

# Twenty-First-Century Land Grabs: Accumulation by Agricultural Dispossession

By [Fred Magdoff](#)

Theme: [Global Economy](#)

Global Research, November 04, 2013

[Monthly Review](#) 1 November 2013

Land grabs—whether initiated by multinational corporations and private investment firms emanating from the capitalist core, sovereign wealth funds in the Middle East, or state entities such as China and India—are now in the news constantly.<sup>1</sup> For example, in July 2013 the Colombian ambassador to the United States resigned over his participation in a legally questionable effort to help the U.S. corporation Cargill use shell companies to amass 130,000 acres of land. This land was supposed to be used for agricultural production, but there is also land being grabbed for other purposes—such as mining or to construct roads, buildings, and dams. In human terms, land grabs mean real people and families are dispossessed. When people lose access to their land, they also lose their means to obtain food, their communities, and their cultures.

What is going on today must be placed in the historical context of the continuous development of capitalism. This is not meant to be a history of the last three centuries, but rather an overview in more or less chronological order. Specific examples of the dispossession of people from the land will emphasize the various techniques used by capital (or nascent capital) that have resulted in a continuous stream of people moving to the cities. The examples discussed below are but a small sampling of the dispossessions that have occurred, and are occurring, around the world.

The commodification of land—that most basic of resources, the source of terrestrial life, and the foundation of human civilization—was essential for the development of capitalism. And from the early modern capitalist era until the present, it is the commodification of nature—with land bought (or obtained by other means) and sold, speculated upon, and used to produce human food, animal feed, fiber, or fuel and with crops selected based on climate and soil type but also on what would bring the greatest returns—that is the underlying basis of the dispossession of people from their lands.

As we discuss these events let us remember the lines from Woody Guthrie's song about the outlaw Pretty Boy Floyd: "Some will rob you with a six gun, and some with a fountain pen."<sup>2</sup> Dispossession of people from the land over the last three centuries has formed an important pathway for the accumulation of capital—or, as some have put it, capital accumulation by dispossession. There have been many variations of means used, including both force (the "six gun") and swindling by using a variety of laws and agreements or outright chicanery (the "fountain pen"). Sometimes the two are used together. And at other times, farmers and peasants lose their lands as a result of capitalist economic relations—usually through not being able to compete in a cutthroat marketplace, or to afford the rents that the larger more highly capitalized farmers can pay.

## Dispossession by Enclosures: Primary Accumulation and the British Agricultural Revolution

In order for capitalism to develop many changes were needed in feudal society. Attitudes toward society, money, and obligations to others had to be changed. Money (capital) had to be retained, instead of solely used for consumption, as was the norm during feudalism. And last, a group of people had to be created that were forced to sell their labor in order to stay alive. The agricultural revolution in Europe, and especially in Britain, was the starting point for these changes, constituting the basis of primary accumulation, out of which arose the industrial revolution.<sup>3</sup>

By 1700 something new was happening in English agriculture; the pace of production increased, lowering the occurrence of famines. By 1750 England had enough of a grain surplus to export 13 percent of the crop.<sup>4</sup> By the beginning of the nineteenth-century it had a reliable excess of grain production.

Rather than one miraculous change, the rapid increase in food production and productivity was the result of a number of factors, such as the use of clovers in rotations and eliminating fallow years—practices promoted by the “improvement movement.” “Improve,” a word that we now use so generally in the sense to make things better, comes from the Anglo-French *emprouwer*, meaning “to turn to profit.”<sup>5</sup>

The greater agricultural productivity and change in attitudes toward the land—now a source of greater and sustained income to landowners—became the impetus that began the long and continuing process of the development of industrial capitalism. Ellen Meiksins Woods described the early connection between agriculture and the development of capitalism in Britain:

From the standpoint of improving landlords and capitalist farmers, land had to be liberated from any...obstruction to their productive and profitable use of property. Between the 16th and 18th centuries, there was growing pressure to extinguish customary rights that interfered with capitalist accumulation. This could mean various things: it might mean disputing the communal ownership of common lands and claiming private ownership; it might mean eliminating various use-rights on private land; or it might mean challenging the customary tenures which gave many smallholders rights of possession without unambiguous legal title. In all these cases, traditional conceptions of property had to be replaced by new, capitalist conceptions of property—property as not only “private” but also exclusive, literally excluding other individuals and the community, by eliminating village regulation and restrictions on land use, by extinguishing customary use-rights, and so on.<sup>6</sup>

As enclosures and dispossessions occurred, the dispossessed found work in small factories in rural areas and later in the cities; migrated to colonies in North America, Australia, and Africa; or became paupers, as the homeless and destitute were referred to at the time. The role of colonial migration as a relief valve cannot be stressed enough: in the last half of the nineteenth century, tens of millions of people migrated out of Europe.

