Land and Resource Grabs: The World Bank's Long War on Peasants

By Tanya Kerssen and Eric Holt-Giménez
Global Research, April 24, 2015
farmlandgrab.org 17 April 2015
Theme: Global Economy, Poverty & Social Inequality

Members of the Peasant Unified Movement of Bajo Aguán, Honduras, carry mock coffins bearing pictures of people murdered in land clashes during a demonstration in Tegucigalpa. (Photo: AFP)

"The corporate revolution will collapse if we refuse to buy what they are selling — their ideas, their version of history, their wars, their weapons, their notion of inevitability." – Arundhati Roy, War Talk

Founded at the historical seam between World War II and the birth of the Cold War, the World Bank's purpose — then as now — is to spread capitalism across the globe. Correspondingly, it has long promoted capitalist agriculture, alongside other rural extractive industries, at the expense of peasant, indigenous, and community-based food systems. And while the Bank's interest in farming has waxed and waned over its more than six decades, in recent years it has shown a renewed interest in the importance of agriculture. Critics, however, point to the Bank's complicity in a new feverish wave of global land grabs. And peasants around the world refuse to buy the World Bank's notion of their inevitable demise.

The Green Revolution as Massive Global Land Grab

In its early years (1940s-1960s), while the World Bank financed rural infrastructure like large dams, it mostly ignored agriculture. Not until the 1970s did Bank President Robert McNamara (1968-81) call for investments in agriculture. Following his tenure as Secretary of Defense of the United States, during which Vietnamese peasants routed U.S. forces in Southeast Asia, he became keenly aware of agriculture's geopolitical importance. Under McNamara the World Bank partnered with the Rockefeller Foundation to massively expand the Green Revolution, which entailed transferring U.S.-style industrial agriculture to the global South through debt-financed programs and infrastructure.

The Green Revolution spread rapidly throughout Asia and Latin America (it was mostly a failure in Africa), with dramatic increases in agricultural production. From 1970 to 1990, the two decades of major Green Revolution expansion, the total food available per person in the world rose by 11 percent. The benefits of this model, however, were poorly distributed and introduced profound social and environmental problems — arguably leading to more hunger, not less. In South America, for instance, per capita food supplies rose almost 8 percent, but the number of hungry people went up by 19 percent in the same period.

High-yielding crop varieties demanded high levels of chemical inputs and required fertile, irrigable land that could be mechanized. As a result, poor farmers were displaced from the best lands as wealthier farmers took advantage of new credit opportunities and input packages and expanded their landholdings. Millions of rural people migrated to the cities in search of work or sought out precarious farming opportunities on poor soils and fragile hillsides, joining the ranks of the poor and hungry.

The Neoliberal Turn and the Mounting Crisis

By the late 1980s, funding for agricultural development withered. The World Bank abandoned the state-led, debt-financed Green Revolution model as part of the larger shift to gut public institutions and put “development” in the hands of the private sector. In a reversal of early Green Revolution logic, the Bank enthusiastically supported the idea that poor countries should buy food from transnational corporations on the global market rather than grow it themselves.

It is difficult to overstate the degree to which the International Monetary Fund and World Bank-promoted cocktail of liberalization, deregulation, and privatization contributed to extreme vulnerability for farmers and peasants. First, it turned mostly self-sufficient agricultural economies into import-dependent ones. Second, it removed safety nets small farmers had long relied upon while abruptly forcing them to compete with imports from industrialized countries like the United States. And third, it made it easier for wealthy investors — both foreign and domestic — to access land and resources without adequately protecting human rights and rural livelihoods.

This tinderbox of vulnerability detonated in 2007 when global food prices spiked and food riots broke out around the world. Between 2007 and 2008, the world’s hungry jumped from 850 to 982 million people — mostly peasants and small farmers. World Bank President Robert Zoellick called for a “New Deal for a Global Food Policy” announcing, among other things, new loans for governments to purchase seeds, fertilizers, and irrigation improvements. Two decades of ignoring and defunding agriculture, it seemed, were drawing to a close—a suspicion confirmed when the Bank released its first comprehensive report on agriculture in 25 years: the 2008 World Development Report: Agriculture for Development.

But the Bank’s old, stale assumptions lingered; namely, that peasants should either get big (become large-scale commercial farmers) or get out of agriculture altogether. The implied prescription is yet another massive transfer of land and resources away from the world’s 2.5 billion peasants to large capitalist firms, while remaining agnostic about the fate of this mass of people — roughly one-third of humanity. 1,000 World Bank projects approved between 2004 and 2013 forced 3.4 million people from their homes, grabbed their land, or damaged their livelihood.

