While they do not directly target their comments at Ethiopia, some of their observations seem pointedly relevant, i.e., compensating local populations for their land if displaced is crucial (Deininger and Byerlee 2011, 36).

#### *The Right to Land and Displacement*

The IIED/FAO/IFAD report and the Human Rights Watch (HRW) report both look at the designation of the Lowlands in Ethiopia as 'unused'. The IIED/FAO/IFAD report was one of the first to point out that the Ethiopian government has labeled many of the lands they have leased out as "wastelands with no pre-existing user" in order to justify making them available to investors (Cotula 2009, 62). That report's on-the-ground findings contradict the government's claims and indicate that there have been people using these lands, so the labeling of land as idle, unused, or wasteland "often reflects an assessment of the *productivity* rather than the *existence* of resources users: these terms are often applied not to unoccupied lands, but to lands that are used in ways that are not perceived as 'productive' by government" (Cotula 2009, 62, emphasis added). The HRW reported many examples of these contradictions, but the most telling was when a Gambella regional governor told locals, "Lands you are *using* are not *utilized*. We have investors coming who will use more efficiently. Those who resist we



will take all possible action” (HRW 2012, 31, emphasis added). It appears that the government objects to how the land is used or by whom it is used or perhaps both.

Other reports note emphasize that the people surrounding the lands (or often times on the land) are not being included in these investment deals. Many times, residents of land that has been ‘rented’ out are being forced out into government appointed regions under the guise of villagization (Joint Report; Fisher, WB 2011, HRW 2012). The long-term impact of the land investments and villagization on Ethiopia's water access will need continuing scrutiny.

HRW furthers the notion that “unused” is a pretext for displacement by highlighting the villagization program, and specifically the human rights abuses, in Gambella. Already tens of thousands of people in the Gambella region alone have been displaced with plans to move 1.5 million people in total by 2013 (HRW 2012, 2). Although the Ethiopian government denies any connection between land investment and villagization, many who have been displaced under villagization told HRW that officials told them that this was the underlying reason for their displacement.

Many studies propose securing land rights to guard indigenous people from displacement (Cotula 2009, 90, WB 2011, 40). While this measure would be helpful, in places like Gambella, where the government has demonstrated they are willing to undermine human rights and customary land rights, this is not a likely solution. While there is a lack of any in-depth analysis of the impacts of these land grabs on Ethiopia, this is due to the fact that this is still a relatively new phenomenon and its potential impacts cannot yet be fully examined this early on. However, it is interesting to note that in an in-house investment presentation slide show by Karuturi Global it was revealed that “In

order to maintain growth and reducing urban poverty, it [the Ethiopian government] has allowed many Global Private Sector enterprises to operate in Ethiopia with a very *minor stake in the company*” (Karuturi Presentation 16, 2012). Nearly 900 companies have invested in Gambella alone in the last ten years and although evidence cannot be found that this has been asked of each company, it may help explain why Ethiopia is engaging in these investments. If the Ethiopian government retains a share in each investment, the land deals are more attractive despite the small revenue from land rents (further reduced by tax incentives at every level) and meager job creation. More transparency and analysis is essential in order to understand the underlying motivations for these land deals and to better comprehend the path of Ethiopia’s development.

## **Chapter 2: Why Water Matters**

### *The Current State of Water in Ethiopia*

Ethiopia is sometimes referred to as the “water tower” of East Africa because it is the home to the headwaters of 14 major rivers (BBC 2004). Yet, unpredictable rainfall and a lack of reserves mean that this area is heavily dependent on food aid and experiences chronic famine (Woodhouse and Ganho 2011, 9). This makes water management and policy especially vital, particularly in times of scarcity. Ethiopia faces severe issues in current access to water due to a lack of infrastructure and irrigation. Over 40 million Ethiopians out of a total population of 82 million live without access to safe water (Charity: water 2009, 11). Although there is a huge untapped supply of water available for irrigation for crops, only 300,000 hectares are currently being irrigated (HDR 2006, 197). Proper access to water affects health, education, food security, personal security, productivity, and empowerment. The lack of adequate provisions being made for water undermines many areas of development and makes it difficult for meaningful development to occur. In terms of economic development alone, a 2006 UN Human Development Report reported that for Ethiopia a single drought event in any given twelve-year period lowered the GDP by 7-10 percent and increased poverty by 12-14 percent (HDR 2006, 157). Ethiopia has had two droughts in the last 10 years (Bhalla 2000; Gettleman 2011) and has had, or faced, 15 droughts since 1965 (Horne 2011, 10). “The water security-livelihood nexus helps to explain the widely observed relationship between water and poverty” (World Bank 2006, 2).

Ethiopians who have been relocated under the facade of villagization and the claim of increased service delivery report they have less access to water than they did

before. These villagers state they must often walk far distances or secretly return to the sources of water in their old villages to have access to water. “In Ethiopia, distance from a water point is one of the most accurate indicators for vulnerability and poverty” (World Bank 2006, 2). The villagization program in many instances is making access to water for consumption or agriculture more difficult, which would seem to prove in itself that these land grabs (conducted in this way through villagization) are not beneficial to development.

Policies and technology exist that could “double yields over the next 10–15 years,” making any famine more a matter of negligence than natural disaster (HDR 2006, 197). However, the government of Ethiopia continues to pursue policies and promote foreign investment in land, when they been shown to be detrimental to water security and sanitation. Evidence of this appears in Ethiopia’s budget, where their water and sanitation expenditures are a tenth of what they spend on the military (HDR 2006, 8-9).

### *Health and Sanitation*

Water contributes to improved health in several different ways. Clean water means fewer waterborne illnesses and childhood deaths. Fewer illnesses mean that people can lead fuller and more productive lives, without disabilities or chronic fatigue. Clean water is also essential for medical services to function properly; doctors are able to wash their hands, prepare sanitary conditions for surgeries, and use clean instruments. Sanitary environments with clean water have a large effect on the safety of mothers and children during childbirth. In addition, most water programs are accompanied by latrines

and sanitary education, which has also been shown to have a huge impact on disease prevention.

### *Social Issues*

Not always the most obvious impact of water, education is affected by a lack of access because many children in Ethiopia spend their days collecting water or performing household tasks their mothers would be able to do if they were not spending so much time collecting water. For girls who are in school, many are forced to drop out once they reach their reproductive years because there are not toilets at their schools that address their specific needs. Disease from waterborne illness also causes children to be absent from school. In Ethiopia, water-related diseases such as diarrhea and parasitic infections cost 443 million school days each year and impact the ability of those children's learning potential (HDR 2006, 45). Even if those sick children are able to come to school, they are less likely to perform well as issues with memory, attention span, and basic problem solving skills have been reported (Lenton, Wright, Lewis 2005, 37).

Water availability affects the way that many women are able to use their time. It has even been shown that public investment to help achieve water availability may address inequalities of household division of labor (Chakraborty 2008, 2). As recent as 2000, a study in Pakistan showed that "worsening water-gathering infrastructure caused an increase in the total work burden of women" (Ibid, 3). It is apparent that women spend most of their time (or at least a significantly larger portion of their time as compared to men) doing unpaid labor (HDR 2006, 87). This unpaid labor is often time spent fetching water or fuel and has "significant gender differentials" (Chakraborty 2008,

9). Sexual assaults on women going to fetch water are not uncommon. If water is made even less available due land grabs, the burden on women to find and gather water for their households will be significantly increased. This has already been proven to be true as female villagers, who have been relocated due to villagization, now must walk farther to retrieve water and incidences of sexual assault have been reported (HRW 2012, 38).