## Dispossession by Force: Nineteenth-Century Cotton

The first mills and factories of the industrial revolution were built to spin, and later weave, cotton into fabric. Cotton was obtained from India and later Egypt, but in the mid-nineteenth

century the market for cotton exploded. And the U.S. Southeast was one of large areas developed to service this market.

Land-taking in the colonies of European powers (and the countries eventually derived from these colonies) was generally one of “removing” the original inhabitants to what were variously called “reservations,” “tribal areas,” and “bantustans.” This removal of native peoples left what had mainly been the “commons” now “open”—and available for European settlers, who converted the land into government or private ownership. Walter Johnson described the process as it related to the U.S. South and cotton:

By the end of the 1830s, the Seminole, the Creek, the Chickasaw, the Choctaw and the Cherokee had all been “removed” to lands west of the Mississippi. Their expropriated land provided the foundation of the leading sector of the global economy in the first half of the nineteenth century.

In the 1830s, hundreds of millions of acres of conquered land were surveyed and put up for sale by the United States. This vast privatization of the public domain touched off one of the greatest economic booms in the history of the world up to that time. Investment capital from Britain, the Continent and the Northern states poured into the land market.<sup>7</sup>

It was cotton—produced by slaves torn from their own land in Africa to work land taken from dispossessed Indian tribes—that provided the basic raw material for the textile mills that came to dominate northwestern English towns and led to the rise of Manchester and the mill towns in Lancashire county. This was the “golden era” of the mills, as workers, who would have previously been farming, were now available for low-wage labor. Johnson succinctly summarized the developments: “Thus were Indian land, African-American labor, Atlantic finance and British industry synthesized into racial domination, profit and economic development on a national and a global scale.”<sup>8</sup>

The tribes of the Southeastern United States—forcibly removed in the scramble for cotton lands to what is today the state of Oklahoma—were displaced once again by a variety of means, including massive swindling after the passage of the Dawes (General Allotment) Act in 1887.<sup>9</sup> Part of the act’s justification was that private ownership of land would help Indians adjust to U.S. society and economy. Instead it resulted in large losses of Indian-owned land.

#### Dispossession by Force: The Colonization of Africa

The greatest areas of dispossessions of sub-Saharan Africans were in the countries with large agricultural settler populations—especially South Africa, Namibia (South-West Africa), Zimbabwe (South Rhodesia), and Zambia (North Rhodesia). For example, beginning in the late-nineteenth century and continuing into the mid-twentieth century a large portion of Zimbabwe’s farmland was taken over by European settlers, so that by the time of formal independence about one-third of agricultural land was owned by Europeans.<sup>10</sup> In South Africa, white settlers controlled about 90 percent of the total land area by the 1930s, and took the country’s best farmland. And about half the land in Namibia was controlled by whites in 1990.<sup>11</sup>

Land grabs in colonies continued in the twentieth century up until independence. U.S. and UK corporations were involved in some of these such as: Firestone in its quest for rubber

plantations in formally independent Liberia, Brooke Bond (now owned by Unilever) for tea production in Kenya, and Del Monte for fruit production in Kenya. Some land was alienated as more white settlers arrived in countries such as Malawi, Angola, and Mozambique.

### Economic Dispossession: U.S. Monopoly-Capitalist Agriculture

For much of the twentieth century the practice of actually producing food—farming—was a poor investment for capitalists, because of low prices for both crops and animals. Although there were profits to be made in some farming sectors, there was little reliable profitability; some years prices were high and farmers did well, while in others low prices might send them into debt.

