

# The Great Land Giveaway: Neo-Colonialism by Invitation

Colonial style empire-building is making a huge comeback

By [Prof. James Petras](#)

Theme: [Global Economy](#)

Global Research, December 01, 2008

1 December 2008

"The deal South Korea's Daewoo Logistics is negotiating with the Madagascar Government looks rapacious...The Madagascan case looks neo-colonial...The Madagascan people stand to lose half of their arable land."Financial Times Editorial, November 20, 2008

"Cambodia is in talks with several Asian and Middle Eastern governments to receive as much as \$3 billions US dollars in agricultural investments in return for millions of hectares of land concessions..."Financial Times, November 21, 2008

"We are starving in the midst of bountiful harvests and booming exports!:Unemployed Rural Landless Workers, Para State, Brazil (2003)

## Introduction

Colonial style empire-building is making a huge comeback, and most of the colonialists are late-comers, elbowing their way past the established European and US predators.

Backed by their governments and bankrolled with huge trade and investment profits and budget surpluses, the newly emerging neo-colonial economic powers (ENEP) are seizing control of vast tracts of fertile lands from poor countries in Africa, Asia and Latin America, through the intermediation of local corrupt, free-market regimes. Millions of acres of land have been granted – in most cases free of charge – to the ENEP who, at most, promise to invest millions in infrastructure to facilitate the transfer of their plundered agricultural products to their own home markets and to pay the ongoing wage of less than \$1 dollar a day to the destitute local peasants. Projects and agreements between the ENEP and pliant neo-colonial regimes are in the works to expand imperial land takeovers to cover additional tens of millions of hectares of farmland in the very near future. The great land sell-off/transfer takes place at a time and in places where landless peasants are growing in number, small farmers are being forcibly displaced by the neo-colonial state and bankrupted through debt and lack of affordable credit. Millions of organized landless peasants and rural workers struggling for cultivatable land are criminalized, repressed, assassinated or jailed and their families are driven into disease-ridden urban slums. The historic context, economic actors and methods of agro-business empire-building bears similarities and differences with the old-style empire building of the past centuries.

## Old and New Style Agro-Imperial Exploitation

During the previous five centuries of imperial domination the exploitation and export of

agricultural products and minerals played a central role in the enrichment of the Euro-North American empires. Up to the 19th century, large-scale plantations and *latifundios*, organized around staple crops, relied on forced labor – slaves, indentured servants, semi-serfs, tenant farmers, migrant seasonal workers and a host of other forms of labor (including prisoners) to accumulate wealth and profits for colonial settlers, home country investors and the imperial state treasuries.

The agricultural empires were secured through conquest of indigenous peoples, importation of slaves and indentured workers, the forcible seizure and dispossession of communal lands and the rule through colonial officials. In many cases, the colonial rulers incorporated local elites ('nobles', monarchs, tribal chiefs and favored minorities) as administrators and recruited the impoverished, dispossessed natives to serve as colonial soldiers led by white Euro-American officers.

Colonial-style agro-imperialism came under attack by mass-based national liberation movements throughout the 19th and first half of the 20th centuries, culminating in the establishment of independent national regimes throughout Africa, Asia (except Palestine) and Latin America. From the very beginning of their reign, the newly independent states pursued diverse policies toward colonial-era land ownership and exploitation. A few of the radical, socialist and nationalist regimes eventually expropriated, either partially or entirely, foreign landowners, as was the case in China, Cuba, Indochina, Zimbabwe, Guyana, Angola, India and others. Many of these 'expropriations' led to land transfers to the new emerging post-colonial bourgeoisie, leaving the mass of the rural labor force without land or confined to communal land. In most cases the transition from colonial to post-colonial regimes was underwritten by a political pact ensuring the continuation of colonial patterns of land ownership, cultivation, marketing and labor relations (described as a 'neo-colonial agro-export system'). With few exceptions most independent governments failed to change their dependence on export crops, diversify export markets, develop food self-sufficiency or finance the settlement of rural poor onto fertile uncultivated public lands.

Where land distribution did take place, the regimes failed to invest sufficiently in the new forms of rural organization (family farms, co-ops or communal '*ejidos*') or imposed centrally controlled large-scale state enterprises, which were inefficiently run, failed to provide adequate incentives for the direct producers, and were exploited to finance urban-industrial development. As a result, many state farms and cooperatives were eventually dismantled. In most countries great masses of the rural poor continued to be landless and subject to the demands of local tax collectors, military recruiters and usurious money lenders and were evicted by land speculators, real estate developers and national and local officials.