A family's income earning potential is also affected by 'time poverty,' meaning that when so much time must be devoted to tasks that could be easily completed by infrastructure, a family has an opportunity cost of wages that could have been earned. Thus "time poverty affects income poverty" (HDR 2006, 12). When people's income is low or goes down, women tend to engage in unpaid labor to save the family money. This feeds into income poverty and perpetuates the cycle of poverty.

### *Food Security*

Food security is critically tied to water availability. A lack of water and proper irrigation combined has led to repeated famine in this region. When food security is as uncertain as it has been recently, volatility ensues. Over thirteen million people have been affected by the famine that struck the Horn of Africa in 2011, and many have become refugees in search of food (ONE). Tens of thousands, possibly hundreds of thousands of Somalis have fled to Kenya and Ethiopia for assistance, straining those countries' already fragile networks (Gettleman 2011). The Kenyan government has actually refused to set up permanent refugee camps, fearing that this might attract more people fleeing famine. This highlights how necessary water management and policy are to development, and to the well being of surrounding countries.

### **Chapter 3: Ethiopian Political Context**

#### *The History of Land Ownership and Informal Customary Rights*

Prime Minister Meles Zenawi came to power in 1991 under the Tigrayan People's Liberation Front (TPLF), which was a Maoist ethnic-based insurgency, by defeating the Derg Regime. The TPLF went on to form the Ethiopian People's Revolutionary Democratic Front (EPRDF), which was a coalition of ethnic parties, and created a federation of ethnically based regional administrations (Lavers 2012a, 108). Today, the government is often referred to as "TPLF/EPRDF." Despite the TPLF's communist foundations, the EPRDF publicly claimed to have switched to a market based economy, but in reality the government maintained a tight control on all economic activities (Lavers 2012a, 108). In fact, in the 1995 Constitution, Zenawi reinforced the issue of nationalized land, which was first established in a 1975 Proclamation (Cotula 2009, 67). Article 40, Section III clearly states, "The right to ownership of rural and urban land, as well as of all natural resources, is exclusively vested in the State and in the peoples of Ethiopia" (Ethiopian Constitution 1995). It is interesting to note that the Constitution follows this by stating, "Land is a common property of the Nations, Nationalities, and Peoples of Ethiopia and shall not be subject to sale or to *other means of exchange*" (emphasis added) (*Ibid*).

Most smallholders and pastoralists have traditionally operated under customary land rights without formal documents that prove their right to use and occupy land. As mentioned earlier, there have been recent land certification programs in Ethiopia that have been quite successful. These efforts have been only in the Highlands, where politically important, mostly sedentary smallholders live (Lavers 2012a, 106, Deininger

and Byerlee 2011, 147). Without the protection of land certification, the government is able to make value judgments and claims about land in especially desirable areas, such as Gambella, without local land users being able to formally contest those claims and prove their rights to it. Gambella is well endowed with rich soil, abundant water supplies, widespread forest cover, low relative population densities, and other natural resources that make it particularly ideal (HRW 2012, 15). Despite the fact that land certification has been suggested and endeavored upon in several communities as a way of preventing future land disputes, according to the Oakland Institute, there is no land certification system or system of secure land tenure in Gambella (Horne 2011, 32). As of July 2011, despite intensifying rates of land investment, there was still no such system in place for Gambellan citizens, however land registration was available for the investors who had leased land from the federal and regional governments (HRW 2012, 60).

It is interesting that the land investments are concentrated in the Lowlands, where land certification for the local indigenous population is nonexistent, and that the investment stays out of the highlands where the land certification is much more sophisticated. However, the Oakland Institute points out that “there are a variety of reasons why these areas are being targeted for investment, only one of which may be the absence of local land certification” (Horne 2011, 47).

People living in Gambella mainly practice shifting cultivation or are pastoralists that use the land and water for their herds to graze. However, their method of cultivation of this land is seen as not as proper or as productive by the Federal government. Now, as a result of this quest for fertile land, almost half of Gambella’s total land surface has been identified by the Federal Land Bank as suitable for land investment (Lavers 2012a, 120).



Despite claims of transitioning to more democratic governance, hopes for a fair and just government in Ethiopia are becoming increasingly unlikely as Ethiopia has effectively become a one party state. In the 2010 federal and 2008 local election, the ruling EPRDF party and its affiliates won 99 percent of all seats and currently controls all levels of government (Lavers 2012 (a), 108). These landslide victories, historically typical of corrupt and authoritarian governments, discourage opposition to EPRDF policies such as land grabs and villagization.

#### *Land as a Political Issue*

The EPRDF began as a peasant based movement. Thus, its refusal to allow privately owned land could be seen as a populist measure designed to not only protect people from displacement, but to also appeal to the party's political base. It can also be argued that by placing restrictions on land transactions, there cannot be land based class stratification and disparity. Moreover, this also prevents any group of large landholders from emerging and becoming a political threat. Lastly, by preventing privately held land, there is no opportunities for land transfers, limiting people's ability to sell their land and move to other areas. The government has stated that it believes this sort of migration to be the "source of economic, political and social instabilities" (Lavers 2012a, 109). They are particularly wary of urban employment strain, and its likely impacts on social and political systems. Due to the fact that Ethiopia is an ethnic federation, there is also concern about people crossing into different regions and contributing to ethnic upheaval.

Despite the potential benefits of state controlled land to the federal government, the real reasons seem to be that it brings the peasantry and those who work the land<sup>5</sup> under the government's control (UN Data 2005). "As such, state control of land and the supply of other agricultural inputs brings the state and peasantry into direct contact and maintains the authority of the state with respect to a dependent peasantry" (Lavers 2012a, 109).

*Promoting Investments: Land Bank, Tax Breaks, Trade Agreements, and Villagization*  
Federal Land Bank

In January 2009 under the Ministry of Agriculture and Rural Development (MoARD), the federal government created the Agricultural Investment Support Directorate (AISD), to deal with land leases over 5,000 hectares in size (Makki and Geisler 2011, 13)<sup>6</sup>. This Directorate is the same agency that has appropriated the 3.6 million hectares of land for investment in Oromia, Benishangul-Gumuz, Gambella, and SNNPR (Tekleberhan 2012).

The AISD is actively promoting Ethiopia as a country with abundant, "empty" land. The oft-quoted statistic from the AISD is that there are 111.5 million hectares of land in Ethiopia, 74.5 million hectares of which are suitable for agriculture, and only 15.4 million hectares that are currently under production. According to these statistics, approximately 60 million hectares of land are suitable for agriculture (Horne 2011, 10). However, in a study by the World Bank of land available for agriculture, the actual

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<sup>5</sup> Roughly 80 percent of those who are employed work in the agricultural sector.