For most of the twentieth century the real money in the agricultural system was not to be found on the land and in farming, but rather in the non-farming agricultural industries. And the last three or four decades has been a time of heightened concentration and control of these industries—the input (including seeds, fertilizers, pesticides, and machinery), output (purchasing and trading of agricultural products), and final processing sectors of the world agricultural system.

Over this period increasingly larger farms have been producing more food, not just in the United States but also in places such as Europe, Brazil, and China. Larger scale helps make farms more profitable. Given a certain set of equipment, the physical economies of scale are exhausted pretty quickly, but the financial advantages of scale increase as farms get larger. The larger the farm the better deal the farmer gets on all purchases. Even the rate on loans goes down as the loan gets larger. And the sale price of agricultural commodities is frequently higher for the larger farms. Larger farms are also more able to profit from exploiting farm labor, if needed. And as available equipment size and capacity continues to grow larger, so does the increase in labor productivity on large farms. Thus it becomes very difficult, if not impossible, for small-scale farmers to continue production of basic undifferentiated commodities—wheat, corn, soybeans, cotton, etc.—unless they have a “city” job that provides most of the family’s income. This general trend of dispossession for economic reasons, as larger farms took over smaller ones, was mainly responsible for the loss of millions of U.S. farmers in the decades following the Great Depression. (It is worth noting that some small farmers have been successful over this period by growing for niche markets, for local restaurants, or selling directly to the public through farmers’ markets and by selling seasonal shares through CSAs—community supported agriculture farms.)

Large-scale vertical integrators of poultry and hog production—who have displaced tens of thousands of U.S. farmers—have made the term “factory farm” ever more meaningful. In place of many independent farmers, there is now the contract “farmer” who raises hogs or chickens in large-scale facilities for a corporate integrator. This person, in the words of Richard Lewontin, has:

become the typical “putting out” worker characteristic of the first stages of capitalist production in the seventeenth and eighteenth centuries. What the farmer has gained is a more stable source of income, at the price of becoming an operative in an assembly line. The change in the farmer’s position [has been] from an independent producer, selling in a market with many buyers, into a proletarian without options.[12](#)

### Economic Dispossession: Neoliberal Trade Agreements

As a part of capital's push to open up the nations of the South to easier exploitation, onerous conditions were forced on farmers in countries that either voluntarily signed agreements (Mexico and NAFTA, the North American Free Trade Agreement), or were forced to accept the International Monetary Fund/World Bank "structural adjustments" (Jamaica and Haiti).

These agreements lowered tariffs on imported food. The result was that millions of small-scale corn farmers in Mexico, essentially all farmers in Jamaica, and most Haitian rice farmers were unable to compete with low prices of imported food and stopped farming. The essentially complete destruction of Jamaican agriculture is described in the 2001 documentary *Life and Debt*.<sup>[13](#)</sup>

In 1994 Bill Clinton forced Haiti to accept the IMF/World Bank structural adjustment program in return for allowing deposed Jean-Bertrand Aristide to return as president. In 2010, Clinton, now a special UN representative to Haiti to help it recover from the earthquake, voiced regrets about what he did. He told a U.S. Senate Foreign Relations committee: "It may have been good for some of my farmers in Arkansas, but it has not worked. It was a mistake.... I had to live everyday with the consequences of the loss of capacity to produce a rice crop in Haiti to feed those people because of what I did; nobody else."<sup>[14](#)</sup>

The *New York Times* recently published a story about the problems that Jamaica, Haiti, and other Caribbean countries are having due to the high costs associated with importing so much of their food. "From 1991 to 2001, Jamaica's total food and beverage imports increased by two-and-a-half times, to \$503 million before doubling after that. Much of the initial growth coincided with agriculture surpluses around the world and changing tastes.... Many of the country's 200,000 farmers cut production in the '90s and early 2000s because they found it hard to compete."<sup>[15](#)</sup> The story describes some measures Jamaica and Haiti are taking to recover their agricultural production. But there is no mention at all as to what caused this catastrophe.