### Neo-Liberalism and the Rise of New Agro-Imperialism

Emblematic of the new style agro-imperialism is the South Korean takeover of half (1.3 million hectares) of Madagascar's total arable land under a 70-90 year lease in which the Daewoo Logistics Corporation of South Korea expects to pay nothing for a contract to cultivate maize and palm oil for export.<sup>1</sup> In Cambodia, several emerging agro-imperial Asian and Middle Eastern countries are 'negotiating' (with hefty bribes and offers of lucrative local 'partnerships' to local politicians) the takeover of millions of hectares of fertile land.<sup>2</sup> The scope and depth of the new emerging agro-imperial expansion into the impoverished countryside of Asian, African and Latin American countries far surpasses that of the earlier colonial empire before the 20th century. A detailed account of the new agro-imperialist countries and their neo-colonial colonies has recently been compiled on the website of

### GRAIN3.

The driving forces of contemporary agro-imperialist conquest and land grabbing can be divided into three blocs:

- A. The new rich Arab oil regimes, mostly among the Gulf States (in part, through their 'sovereign wealth funds).
- B. The newly emerging imperial countries of Asia (China, India, South Korea and Japan) and Israel
- C. The earlier imperial countries (US and Europe), the World Bank, Wall Street investment banks and other assorted imperial speculator-financial companies.

Each of these agro-imperial blocs is organized around one to three 'leading' countries: Among the Gulf imperial states, Saudi Arabia and Kuwait; in Asia – China, Korea and Japan are the main land grabbers. Among the US-European-World Bank land predators there are a wide range of agro-imperialist monopoly firms buying up land ranging from Goldman Sachs, Blackstone in the US to Louis Dreyfuss in the Netherlands and Deutschebank in Germany. Upward of several hundred million acres of arable land have been or are in the process of being appropriated by the world's biggest capitalist landowners in what is one of the greatest concentration of private landownership in the history of empire building.

The process of agro-imperial empire building operates largely through political and financial mechanisms, preceded, in some cases, by military coups, imperial interventions and destabilization campaigns to establish pliable neo-colonial 'partners' or, more accurately, collaborators, disposed to cooperate in this huge imperial land grab. Once in place, the Afro-Asian-Latin American neo-colonial regimes impose a neo-liberal agenda which includes the break-up of communal-held lands, the promotion of agro-export strategies, the repression of any local land reform movements among subsistence farmers and landless rural workers demanding the redistribution of fallow public and private lands. The neo-colonial regimes' free market policies eliminate or lower tariff barriers on heavily subsidized food imports from the US and Europe. These policies bankrupt local market farmers and peasants increasing the amount of available land to 'lease' or sell-off to the new agro-imperial countries and multinationals. The military and police play a key role in evicting impoverished, indebted and starving farmers and preventing squatters from occupying and producing food on fertile land for local consumption.

Once the neo-colonial collaborator regimes are in place and their 'free market' agendas are implemented, the stage is set for the entry and takeover of vast tracts of cultivable land by the agro-imperial countries and investors.

Israel is the major exception to this pattern of agro-imperial conquest, as it relies on the massive sustained use of force against an entire nation to dispossess Palestinian farmers and seize territory via armed colonial settlers – in the style of earlier Euro-American colonial imperialism.<sup>4</sup>

The sellout usually follows one of two paths or a combination of both: Newly emerging imperial countries take the lead or are solicited by the neo-colonial regime to invest in 'agricultural development'. One-sided 'negotiations' follow in which substantial sums of cash flow from the imperial treasury into the overseas bank accounts of their neo-colonial

'partners'. The agreements and the terms of the contracts are unequal: The food and agricultural commodities are almost totally exported back to the home markets of the agro-imperial country, even as the 'host country's' population starves and is dependent on emergency shipments of food from imperial 'humanitarian' agencies. 'Development', including promise of large-scale investment, is largely directed at building roads, transport, ports and storage facilities to be used exclusively to facilitate the transfer of agricultural produce overseas by the large-scale agro-imperial firms. Most of the land is taken rent-free or subject to 'nominal' fees, which go into the pockets of the political elite or are recycled into the urban real estate market and luxury imports for the local wealthy elite. Except for the collaborationist relatives or cronies of the neo-colonial rulers, almost all of the high paid directors, senior executives and technical staff come from the imperial countries in the tradition of the colonial past. An army of low salary, educated, 'third country nationals' generally enter as middle level technical and administrative employees – completely subverting any possibility of vital technology or skills transfer to the local population. The major and much touted 'benefit' to the neo-colonial country is the employment of local manual farm workers, who are rarely paid above the going rate of \$1 to 2 US dollars a day and are harshly repressed and denied any independent trade union representation.