<sup>6</sup> Any plots smaller than 5,000 hectares may be leased out by the regional government that the plot is located in..

number of hectares suitable for cultivation was found to be closer to 5 million (Horne 2011, 10). It is interesting to note that all of the lease areas currently under production visited by the Oakland Institute are near major water sources, adjacent to road networks, and rely on some degree of human labor (Horne 2011, 26).

### Tax Breaks

An argument against land grabs being potential development in Ethiopia is clear from their policies towards taxes on foreign investors' operations. In Lavers's 2012 report *Land Grab as Development Strategy*, he notes that foreign companies get excluded from corporate and export taxes for five years if they export more than half of their production or provide 75 percent to third party exporters (Lavers 2012 113). In comparison, investors producing for the domestic market only get two years tax-free. Ethiopia failed to gather over \$60 million in taxes, because as an incentive they exempted projects from profit tax, which is about \$20 per hectare in Ethiopia for the first five years (Lavers 2012, 80).

Listed below are some of the federal incentives provided to entice investment in Ethiopia:

100 percent exempt from paying import duties on all capital goods and spare parts worth up to 15 percent of their values.
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Exemptions from customs duties or other taxes levied on imports are granted for raw materials and packing materials necessary for the production of export goods.
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All goods and services destined for export are exempted from any export and other taxes levied on exports.
Easy access to credit: if the project is accepted by the Ethiopian Development Bank, if the investor secured (deposit)
30 percent of the investment (in cash) the Bank gives up to 70 percent loan.
An investor who exports 50 percent of his/her product or supplies 75 percent of his/her product as production input to an exporter is eligible for 2-7 years income tax exemption.
Income derived from an expansion or upgrading of an existing agricultural enterprise is exempted from income tax for a period of two years, if it exports at least 50 percent of its products and increases, in value, its production by 25 percent.
Business enterprises that suffer losses during the tax holiday period can carry forward such losses for half of the income tax exemption period, after the expiry of such period.
Any remittance made by a foreign investor from the proceeds of the sale or transfer of shares of assets upon liquidation or winding up of an enterprise is exempted from the payment of any tax. (Source: Horne 2011, 16)

This is evidence of the Ethiopian government trying very hard to create a highly favorable market for foreign investors. However, the market is already favorable if you look at the cost for the leases. In Gambella, a water rich area, domestic investors told the Oakland Institute team that the current rate for domestic investors is around \$1.75 per

hectare. Karuturi Global initially settled on \$1.25 per hectare for the terms of their lease. Subsequent negotiations with the federal government raised the price to \$6.75 per hectare. However, this is still much less than similar land in other countries (Horne 2011, 29). It would appear that the Ethiopian government is not financially benefiting from rent on these lands or from tax revenue.

### Trade Agreements

In addition to tax breaks and incentives, Ethiopia also has a number of trade agreements that make investing there profitable. Some of these include COMESA (Common Market of Eastern and Southern Africa), MIGA (Multilateral Investment Guarantee Agency), AGOA (African Growth and Opportunity Act), and GSP (Generalized System of Preferences) (Horne 2011, 16). In fact, Karuturi has publicly stated that these very things are what attracted them to the country. “Investment-friendly agriculture policies, land availability and its membership in COMESA, which gives it duty-free access to the European markets have made this Northeast African country an ideal destination to base our agri-venture” (Karuturi).

### Villagization

The first iteration of villagization occurred in 1986 under the Derg regime and was a failure. Due to the past experiences with this policy, the feelings towards the process of resettlement and villagization in Ethiopia are politically charged and controversial. The 1986’s villagization gathered scattered farming communities into larger, more permanent villages (Horne 2011, 14). The advantages were intended to be

enhanced service delivery, improved land use, and conservation of natural resources. By March of that year, the program had relocated more than 4.6 million people to over 4,500 villages. There was a great deal of international criticism “with critics expressing concerns over timing (disruptions to agricultural production), capacity of government, spread of disease and pests, and deteriorating security conditions” (Horne 2011, 14). Many reports that cover the current villagization fear a repeat of the 1986 program, especially because of the coincidentally timed policy of land investments. I will elaborate more on the topic of villagization and its connection to land investments in Chapter 5.

## Chapter 4: The Relationship Between Land and Water Availability in Ethiopia

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Water is essential to development in countries like Ethiopia that repeatedly grapple with issues of drought and food security, as those problems subvert human development at the most basic level. Initiatives aimed at water security and adequate, responsible irrigation must be included in national policy. It is due to a lack of these such initiatives that the Ethiopian government's claim to be fostering development by encouraging land investments is unlikely, as land grabs are often targeted at acquiring this very resource. Citizens' access to water and their agricultural livelihoods are directly threatened, and at times outright harmed, by these land deals.

### *Why Land Grabs are Not Translating to Development*

The World Bank has stated that land grabs may be positive for development, but only if the local population has land rights and a properly functioning market. However, the likelihood of this sort of fair and balanced market occurring in the very nations where leasing so much of their land is even an possible development strategy should demonstrate that these safeguards are not in place. The World Bank has also made the argument that not all land investments must be large-scale agribusinesses, which, while true, is not the case for Ethiopia, and especially not for Gambella. They also acknowledge that "lower recognition of land rights increases a country's attractiveness for land acquisition" (Deininger and Byerlee 2011, 55), illustrating the paradox that while land rights are necessary for local populations to benefit, if local populations have rights

there is less of a chance of investors coming to their country, which may make this less likely to be a policy adopted by the federal government.

As mentioned before, the local populations in the Lowlands do not have land rights, meaning they also have no claim to water. This means that when companies come into the region with claims on the land and water, leased to them by the government, the locals have no way to contest it. Sometimes, the local populations have already been moved, through villagization. The water, a resource prone to externalities even when controlled, is hardly regulated or monitored in any way (Oakland Institute 2011 (b), 5). Thus incentive and responsibility for the water decreases even further, until the point that the agribusinesses feel comfortable using it in any way they see fit. This obviously affects the surrounding water users, who may see a severe loss of their water resources, increased pollution and/or a decrease in the quality and fertility of their soil. “[T]his perception of abundance, and the investment strategies it fosters among both African governments and foreign investors, fails to address the specific ways in which water underpins land productivity in the semi-arid and sub-humid African savannahs. As a consequence, the land deals risk underestimating not only the water management needs of agricultural production, but also the impacts upon existing local water resource users” (Woodhouse and Ganho 2011, 2). This has widespread impacts; food security, the environment, a lack of economic growth, and human rights violations.

### *Food Security*

Ethiopia is renting its land out to investors who intend to export what they grow. Saudi Arabia, for example, has a scheme known as AgroGlobe 7x7 that intends to



produce seven million tons of rice in Africa, 70 percent of which is designated for export to Saudi Arabia (Woodhouse and Ganho 2011, 8). While such an investment could be good to meet the demand of an emerging economy, it has been noted that this scenario may lead to host countries suffering from their own food insecurities (Meyer 2012, 2). There are also no safeguards or incentives to ensure that food production will meet local populations needs (Horne 2011, 17). Yet, many of these areas where investment is occurring face ongoing food security problems. The UN World Food Program has estimated that approximately 27 percent of all people living in Gambella received food aid in 2010 (Horne 2011, 35). “It is clear to the Oakland Institute research team that commercial land investment is one more stressor, making those who are marginally food insecure even more susceptible to hunger” (*Ibid* 36).