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

A combination of trends has contributed to the current twenty-first-century wave of land grabs. These include:

1. New international trade agreements favorable to globalized capital (WTO, NAFTA, etc.).
2. Opening up of the global South to foreign direct investment.<sup>[16](#)</sup>
3. Growth of globalized financialization and speculation headquartered in the rich countries.
4. Rising prices of foodstuff as more frequent droughts and floods decrease food produced in a region, especially harming countries that need to import large quantities of food; the 2008 World Food Crisis and its aftermath frightened food-importing countries.
5. U.S. and European desire to have so-called "green" biofuels as a substitute for conventional liquid fuels—thus, stimulating the market for corn (to make ethanol) and soybeans and palm oil (to make biodiesel).
6. Depletion of groundwater reserves in aquifers of important agricultural regions, as water is pumped out quicker than it can be replenished by rainfall.

These trends, together with insecure peasant land tenure in many countries and widespread

corruption, have led to a rapid and large movement of foreign capital taking control over huge tracts of land—mainly in Africa, Southeast Asia, and Latin America—by either outright purchase or by long-term leases and removal of peasant farmers from the land. In addition, in a few countries such as Colombia and Brazil local capital is heavily invested in land purchases and development of large-scale agricultural ventures.

What has been happening over the last decade, and especially since the 2008 World Food Crisis, is clearly different in many respects than the earlier disposessions. It is moving more quickly and simultaneously in many countries, mostly in the South. There are now sovereign wealth funds of countries such as Saudi Arabia, the United Arab Emirates, and China that are lacking in sufficient land or reliable water supplies to grow enough food to feed their populations and do not want to rely on the workings of the “free market” to supply their import needs. The high prices of 2008 made it abundantly clear that there could well be future problems in getting needed food supplies on world markets. In addition, investors of capital, mainly from Europe and the United States, think they can profit by growing food or biofuels or engage in other types of agricultural ventures for a world market. Another smaller issue is that private wealthy individuals and conservation organizations from the North have purchased large swaths of land in the South in order to “conserve” it, but in the process locals lose or have greatly restricted use rights to the land.

A British-based private research and investment firm that produces reports for clients, Hardman & Co., has described why land and agricultural products are interesting investments:

It is being called the new land grab; the rush for agricultural gold. It is a familiar story, a mini tsunami of hot money chasing a suddenly fashionable asset class....[L]eading the dash into agriculture by hedge funds and private equity managers is...the latest discovery of a commodity related play where there is still value to be found. However we think that this trend has significant[ly] more momentum behind it; it is not just an investment story, the re-discovery of the importance of agricultural assets reveals the very real issues facing mankind in relation to food security at a time of rapid population growth, rising affluence, urbanization, and climate change....Agricultural land is proving a strong investment class on its own, but increasingly, we believe, investor attention will focus on the essential expertise in terms of science, equipment, and management skills that can make the land asset produce what humanity cannot live without—food.[17](#)

The whole area is rife with speculation funded by the globally mobile wealth of the financialized era. Influential hedge-fund manager Michael Burry (profiled in Michael Lewis’s *The Big Short: Inside the Doomsday Machine*) states that, “productive agricultural land with water on site, will be very valuable in the future. And I’ve put a good amount of money into that.” Such speculative investments are not necessarily directed at immediate production. Rather various corporations and investment funds are positioning themselves with respect to water, soil, mineral, and hydrocarbon resources.[18](#) Indeed, because growing food requires so much water, the “land grab” in the global South is as much concerned with water as land itself.[19](#)

Africa, the target of much of the land grabbing, is sometimes called “the last agricultural frontier” because of vast areas of “unused” or underutilized land and generally low yields of its peasant agriculture. The continent itself is larger than most realize—its area is larger



than the combined areas of the continental United States, China, India, Japan, continental Europe (including both east and west), and the UK—offering a vast area in which the new land-grab imperialism can develop. In addition, only 10 percent of the land is regarded as legally titled. Only in Kenya, South Africa, Namibia, and Zimbabwe are there significant areas of privately owned land—formerly, and in many cases currently, land owned by white settlers and their descendants. Most of Africa’s lands are considered state land and when customary rights are recognized, it is usually just for dwellings and their immediate surroundings.