In contrast, the agro-imperial companies and regimes reap enormous profits, secure supplies of food at subsidized prices, exercise political influence or hegemonic control over collaborator elites and establish economic 'beachheads' to expand their investments and facilitate foreign takeover of the local financial, trade and processing sectors.

### Target Countries

While there is a great deal of competition and overlap among the agro-imperial countries in plundering the target countries, the tendency is for the Arab petroleum imperial regimes to focus on penetrating neo-colonies in South and Southeast Asia. The Asian 'Economic Tiger' countries concentrate on Africa and Latin America. While the US-Europe Multinationals exploit the former communist countries of Eastern Europe and the former Soviet Union as well as Latin America and Africa.

Bahrain has grabbed land in Pakistan, the Philippines and Sudan to supply itself with rice. China, probably the most dynamic agro-imperial country today, has invested in Africa, Latin America and Southeast Asia to ensure low cost soybean supplies (especially from Brazil), rice production in Cuba (5,000 hectares), Burma, Cameroon (10,000 hectares), Laos (100,000 hectares), Mozambique (with 10,000 Chinese farm-worker settlers), the Philippines (1.24 million hectares) and Uganda.

The Gulf States are projecting a \$1 billion dollar fund to finance land grabs in North and Sub-Saharan Africa. Japan has purchased 100,000 hectares of Brazilian farmland for soybean and maize. Its corporations own 12 million hectares in Southeast Asia and South America. Kuwait has grabbed land in Burma, Cambodia, Morocco, Yemen, Egypt, Laos, Sudan and Uganda. Qatar has taken over rice fields in Cambodia and Pakistan and wheat, maize and oil seed croplands in Sudan as well as land in Vietnam for cereals, fruit, vegetables and raising cattle. Saudi Arabia has been 'offered' 500,000 hectares of rice fields in Indonesia and hundreds of thousands of hectares of fertile land in Ethiopia and Sudan.

The World Bank (WB) has played a major role in promoting agro-imperial land grabs, allocating \$1.4 billion dollars to finance agro-business takeovers of 'underutilized lands'. The WB conditions its loans to neo-colonies, like the Ukraine, on their opening up lands to be

exploited by foreign investors.<sup>5</sup> Taking advantage of neo-liberal 'center-left' regimes in Argentina and Brazil, agro-imperial investors from the US and Europe have bought millions of acres of fertile farmlands and pastures to supply their imperial homelands, while millions of landless peasants and unemployed workers are left to watch the trains laden with beef, wheat and soy beans head for the foreign MNC-controlled port facilities and on to the imperial home markets in Europe, Asia and the US.

At least two emerging imperial countries, Brazil and China, are subject to imperial land grabs by more 'advanced' imperial countries and have become 'agents' of agricultural colonization. Japanese, European and North American multinationals exploit Brazil even as Brazilian colonial settlers and agro-industrialists have taken over wide swathes of borderlands in Paraguay, Uruguay and Bolivia. A similar pattern occurs in China where valuable farmlands are exploited by Japanese and overseas Chinese capitalists at the same time that China is seizing fertile land in poorer countries in Africa and Southeast Asia.

### Present and Future Consequences of Agro-Imperialism

The re-colonization by emerging imperialist states of huge tracts of fertile farmland of the poorest countries and regions of Africa, Asia and Latin America is resulting in a deepening class polarization between, on the one hand, wealthy rentier Arab oil states, Asian billionaires, affluent state-funded Jewish settlers and Western speculators and, on the other hand, hundreds of millions of starving, landless, dispossessed peasants in Sudan, Madagascar, Ethiopia, Cambodia, Palestine, Burma, China, Indonesia, Brazil, the Philippines, Paraguay and elsewhere.

Agro-imperialism is still in its early stages – taking possession of huge tracts of land, expropriating peasants and exploiting the landless rural workers as day laborers. The next phase which is currently unfolding is to take control over the transport systems, infrastructure and credit systems, which accompany the growth of agro-export crops. Monopolizing infrastructure, credit and the profits from seeds, fertilizers, processing industries, tolls and interest payments on loans further concentrates de facto imperial control over the colonial economy and extends political influence over local politicians, rulers and collaborators within the bureaucracies.

The neo-colonized class structure, especially in largely agricultural economies are evolving into a four tier class system in which the foreign capitalists and their entourage are at the pinnacle of elite status representing less than 1% of the population. In the second tier, representing 10% of the population are the local political elite and their cronies and relatives as well as well placed bureaucrats and military officers, who enrich themselves, through partnerships ('joint ventures') with the neo-colonials and via bribes and land grabs. The local middle class represents almost 20% and is in constant danger of falling into poverty in the face of the world economic crises. The dispossessed peasants, rural workers, rural refugees, urban squatters and indebted subsistence peasants and farmers make up the fourth tier of the class structure with close to 70% of the population.