Whether it is for consumption or for fuel, what is grown on the land being used for investment does not increase nor help Ethiopia’s food security. If anything, this land investment program has already directly negatively impacted the agricultural productivity of many subsistence farmers because they have been relocated to different land at the time of harvest in order to make room for investors. Due to the implementation of the villagization program, communities throughout the Lowlands have been forced to abandon their fields at the very worst time. Most of the new land has not been cleared for farming, nor have the villagers moved been provided seeds, improved irrigation, or food aid that was promised.

*Environmental Impact*

Many of these deals have occurred so quickly that few detailed studies have been able to examine the impacts that these projects will have on water use. In fact, within the country itself, despite the requirement of an Environmental Impact Assessment (EIA) for any such investment, there is a blatant absence of these assessments (Woodhouse and Ganho 2011, 13). After the land is acquired, there is still no monitoring of benefits, production, water use, or actual land utilized (Horne 2011, 32). The least monitoring that is possible is enforced, and this is only to ensure that at least some of the land is being used<sup>7</sup>, and that annual fees are being paid (Horne 2011, 31).

The lack of monitoring during land utilization is particularly concerning because different plants need different amounts of water, and this is not being factored in when contemplating what to rent out and to whom. For example, jatropha has been touted as a crop with a low water demand that could be grown by small-scale farmers to cash in on the biofuel demand, without competing with their subsistence crops. However, various sources indicate that jatropha actually needs quite a bit of water to survive. In fact, a jatropha plantation has been shut down in Mozambique due to soil quality and water considerations (Woodhouse and Ganho 2011, 9).

Any rapid increase in productive farmland will require a significant quantity of water to stay in production (Meyer 2012, 1). The water needed for the 40 million hectares of land acquired in Africa in 2009 alone is already too much of a strain on water resources (Oakland Institute 2011 (b), 1). Often times, these new farms require new

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<sup>7</sup> There is a requirement that there must be some productive activity after a year, unless there is good reason

irrigation schemes to be built, such as canals or dams. There is a need for more monitoring of that situation as the pressure for more water access continues to build. “Dams, hydroelectric facilities, irrigation schemes, uncontrolled commercial land investment (and associated deforestation and wetland alteration), local uses, and a changing climate are just some of the pressures on water resources in the Western part of the country” (Oakland Institute 2011, 50). The Oakland Institute’s field research in Karuturi’s Gambella site has already found that some key wetland areas are being at least partially drained for agricultural use (Horne 2011, 45).

Ethiopia already is facing numerous environmental problems such as land degradation, environmental vulnerability, climate change, water pollution, loss of biodiversity (often due to monoculture farms), urban air pollution, and sanitation problems (Horne 2011, 44). In addition, it is suspected that runoff from commercial farms that use pesticides will lead to the contamination and reduction of available water supplies (Horne 2011, 36).

Land grabs can also have indirect impacts on water by attracting migrant laborers to the area. The impacts of migrant workers have been well documented and include greater pressure on ecological systems including water resources (HDR 2006, 30). Not only is this a negative environmental impact, the influx of migrant workers will likely create greater competition for an already narrow job pool and could possibly provoke an ethnic based conflict, as each area of Ethiopia is divided based upon ethnicities. Highlanders will likely migrate to the Lowland for jobs, and there is a well-documented history of violence and tension between the two groups.

*Lack of Economic Growth Being Produced*

As mentioned before, the most prominent argument for land grabs is that they will create jobs and allow for people living in developing countries to provide for themselves. Some even claim that it is part of the attempt to raise agricultural productivity, and thus make food more abundant and Ethiopians more food secure (Woodhouse and Ganho 2011, 3). However, large-scale plantations usually lead to less employment and a large number of people end up not having livelihoods (Mwakiedeu 2012).

Equally important to note is that smallholder farms are usually more cost efficient than large farms. Yields may be lower than or equal to large farms, but that is not really an issue as the food being grown in Ethiopia is not for consumption domestically (Deininger and Byerlee 2011, 35). This suggests that there is not really an economic or efficiency argument for replacing smallholder farms with large-scale ones.

In addition, there has been a flurry of published investigations suggesting that very little farming is actually occurring (SAPA 2012). A 2010 World Bank report of 14 countries with land deals found farming had only begun in 21 percent of the plots (SAPA 2012). Most of the land agreements are very vague and enforcement of the terms that there may be has been found to be weak or nonexistent (Horne 2011, 31). And often, even if there are provisions in the lease that the renters must follow, the land managers have no idea about them and do not know there are any restrictions (Horne 2011, 30).

The Oakland Institute points to the pitfalls in encouraging land investment; there are not incentives that guarantee food production will meet local needs (despite the fact that these companies are using the land that people used to farm to feed themselves),

there is no research into whether or not an investor is experienced in agriculture, the feasibility of the plans, or that any jobs will be created or locals will be hired (Horne 2011, 17; 30). The issue of employment, or lack thereof, is especially negative as a major goal of land investment policy is stated to be that it will transition subsistence farmers and pastoralists from subsistence agriculture to wage labor. The question then becomes, how will Ethiopians feed themselves if there is no job market to absorb their labor nor any land to farm? Compounding the problem, there is usually a loophole in the land agreements. The labor provision that requires some or all local hires by investing companies allows them to hire outside expertise in the event that “expertise is not locally available” (Horne 2011, 17). What defines expertise is not explicitly stated.

According to sources, some investors are not using the lands that they have for the reasons originally stated. In many of the global cases studied by the World Bank team, investors would initially acquire land in quantities much larger than they could use. They were doing this in order to take advantage of the favorable terms being set forth by the host countries’ government. This could potentially mean that, even though this is not specific for Ethiopia alone, the people who are being relocated by villagization with the hopes of future jobs are being displaced for nothing and that no agricultural investment is intended to happen, and that no Ethiopians will benefit (Deininger and Byerlee 2011, 63).

In Ethiopia, “Many people have been complaining that the investors were embanking on aggressive land grabbing which had resulted in destroying environmental resources. They added that the massive action of providing land to the investors was forcing many to be displaced from their villages” (Zenebe 2012). However, it was announced on March 2012 that the Ministry of Agriculture is suspending land allocations

in order to assess the status of the plots of land that are currently being held by investors before making more land available (Tekleberhan 2012, Zenebe 2012). This is likely due to the global backlash against land grabs and should have been a relief to those living in the areas targeted for investment<sup>8</sup>. However, as detailed in Chapter 5, this suspension has not prevented the recent deadly assaults in the Gambella region in response to land grabs.