It is difficult to obtain accurate figures for the amount of land in the global South that is under the control of foreign and local private capital as well as foreign sovereign wealth funds. Sometimes announced projects do not actually go through and frequently there is less land actually used than the maximum agreed to. As of May 2012, it was estimated that between 32 and 82 million hectares (between approximately 80 and 200 million acres) of global farmland had been brought under foreign control, with the amount constantly increasing.<sup>20</sup> The most comprehensive estimates of land grabs are available from Land Matrix, which has country-level information on land obtained by foreign sources that affects local communities, the crops grown, and the “grabber” country.<sup>21</sup> According to this data, the countries that are the subject of the largest total land grabbed are almost all in Africa and Southeast Asia (see Table 1). The top ten land investor countries, aside from the usual suspects, include Malaysia and South Sudan—themselves a target of land grabs.<sup>22</sup> But capital from the North commonly assists or dominates such operations. For example, Malaysian Sime Darby’s venture to plant oil palm plantations in Liberia includes capital from the UK, Finland, and Holland.

Table 1. Top Ten Land Grab Targets and Investor Countries

**Table 1. Top Ten Land Grab Targets and Investor Countries**

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

**Source:** Land Matrix, <http://landmatrix.org>

There are so many examples of twenty-first-century land grabs that it is difficult to select a few for discussion. Let us briefly turn toward Sierra Leone and Indonesia, both in the top ten target countries for the land grabs.

Sierra Leone has made it clear that it is open for business—including land grabs. The Sierra Leone government's Investment and Export Promotion Agency (SLIEPA) website is revealing.<sup>23</sup> On the front page are flashing messages, among them: "Strong Private Investment and Divestiture Schemes" and "Arable land in abundance." Land Matrix lists seventeen agreements on some 1.1 million hectares for growing everything from rubber to oil palm to sugar cane to rice to cassava and eucalyptus trees. The largest amount of land (over 600,000 hectares) is controlled by UK private capital.

Regarding Indonesia, *Guardian* correspondent John Vidal has written a number of articles about the destruction of large tracts of rainforests and the implications for the people and wildlife living in them. The following description gives some idea of the human and environmental catastrophe taking place:

Land conflicts between farmers and plantation owners, mining companies and developers have raged across [Indonesia](#) as local and multinational companies have been encouraged to seize and then deforest customary land—land owned by indigenous people and administered in accordance with their customs. More than 600 were recorded in 2011, with 22 deaths and hundreds of injuries. The true number is probably far greater, say watchdog groups.

The Indonesian national human rights commission reported more than 5,000 human rights violations last year, mostly linked to deforestation by corporations. "Deaths of



farmers caused by the increase in agrarian conflicts all across Indonesia are increasing,” said Henry Saragih, founder of the Indonesian Peasant Union, which has 700,000 members.

“The presence of [palm oil](#) plantations has spawned a new poverty and is triggering a crisis of landlessness and hunger. Human rights violations keep occurring around natural resources in the country and intimidation, forced evictions and torture are common,” said Saragih. “There are thousands of cases that have not surfaced. Many remain hidden, especially by local authorities,” he says.

Communities complain that they are not warned, consulted or compensated when concessions are handed out and that they are left with no option but to give up their independence and work for minimal wages for the companies.[24](#)

### Land Dispossession in China: A Special Case

The situation occurring in China is so different from that in other countries that we need to discuss it separately. In a way this is a return to land grabbing and dispossessions as a means of national primitive accumulation. This, of course, was a country in which a comprehensive land reform occurred, followed by the formation of communes, which was followed in the 1980s by the allocation of strips of land to individual families under Deng Xiaoping’s “Household Responsibility System.” Chinese land is either owned by the state or collectively by the village, and farmers have rights to use parcels for a certain period of time.