The World Bank in the “New” Land and Resource Grabs

Looking at the Bank’s history and guiding assumptions, it is unsurprising to find it heavily implicated in what some are calling the “new” land and resource grabs. Sparked in part by the 2007-2008 food and financial crisis, a global wave of largely speculative investments and dispossession has affected upwards of 86 million hectares of land worldwide (with some estimates as high as 227 million hectares). The Bank facilitates these land grabs in a number of interrelated ways: low-interest loans to agribusiness and other land-based industries; investment guarantees and insurance; loans to governments for investor-friendly infrastructure like roads and dams; and technical advice on how to reform regulatory regimes to attract foreign investment.

Beyond agriculture, these activities support a whole slew of industries that restructure the countryside as a site of dirty extraction and capital accumulation instead of community health and wellbeing. These include timber, mining, fisheries, tourism, energy, and plantation agriculture (including agrofuels) — industries that either expel peasants from their territories or contaminate the land and water they depend on. Of course, once rendered poor and landless, former peasants are enlisted as cheap labor for the very industries that uprooted them. This, for the World Bank, is what constitutes "job creation" and "development."

Many cases of land grabbing occur in countries with political instability and weak governance with regard to monitoring and regulating land deals—largely due to over two decades of World Bank-promoted structural adjustments that decimated government capacity. For instance, human rights and environmental activists have heavily criticized the Bank for promoting the expansion of mining in places like Haiti, where it has been assisting the government since 2013 in drafting new mining laws intended to attract foreign investment to a high-risk industry without applying social or environmental standards, transparency, or consultation mechanisms.

Perhaps the most egregious cases of World Bank-facilitated land grabbing have occurred under the auspices of the Bank's private sector lending arm, the International Finance Corporation (IFC). The IFC recently came under fire for a US$30 million loan package to the Dinant Corporation in Honduras, associated with the illegitimate acquisition of peasant lands for palm oil production and the killings of local community members. Half of the loan was disbursed to Dinant only four months after a military coup, supported by the country's landowning and business elite, threw the country into political turmoil, which including heavy repression targeting peasant communities.

Further, a new report by Oxfam details the IFC's increasing use of third parties, such as banks or private equity funds, to channel development money that amounted to US$36 billion between 2009 and 2013, or 62 percent of IFC spending. This allows the IFC to distance itself from development outcomes such as human rights abuses, environmental impacts, and displacement.

Remarkably, the Bank doesn't keep even basic statistics on the number of people displaced by its projects. A review of the Bank's "Involuntary Resettlement" program completed in mid-2014 revealed that the status of displaced people was unknown for 61 percent of sampled Bank-funded projects. Based on this inadequate data, the Bank estimates that half a million people have been displaced due to its 218 active projects — with no clear idea of how many of those received compensation or new land. A separate 11-month investigation by the International Consortium of Investigative Journalists found that 1,000 World Bank projects approved between 2004 and 2013 forced 3.4 million people from their homes, grabbed their land, or damaged their livelihood.

While Bank president Jim Yong Kim stated that "additional efforts must be made to build capacity and safeguards related to land rights," a leaked draft of new World Bank social and environmental safeguards showed just the opposite. Most shockingly, notes a statement endorsed by over 100 human rights organizations and experts, "The draft framework provides an opt-out option for governments who do not wish to provide essential land and natural resource rights protections to Indigenous Peoples within their States. This regressive clause, if adopted, would represent a wink and nod by the World Bank to governments that they should not feel compelled to respect international human rights law, and can violate the fundamental right to land, territories, and resources…"

Peasants vs. The World Bank

Much has changed since the World Bank was founded in 1944. In spite of rising hunger, wealth inequality, and land concentration, there has been a remarkable growth in peasant mobilizations around the world — perhaps most notably the international peasant confederation La Via Campesina now comprising over 150 member organizations in 70 countries representing some 300 million farmers. Each year on April 17, La Via Campesina recognizes the International Day of Peasant Struggle in recognition of 19 peasant members of Brazil's Landless Workers Movement (MST) who were assassinated by large landowners and military on April 17, 1996. This year, peasants mobilize specifically against transnational companies and free trade agreements, watchwords of the World Bank's longstanding development model and weapons in its ongoing war on peasants. As La Via Campesina celebrates its hard-fought struggle for food sovereignty, agroecology, and the right to land with actions around the world, it reminds us that farmers and peasants refuse to buy the Bank's notion of their inevitable disappearance.

Tanya Kerssen is the research coordinator and Eric Holt-Giménez is the executive director at Food First/Institute for Food and Development Policy based in Oakland, CA

Articles by: Tanya Kerssen
and Eric Holt-Giménez