### *New Irrigation Projects and Transboundary Implications*

Foreign investors have pushed Ethiopia to build a large-scale dam (Mugo Mugo 2012, 5). Prime Minister Zenawi has the biggest proponent of irrigation structures ‘necessary’ to support land investments. He has said, “In the coming 5 years there will be a very big irrigation project and related agricultural development” (Oakland Institute 2012 (b), 3). One of these such projects is the controversial Gibe III Dam on the Omo River in the region of SNNPR, east of Gambella (Oakland Institute 2011, 3). As of February 2011, this project was 41 percent completed (Richardson 2011). Zenawi has pledged to complete this dam at any cost, saying that the dam’s detractors “Don’t want to see developed Africa; they want us to remain undeveloped and backward to serve their tourists as a museum” (Moszynski 2011). However, the Omo River in Ethiopia and Turkana Lake in Kenya, which the Omo River feeds into, are the lifeblood for 500,000 Ethiopians and Kenyans. The dam will negatively impact those who depend on the Omo’s waters, creating an issue of water sovereignty (International Rivers 2011(a)).

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<sup>8</sup> Few of these investments, if any at all, have had proper assessments to evaluate investors’ experience in agriculture or the financial feasibility of each project’s development plan that is stated in the application process (Horne 2011, 30).

Clearly, this infrastructure project is very controversial. Despite the UN and the international community denouncing the Gibe III as one of Africa's most destructive dams, Prime Minister Zenawi has vehemently defended its construction, insisting it will modernize pastoralists and provide jobs (Fisher 2011). Groups like Survival International, an organization that has been monitoring the dam construction, say this is not likely. They note "Forced displacements elsewhere in Ethiopia have led to the impoverishment of those affected, and to increased tension between communities competing for the same limited resources" (Fisher 2011). Diverting its natural path will be devastating for fertile flood plains. Further complicating matters, neighboring tribes in the region have a history of conflict, and the environmental ramifications on food security are expected to cause violent conflict among the tribes. The motivations for creating irrigation go beyond the cited reason of providing electricity, as investors are beginning to pressure the national government to irrigate land, such water projects are becoming more common and are often wholly supported by international donors (Jågerskog 2012, 24). This is a big incentive for the government to build dams, but these current policies towards water look to aim the country straight for disaster and conflict.

Between 80 - 90 percent of the Nile River originates in Ethiopia<sup>9</sup>, which has meant that agricultural investors see the country as extremely attractive not only for growing crops, but for controlling the water supply. This is problematic because of how much other countries depend on the Nile. "Issues over water use in the Nile watershed have become of critical importance, particularly with downstream Egypt and ... Sudan" (Horne 2011, 7). A 2011 delegation of forty Egyptian representatives went to Uganda

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<sup>9</sup> Accounts vary.

for talks on the Nile basin and publicly stated their strong opposition to Ethiopia's plans for yet another new mega dam built in Benishangul-Gumuz (Morandini 2011). The Nile is a critical foreign policy issue for this reason and will likely continue to dominate the conversation as long as Ethiopia continues to pursue developing the Nile. The issue of state ownership over resources that are shared over boundary lines is a key problem. For many countries around the world, at least half of their water originates beyond their borders (HDR 2006, 210). Water does not follow boundaries, making shared access one of the major issues that must be taken into account when planning new infrastructure and policy.

The Lower Omo Valley is "one of the most culturally and ecologically unique areas of Sub-Saharan Africa" (Oakland Institute 2011 (b), 3). It is no coincidence that in the last 4 years, over 350,000 hectares of this area (the Lower Omo Valley) has been identified as suitable for commercial agriculture production. The fertile river valleys in Gambella and SNNPR are top land investment areas because of their ample water supplies and good soil fertility (Horne 2011, 36).

Agrocrops, like sugarcane, are some of the most desired and commonly plants grown, but need by far the most water compared to crops grown for consumption. Sugarcane needs by far the most water of the agrocrops at 1,500-2,500 millimeters per hectare every year. Due to this increase in need and demand for water, dams are beginning to be more frequently considered because the estimates of potential water requirements have run so large (Provost 2012, 2). In fact, the Gibe III Dam is intended to irrigate 150,000 hectares of the land that has been invested in. In addition to dams, there are the canals that are being built. Saudi Star has built an 18-mile canal-form-dam on the



Alwero River to irrigate its rice fields (PBS 2012). The irrigation canals in Ethiopia for these agricultural big businesses “pose a threat to the prospects of water availability for populations living downstream in Sudan and Egypt” (Oakland Institute 2011 (b), 3).

While it is evident that many of these projects will require new irrigation infrastructure, it is hoped that such infrastructure would provide new sources of water when other water sources may be scarce. However, it is feared that the scale of such large-scale agricultural projects with their extensive water usage and methods of pesticide and fertilizer waste removal will impact the water available for small-scale users. Making matters more complicated, this area of the world is very vulnerable to the time of year because of varying rainfall from season to season. This, combined with the lack of understanding of how different types of water resources<sup>10</sup> are used at different times of the year by various kinds of users, creates a great risk from large-scale agriculture (Woodhouse and Ganho 2011, 15).

This situation is expected to exacerbate the precarious situation of food and water security. “Food insecurity could get much worse for Egypt because foreign investors are pushing Ethiopia to build a massive dam” (Mugo Mugo 2012, 5). As mentioned before, there is not a proper understanding of how different water sources are affected by withdrawals at different times of year. It is already suspected that because of a lack of regulations and understanding due to a lack of general monitoring, these land grabs might cause permanent damage to the water sources from extensive water withdrawals and potential pollution from fertilizers and pesticides (Oakland Institute 2011 (b), 3).

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<sup>10</sup> Riverbanks, swamplands, and river flows

*Human Rights Violations*

The right to food, housing and right to life sometimes threatened by the land grabs and subsequent villagization or forced relocation of indigenous populations (Mwakiedeu 2012). I will expand on this in much greater detail in Chapter 5, but it is important to note that none of the sites that the Oakland Institute visited had community engagement as a factor in land lease deals. This is especially concerning because of how in-depth the Institute's field research was and how thorough their findings are. They note, "All government departments interviewed (at all levels) claimed that consultation was someone else's responsibility, that it was carried out through separate processes or by other departments or levels of government" (Horne 2011, 31). No one could be found to be accountable for the actual action of community engagement.

The myriad of problems caused by land investment and their questionable motivations underscore that this path is not the way forward for Ethiopia. In Gambella in particular, the federal government's actions demonstrate that land investments are more than just not beneficial for Ethiopia. The steps the government has taken to make land grabs a possibility in that region suggest that this scheme is a guise for actively harming indigenous populations within that region.