Local and regional officials transferring land (or use rights) to developers are primarily responsible for the displacement of farmers. As old cities have been expanded and new ones built, land is also taken for building infrastructure such as roads, dams, airports, and various public buildings. Although rampant corruption exists among local officials in the process of transferring land use rights, another impetus is the lack of funds coming from the central or provincial governments. Thus funds to operate villages and small towns are perpetually deficient and one of the ways to generate funds is to transfer contractual rights to land to developers. According to a professor at Tsinghua University, “In a lot of cases in China, urbanization is the process of local government driving farmers into buildings while grabbing their land.”[25](#) This has resulted in literally tens of thousands of mass demonstrations. Although sometimes concessions to villagers are made, as in the case of Wukan—where villagers took over the town and, after some struggle, were allowed to elect their own leaders—the anger is clearly widespread over both the corruption and the taking of farmers’ agricultural land and houses. A 2011 survey of seventeen provinces by U.S.-based Landesa Rural Development Institute, Renmin University, and Michigan State University found the following:

- About 4 million farmers were losing their land annually.
- The mean compensation to farmers for transfer of contractual rights to land was \$17,850 an acre.
- The mean selling price to commercial developers was \$740,000 an acre.[26](#)

A recent ominous development is China’s program to relocate a massive number of people from the rural areas into cities. By 2025, some 250 million people are to be displaced from the land, and China’s population will go, according to present development plans, from

about 50 percent urban to approximately 70 percent. Part of the push for this may be to populate the “ghost cities” that have been built on speculation, but sit empty.

Regarding agriculture, larger farms and fewer farmers are obviously part of the plan. “Supermarkets now rarely deal directly with small farmers. Instead, over the past five years, a new generation of companies has emerged to supply them with food. Some of these producers, such as Chaoda, a vegetable producer that operates farms in 29 different parts of the country, have managed to lease large enough tracts of land to justify big investments.”<sup>27</sup> Agribusinesses are bypassing dealing with individual small farmers and are “negotiating supply contracts with the village officials who control the use of the land.” Corporations such as Starbucks (coffee) and Pepsico (potatoes for its Frito Lay brand) are growing crops on land that they control—Pepsico is the largest potato grower in China—as well as contracting with farmers to grow for them.

Large-scale (“factory”) dairy farms, with capacities of 10,000 cows per farm and robotic milking machines, are already in place near major Chinese cities. Factory hog farms are also being developed and large crop farms are being encouraged. The purchase by Shuanghui International (a firm connected to China’s largest hog producers) of Smithfield (a U.S. company that owns over 400 farms and has contracts with 2,100 “farmer-contractors” to produce for them—the nation’s largest hog “farmer” and pork processor) is a further indication of China’s intention to concentrate on factory animal farms to supply its citizens with meat.

According to a Chinese news service article, “The central government said in its ‘No.1 document’ for 2013...[that] it would guide the orderly transfers of contractual rights of rural lands, and encourage land contracts to flow to large-scale landholders, family farms or farmer’ [sic] cooperatives to develop scale management. The large-scale farming will improve land and labor efficiency and provide a firm support to the country’s new type of urbanization.”<sup>28</sup>

The dubious idea behind this massive planned dispossession of farmers, and movement of such large numbers to cities, is to help create a self-propelling economy based on individual consumption rather than infrastructure investment and net export. “Urbanization can launch a process of value creation,” says the chief economist of the Agricultural Bank of China. “It should start a huge flow of revenues.”<sup>29</sup> Others, however, are doubtful. As Michael Pettis, professor of finance at Peking University, writes: “China’s plan to shift 300 million people into cities has become the new default argument for high growth, but it is based on a fallacy. First urbanization does not create growth. Growth creates urbanization.... Countries do not grow because they urbanize, in other words, they urbanize because they are growing and there are more good, productive jobs in the cities than in the countryside.”<sup>30</sup>

As might be expected, many problems are occurring in this rushed urbanization—especially the inability to produce sufficient new jobs to absorb the dispossessed and displaced farmers. There are people who used the compensation funds given to them for the forced relocation to buy electronic consumer goods, such as washing machines and flat screen televisions, that are now useless to them because they cannot afford to pay for the needed electricity. At the same time there are shortages of young, migrant workers—especially prized by industry since easily superexploited—in some of the southern coastal development zones. In fact, the capacity of China to superexploit rural-based, migrant workers (known as “the floating population”) has been a key to the rapid growth of industrial production in coastal regions, and would be undermined by a massive shift of the

population away from rural areas.[31](#)

The whole concept of rapid urbanization in order to have lots of consumers who will consume ever more stuff—taking the place of the reliance on investment and exports to keep the economy growing—is, to say the least, highly questionable as a development policy. This is putting the cart (moving people to cities) before the horse (jobs) and the whole effort may collapse because of its own irrational basis. And, if successful (even partially), its environmental implications are staggering: it will result in massive spending in order to promote personal consumption of more and more stuff to keep the economy growing. It also leaves the dispossessed vulnerable until a reasonably adequate social safety net is reinstituted. If an economic slowdown occurs and people lose their jobs, or employees are fired in order to hire younger workers, there will no longer be the option of returning to their villages and growing food for their families.