Within the emerging neo-colonial agro-export model, the 'middle class' is shrinking and changing in composition. The number of family farmers producing for the domestic market is declining in the face of state-supported foreign-owned farms producing for their own 'home markets'. As a result market vendors and small retailers in the local markets are falling behind, squeezed out by the large foreign-owned supermarkets. The loss of employment for domestic producers of farm goods and services and the elimination of a



host of 'commercial' intermediaries between town and country is sharpening the class polarization between top and bottom tiers of the class structure. The new colonial middle class is reconfigured to include a small stratum of lawyers, professionals, publicists and low-level functionaries of the foreign firms and public and private security forces. The auxiliary role of the 'new middle class' in servicing the axis of colonial economic and political power will make them less nation-oriented and more colonial in their allegiances and political outlook, more 'free market' consumerist in their life style and more prone to approve of repressive (including fascistic) domestic solutions to rural and urban unrest and popular struggles for justice.

At the present moment, the biggest constraint on the advance of agro-imperialism is the economic collapse of world capitalism, which is undermining the 'export of capital'. The sudden collapse of commodity prices is making it less profitable to invest in overseas farmland. The drying up of credit is undermining the financing of grandiose overseas land grabs. The 70% decline in oil revenues is limiting the Middle East Sovereign Funds and other investment vehicles of Gulf oil foreign reserves. On the other hand, the collapse of agricultural prices is bankrupting African, Asian and Latin American elite agro-producers, forcing down land prices and presenting opportunities for imperial agro-investors to buy up even more fertile land at rock-bottom prices.

The current world capitalist recession is adding millions of unemployed rural workers to the hundreds of millions of peasants dispossessed during the expansion period of the agricultural commodity boom during the first half of the current decade. Labor costs and land are cheap, at the same time that effective consumer demand is falling. Agro-imperialists can employ all the Third World rural labor they want at \$1 dollar a day or less, but how can they market their products and realize returns that cover the costs of loans, bribes, transport, marketing, elite salaries, perks, CEO bonuses and investor dividends *when demand is in decline?*

Some agro-imperialists may take advantage of the recession to buy cheaply now and look forward to long-term profits when the multi-trillion dollar state-funded recovery takes effect. Others may cut back on their land grabs or more likely hold vast expanses of valuable land out of production until the 'market' improves - while dispossessed peasants starve on the margins of fallow fields.

The new agro-imperialists are banking on the new imperialist states committing resources (money and troops) to bolster the neo-colonial gendarmes in repressing the inevitable uprisings of the billions of dispossessed, hungry and marginalized people in Sudan, Ethiopia, Burma, Cambodia, Brazil, Paraguay, the Philippines, China and elsewhere. Time is running out for the easy deals, transfers of ownership and long-term leases consummated by local neo-colonial collaborators and overseas colonial investors and states. Currently imperial wars and domestic economic recessions in the old and emerging imperial countries are systematically draining their economies and testing the willingness of their populations to sacrifice for new style colonial empire building. Without international military and economic backing, the thin stratum of local neo-colonial rulers can hardly withstand sustained, mass uprisings of the destitute peasantry allied with the downwardly mobile lower middle class and growing legions of unemployed university-educated young people.

The promise of a new era of agro-imperial empire building and a new wave of emerging imperial states may be short-lived. In its place we may see a new wave of rural-based national liberation movements and ferocious competition between new and old imperial

states fighting over increasingly scarce financial and economic resources. While downwardly mobile workers and employees in the Western imperial centers gyrate between one and another imperial party (Democrat/Republican, Conservative/Labor) they will play no role for the foreseeable future. When and if they break loose...they may turn toward a demagogic nationalist right or toward a currently invisible (at least in the US and Europe) 'patriotic nationalist' socialist left. In either case, current imperial pillage and the subsequent mass rebellion will start elsewhere with or without a change in the US or Europe.

## NOTES

1. Financial Times November 20, 2008 page 3
2. Financial Times November 21, 2008 page 7
3. <http://www.grain.org> (November 22, 2008)
4. Stephen Lendman, "Another Israeli West Bank Land Grab Scheme", Counterpunch. Org. October 10, 2008; Guardian.co.uk, October 10, 2008.
5. See GRAIN.org, op.cit.

The original source of this article is Global Research  
Copyright © [Prof. James Petras](#), Global Research, 2008

---

**[Comment on Global Research Articles on our Facebook page](#)**

**[Become a Member of Global Research](#)**

Articles by: [Prof. James Petras](#)

**Disclaimer:** The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)

[www.globalresearch.ca](http://www.globalresearch.ca) contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)