## Chapter 5: Case Study- Gambella

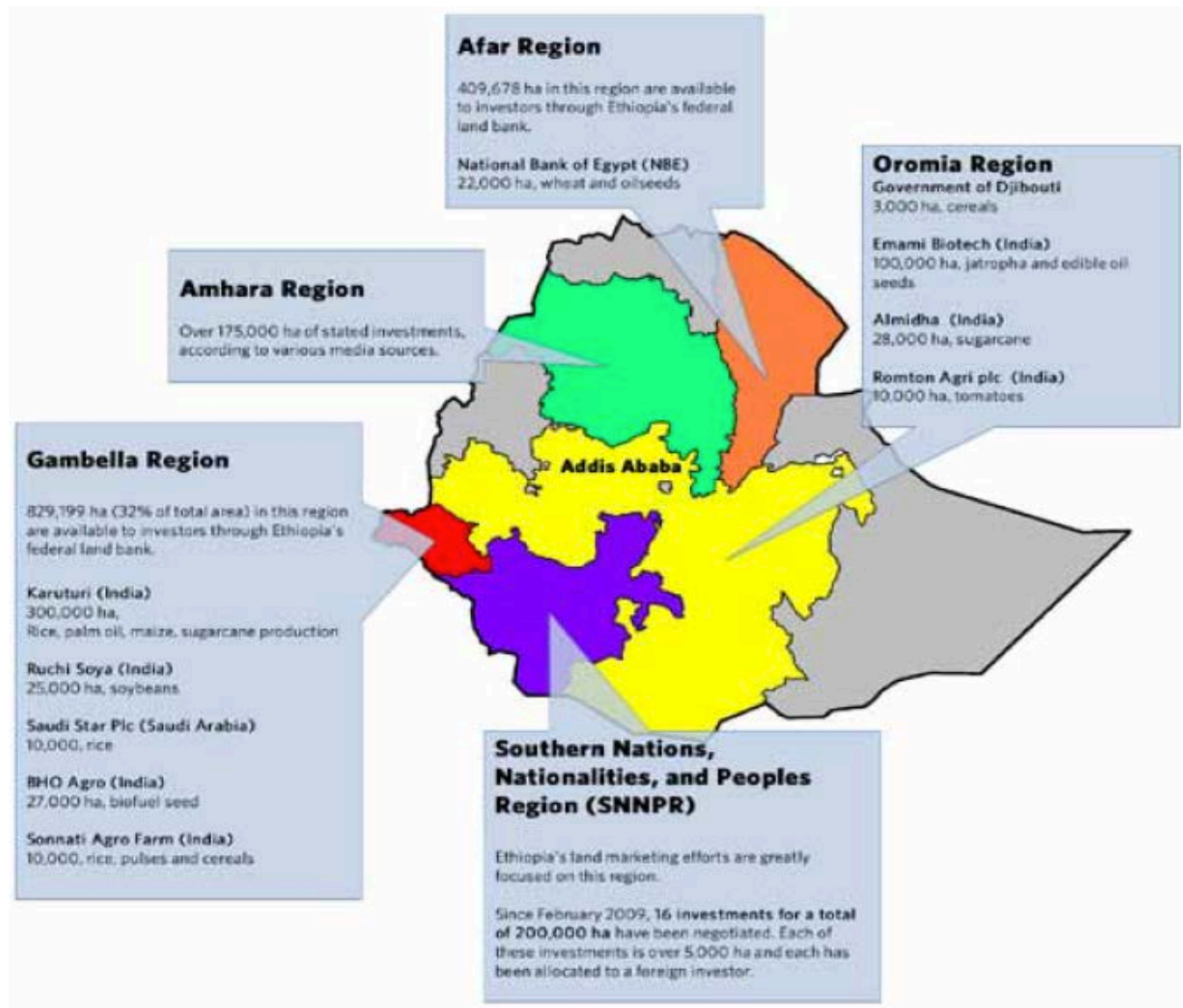


Figure 1: Cotula 2009, 5

The Gambella region of Ethiopia is a particularly interesting case study due to its relatively small physical size in relation to the size of the land that is being leased out. In the map featured at the beginning of this chapter, Gambella (the small red region in the southwestern part of country), is shown to have 829,200 hectares or 32 percent of its land appropriated to Federal Land Bank for investors. This does not include an additional 10 percent of Gambella's land that has already been leased out, bringing the total leased land

to 42 percent, as stated at the beginning of this thesis (Oakland Institute 2011 (b), 2; Lavers 2012a, 120). Gambella is “at the center of the global rush for cheap land... The Ethiopian government says that 36 countries...have leased farmland there” (Mugo Mugo 2012, 6). This is alarming, as not only is Gambella physically the smallest region with the most land being offered up for investment, but it is also the region with the most violent history with the government.

### *Indigenous Population*

The Anuak and the Nuer are the largest ethnic groups in Gambella. The Anuak are reliant on shifting cultivation, which makes them unique in the region (HRW 2012, 16). The Anuak are made up of two clans, the Openo who live along the rivers who are more sedentary, and the Lul who live in the upland or the forests. The Nuer are more recent ‘immigrants’ to the region, and are agro-pastoralists that move with their cattle for grazing (HRW 2012, 16, 17).

The Anuak and the Nuer are very different from each other in terms of subsistence activities, meaning the displacements have had impacted them differently (HRW 2012, 15). The Anuak Lul clan practices shifting agriculture, where they have several plots in rotation and allow some to lie fallow at times. This practice is in direct contrast with the more sedentary designed under the villagization program (HRW 2012, 16).

The Nuer are also threatened by the villagization process because of water (HRW 2012, 17). Those who have been relocated have had trouble because the new locations do not have a dry season water source for the Nuer cattle. As of the beginning of 2012, two

of the new Nuer villages had already been completely abandoned because of this problem (HRW 2012, 23). In addition, the Human Rights Watch visits to the Anuak and Nuer areas showed a very different government approach to villagization between each of those ethnic groups (HRW 2012, 23).

In Ethiopia's investment promotion agency, all land that is listed as available has been formally classified as wastelands with no pre-existing users (Cotula 2009, 62). The idea that this land has no previous users or current inhabitants has not been thoroughly established in most of these cases. There is evidence that at least some of the lands allocated to investors were previously or currently used for shifting cultivation and grazing. In Gambella, there are confirmed numerous small settlements of Anuak and Nuer, ranging from a few scattered households to villages of up to 1,000 people on this land (Horne 2011, 32). It is apparent that their land is being labeled 'available,' 'idle,' or 'wasteland' in order to justify allocations to investors (Cotula 2009, 62).

### *Targeted Violence*

Ethiopia has a poor human rights track record despite their 1995 Constitution that repeatedly stated the country's intended commitment to upholding human rights for all (Horne 2011, 4). The Gambella region, in particular, is fraught with controversy and horrendous human rights abuses against the Anuak. The reasons are believed to be in part because of the strategic location of the Anuak's traditional lands (HRW 2012, 14). Gambella has several rivers and is rich with water resources. It is this water that is the driving force behind many agricultural land deals in Africa (PBS 2012). The Anuak people claim it is the best land in the country. A comparison of land deals to FAO data

on land suitable for agriculture suggests that this claim is correct. Of the land deals that are documented, they are found to be concentrated in regions with more fertile land and areas that are close to markets (Cotula 2009, 43, 47).

In the previous national villagization plan in 1986, the Anuak who live in the Gambella region were not only forced to move, but were also forced into labor camp lifestyles. This labor was used by the government for agricultural production, road construction, and infrastructure projects (HRW 2012, 13). During this same period of villagization, government forces used threats in all regions of Ethiopia to encourage relocation. However, in Gambella (and one another area in eastern Ethiopia) actual physical force was used without restraint. The government security forces that were responsible for enforcing relocation committed theft, arbitrary detention, extrajudicial executions, torture, rape, and burning of property, exclusively in these two areas (HRW 2012, 12).

Gambella has had these types of large-scale displacements for commercial agriculture intermittently since 1979 (HRW 2012, 13). In response to this, a group of Gambella people formed the Gambella People's Liberation Movement (GPLM) in 1987, which allied with the Oromo Liberation Front (OLF) to confront the Derg regime's resettlement and villagization programs, as well to guard against the nearby Sudanese Peoples Liberation Army. This led to both the government and GPLM carrying out human rights abuses against each other (HRW 2012, 14). However, there was a period of tentative cooperation, as GPLM governed Gambella in collaboration with the TPLF/EPRDF government from 1991 (the year EPRDF came to power) until 1998.

A HRW 2005 report particularly highlights attacks that occurred on December 13, 2003 when TPLF/EPRDF military and highlander militia groups killed 424 Anuaks in Gambella town, Abodo town, and surrounding areas over several days. “Many more were imprisoned, tortured, beaten, and 8,000 to 10,000 fled the area to neighboring Sudan” (Horne 2011, 4). This massacre was in response to an attack of a government vehicle that was carrying seven Ethiopian Highlanders and an Anuak. The military continued this campaign of violence throughout 2004 against Anuak communities, which “amounted to crimes against humanity” (HRW 2012, 14). This massacre was not an isolated incident, but part of an ongoing history of persecution against the Anuak.

On April 28, 2012, a rebel group attacked a Saudi Star farm compound in Gambella, killing six Pakistanis and four Ethiopians (SMNE 2012). This attack was believed to be in response to land deals in the area (SMNE 2012). The TPLF/EPRDF government’s defense troops retaliated by visiting the Pokedi village in Gambella on May 2, 2012, and preceded to open fire on civilians, killing two primary age children, two police officers, and one teacher (SMNE 2012). Before the retaliation killings, the regional and federal government called a meeting in Gambella town to tell the Anuak they would be leading a protest against the killings at the Saudi farm in order to prevent investors from becoming discouraged from investing in the area. Allegedly, government workers who resisted had their salaries threatened and citizens were warned of more serious backlash. One official reportedly said “If there was no law, what happened on December 13th could still happen again (meaning the massacre of 424 Anuak leaders in Gambella town by the TPLF/EPRDF national defense force from December 13-15, 2003). The only thing stopping it is the law” (SMNE 2012).

Ethiopia is one of the most corrupt nations in the world. It ranks 120th out of the 182 countries that are ranked by Transparency International's Corruption Perception Index (CPI 2011). The lack of transparency, rampant corruption, and absence of respect for human rights is becoming increasingly visible in the country's laws and policies. For example, a law was passed in 2009 that barred "nongovernmental organizations from working on issues related to human rights, good governance, and conflict resolution if they receive more than 10 percent of their funding from foreign sources" (International Rivers 2011(b), 3). This law was coincidentally timed to effectively prevent any NGOs from creating support systems for those that most vulnerable to government violence and villagization.

It seems likely that Ethiopia's government is enacting a policy of targeted discrimination. Much larger regions that are also fertile, such as the SNNPR have over 11 million hectares of land and have only had 180,625 hectares, or 2 percent of their total land, made available to the Federal Land Bank. In addition, there are currently over 200 investors in Gambella. In the last 10 years, there have been nearly 900 investors in the region. This number is up from absolutely no land investors 10 years ago (Vidal 2011). This volume of this investment suggests that state policy that is overzealously chasing investments.

The federal government has also used its near absolute control of local and district administrations to undermine its opponents' way of life through withholding services such as agricultural input assistance, micro-finance, and job opportunities (Horne 2011, 4). According to a February 2007 report on Ethiopia released by the UN's Independent Expert on Minority Issues, factors such as resettlement, displacement, conflict,



assimilation, cultural dilution, environmental factors, and loss of land are reported to have already contributed to the disappearance of a number of minority communities (Horne 2011, 4).

This area is already facing ongoing food security problems. The UN World Food Program (WFP) estimates that approximately 84,000 individuals received food aid in Gambella last year out of an estimated population of 310,000 (Horne 2011, 35). One way that people in Gambella have adapted to food insecurity is by practicing shifting cultivation on to higher grounds to protect against failed or poor harvests on riverside plots (Horne 2011, 35). Land grabs will disproportionately hurt these people's food security because the AISD is labeling these plots "abandoned" and is using them for investment deals. This sort of policy will only exacerbate this insecurity, which ignores the fact that these plots have been left fallow intentionally. As a result, investors have already cleared some of these plots.

In 2009 in the Adobo *woreda*<sup>11</sup> of Gambella, 30 percent of the population was given food aid. "This *woreda* is the site of several large scale investments including Saudi Star's 10,000 hectares and Karuturi's 100,000 hectares. Saudi Star plans to build the Alwero canal in Adobo, an area with a very tenuous situation at best, as made clear by the recent violence. Local residents are already being impacted due to forests being cleared and farmland being taken away. Many of these communities are also being targeted for forced villagization, have no land tenure security over their ancestral lands, and are faced with an influx of laborers and farmers from the Highlands, further

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<sup>11</sup> *Woredas* are the local districts within regions.

increasing competition over land. Some, although very few, have been employed on these commercial farms (Horne 2011, 36).

### *Villagization Program*

The Ethiopian federal government has stated that plans to move 1.5 million people from rural areas to areas of denser population over the next two years under the villagization program (HRW 2012, 2; Johnson 2012). The idea is that more densely populated areas will be able to sustain and provide enhanced service delivery. There is some merit in the idea that the sparseness of some areas can contribute to a lack of development. However, most of those being moved are not experiencing any higher quality of life, in fact, sometimes they are directly suffering.

The government has repeatedly claimed this process is completely voluntary and not related to land grabs, but villagers that were spoken to and the Human Rights Watch report that this it is not the case. An officer in Gambella State's Investment Office claims that villagers are being moved to increase services and that the issue is very separate from the land investments (Vidal 2011). However, when the government promotes this land in the Federal Land Bank to investors, they call it land abandoned (PBS 2012). The question then becomes, if it is abandoned, why does the government need to move 1.5 million people from it? It was evident from Oakland Institute site visits that farmers currently live and farm on the lands that have been transferred to the land bank (Horne 2011, 41). This means that villagization is currently occurring in the same areas as commercial land investments (Horne 2011, 39). "There is a definite correlation between

the areas undergoing relocation and the areas that are marketed as available for large-scale commercial agriculture” (Horne 2011, 40).

Higher up officials, like the Minister of Agriculture, Wondirad Mandefro, absolutely deny that the movement of people is anything other than voluntary. When Minister Mandefro was asked about the apparent paradox of companies coming to Ethiopia to grow and export food to other countries when so many (around 3 million) Ethiopians are still receiving food aid, he stated there was actually nothing wrong with that scenario and that it was the “correct way” (Vidal 2011). He elaborated, saying that Ethiopians will only become less dependent if they give up their old ways.

For those who have been forced to give up their old ways, like the Anuak and Nuer, officials have told them that they would be relocated to places with better access to clean water, health, and education (PBS 2012). While some voluntarily left, others were forced to leave, sometimes under false pretenses. Security forces claimed that there would be plenty of food in the new land. In additions to some villagers being forced to move at the height of harvest, there have been reported cases of soldiers burning the crops after villagers leave so that they will have nothing to return to. Those who were interviewed on by PBS talked about how villagization promised to bring them more food, better tools, and general better quality of life, but they have yet to see any of those outcomes. Some report they have been given a little bit of food in small containers, but that none of the land has been cleared for cultivation (PBS 2012). Others have still yet to receive food aid or even any seeds, which is especially concerning because these Ethiopians are subsistence farmers and will have to plant food soon for their survival. “As part of the villagization process, the government has pledged that land will be given

for food production and training provided on new techniques; but, to date, there is no evidence of this land provision or worker training” (Horne 2011, 38).

This problem has been echoed in multiple relocation sites. In Gambellatown, which is actually an urban center, Anuak people were singled out (unless they were government employees) and were relocated under the “villagization” program to new areas. They were promised a health clinic, a school, and fresh drinking water. So far, only foundations for those buildings have been dug (Vidal 2011). Research shows that there has not even been money budgeted for these promised services, suggesting they were never actually planned.

One worrying factor is that the TPLF/ERPDR could be promoting this investment because they are hoping it will further marginalize and disempower indigenous people. It is also argued that this could allow the government to have increased control over these people by making them more dependent on the government for food security, thus crippling rebel groups that operate in the Lowland areas (Horne 2011, 20). The granting of land to the Tigray and other urban elites who offer support for the TPLF/EPRDF reinforces this viewpoint. In addition, some members of the government are reportedly investing in some of these companies that are engaging in land grabs.

Only time will be able to tell the true link between villagization and land investment, but early signs indicate that these grabs are facilitating long held discrimination against people in the Gambella district. It is my opinion that the government regards Gambella and the Anuak as "others" and not true Ethiopians. Some reports argue that if Ethiopia would assign land rights, or water rights, the problems that have been associated with land grabs would cease. My view is that the current

government in Ethiopia will never do this because they do not want to protect people in the Lowlands, the area where most of this investment is happening. My argument is that they have just found an economically beneficial situation that happens to coincide with their desire to commit atrocities against the Anuak and other indigenous peoples in Gambella.

## Conclusion

In the end, land is fundamentally an issue of our tangible environment. Whether it is the water that runs through it, a house that is built on it, or sustenance that is provided by it, land is something that surrounds and infiltrates all aspects of Ethiopians' lives. It is a finite resource that 85 percent of Ethiopians derive their livelihood from (due to small scale agriculture), and is something from which water cannot be divorced (Feyissa 2006, v).

Environmentally, the reason that land investment will not lead to development is a two-pronged issue. On one side, large-scale agribusinesses often have disastrous environmental consequences that stem from monocropping, improper disposal of chemicals and fertilizers, and overuse of water supplies. On the other side, governments are often willing to allow or aid in creating megadams, canals, and irrigation systems that displace local residents, disrupt citizens' access to water for agriculture or personal use, and severely disrupt the surrounding environment. In an interview with UNESCO, Madiodio Niase, the Director of the International Land Coalition clearly explained the risks, stating;

“We can project ourselves into the future on the basis of experience with existing agrobusiness schemes. The likely impact includes forest conversion to agricultural land, a drop in biological diversity as a result of monocropping and the massive use of chemical fertilizers, pesticides and herbicides, unsustainable levels of water abstraction and a greater risk of water-related conflicts with local communities and neighboring States sharing the same transboundary river systems” (UNESCO 2012).

These are all issues that have real economic consequences for the host country. Ethiopia will be forced to pay the costs of land investment long after these companies have gotten what they were seeking.

I began this thesis by looking at what would happen to water if land grabs were to continue in Ethiopia. I wanted to start here because planning for water is vital in order for Ethiopia to develop. I demonstrated that water is not only crucial for life, but plays a roll in basic health and sanitation, social issues, and the cycle of poverty. The country also cannot move forward if its people continue to die from famines due to drought or diseases from dirty drinking water. It seemed apparent from the beginning that hundreds of large farms growing water intensive crops would have an impact on water- and that there would be less of it for those people who lived on or near the land. This impact was confirmed when it was discovered that in most cases, water is not even addressed in contracts between the government and investors, and again when it was revealed that there are no controls for water use or contamination by any government entity. Without proper access to water, people will suffer and possibly die. In a country such as Ethiopia, this sort of relationship with water is impossible to maintain. Thus, land grabs cannot be development as they are ignoring and potentially abusing a vital resource which could result in people's suffering.

Giving a political context to the history of land ownership and customary rights was my next step. Land and resource ownership were crucial to examine to establish any underlying social or political issues that could be promoting land investments. I demonstrated that the federal land bank, tax breaks, trade agreements, and villagization are all contributing towards attracting investors to Ethiopia. Villagization is an indirect attraction for investors, as after residents are relocated, land appears unused and thus suitable for investment. I also examined the factors preventing current land grabs from contributing to development. I demonstrated that their impact on food security, the

environment, individual livelihoods, as well as their contribution to the construction of irrigation projects and the propagation of human rights violations, made them an inappropriate policy for development in Ethiopia.

I had hopes that if land deals were better designed and properly regulated, they would bring all of the development benefits that the World Bank and the IMF stated they could. However, the timing of villagization, in conjunction with land grabs, demonstrated that Ethiopia was moving in the opposite direction of proper regulation. Despite the government's claims that land grabs are not related to villagization, there is ample evidence that this is not true.

Using the case study of Gambella, I established a pattern and history of violence that is being reinforced through villagization and land grabbing. Gambellans have been forcefully displaced from their homes in order to receive "increased service delivery," despite their original communities having better services than their new communities. I pointed to evidence that there was never money in the budget for these new services in the new communities, suggesting that the government had no intention of implementing these "improved services." While this is obviously callous, marginalizing, and likely fuelled by greed, villagization appears to also be intentionally cruel. The government claims they are "offering" relocation, and thus the choice to move is voluntary. However, those who have been "offered" a chance to relocate report cases of verbal threats, physical intimidation, beatings, murder, rape, kidnapping, violence against women and children, and forced labor. This cannot be Ethiopia's plan for development; this is not how a government treats people it wants to help.



*Recommendations*

It has been suggested that increased community involvement might help create more desirable outcomes for local residents near these land investments. However, even if the people are more directly involved, there is a question of how fair negotiations would be between investors and indigenous people. There could possibly be a power imbalance due to likely differences between investors' and locals' knowledge of the land's value and potential consequences of land investments. Ethiopia's land acquisition process could also seek to incorporate clan leaders or local elders in an attempt to be more representative of indigenous populations' wishes, but how representative and accountable such leaders would be of the populations they stood for could not be guaranteed (Cotula 2009, 67). Putting power in concentrated leadership could also create the possibility for corruption and bribes. In addition, in communities around the globe, land rights and participation in such deals is not a guarantee of the most desirable outcome. Residents' wishes can still be ignored, disrespected, or deemed less important than the wishes of the state.

It is apparent that with the existing TPLF/EPRDF government, land investment will never be a fair deal for indigenous communities like those in Gambella. The TPLF/EPRDF government has demonstrated a clear prejudice against those living in the Lowlands by not formalizing customary land rights, asking for the community to be involved, or ending state-sponsored violence against them. Until these populations can be guaranteed equal rights and protection under the law, land grabs cannot possibly be development for Ethiopia or its people.

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