China has another critical agricultural issue: the large amount of land contaminated with industrial wastes, estimated at 10 to 24 million hectares (25 to 60 million acres).[32](#) And this is out of an agricultural base of approximately 120 million hectares—the bottom line that the Chinese leadership has set for the minimum land necessary to be able to grow most of their food.

The pollution arises from both the use of contaminated water for irrigation (many ponds, streams, and rivers contain discharges from chemical plants), and from airborne pollutants which are byproducts of mining and smelting. For example, the excessive cadmium in rice—especially from rice grown in Hunan province—is probably just the tip of an iceberg. The government has so far refused to release the results of a nationwide soil survey looking for contamination problems.

### Problems with the Growing Global Emphasis on Large Farms

During most of the thousands of years that humans have practiced agriculture, the vast majority of people worked the land, producing food for themselves and a relatively small group of non-food producing classes. Now, for the first time in human history, there are more urban dwellers than those living in rural areas. Despite this dramatic transition, farming is still critically important to the lives of a large portion of humanity. The International Labor Organization estimates that in 2013 approximately one-third of all workers (just over one billion people) were employed in agriculture, compared with about 44 percent in the services and 23 percent in industry.[33](#)

During earlier stages of capitalism there were alternative jobs available for displaced peasant farmers. These were frequently, but not always, at the expense of another population. During the rapid increase in industrial production many who lost land could emigrate to colonies or former colonies or move to cities and work in industry. But now, in the second decade of the twenty-first century, the world capitalist economy is not able to provide productive employment for the huge numbers of people losing their lands. Thus the fate of those migrating to cities or other countries is commonly to live in slums and to exist precariously within the “informal” economy—about one-third of city dwellers live in slums. Fed by the rapid depeasantization of the global South, “the global informal working class,” Mike Davis observed in *Planet of the Slums*, “is about one billion strong, making it the fastest-growing and most unprecedented social class on earth.”[34](#)

This means that there is a huge problem with the growth of farm size to larger and larger

units with increasing levels of mechanization. The effects on small farms and peasants are the same whether nationals (Brazil, for example) or foreigners own the large farms. Large farms tend to displace small farmers directly by dispossession (whether by the use of force or by “legal” means) or indirectly by competition, have high levels of mechanization, and require few labor hours per hectare. For a 160 hectare farm (400 acres) it takes on average 7.8 hours of labor per acre to grow and harvest corn, while for an 800 hectare farm (2,000 acres) it takes just 2.7 hours.<sup>35</sup> Approximately one-third of all the U.S. cropland is on farms of greater than 800 hectares (2,000 acres).

However, this reduction in labor hours does not mean more overall production per unit of land. Indeed, small farms can produce more food from a given area by using intercropping and other techniques, and also have the advantage from a social standpoint of employing *more* labor. And small farms are more ecologically efficient than large farms that need to rely on heavy petrochemical inputs, both directly and via fertilizers and pesticides, which take large amounts of energy to produce.

The simple math of the implications of China’s push to larger farms has been pointed out in China. “Despite the promising potential of family farming, [Professor] Lin [Wanlong at the College of Economics and Management of China Agriculture University] cautioned that those establishing family farms around the nation should take a prudent approach. According to his calculations, if the size of a family farm averages 6.7 hectares, China’s arable land, totaling 120 million hectares, can only hold 18 million such farms. Provided every family farm engages three laborers, this system could only employ 54 million people, while 300 million people in China currently make their living from agriculture alone.”<sup>36</sup>

Samir Amin claims that capitalism’s ideal is for 20 million large-scale highly mechanized farmers to produce all the food needed globally.<sup>37</sup> As he recognizes, there are two significant problems with this. It is more difficult to manage larger farms in ecologically sound ways—such as using complex rotations, integrating animal and crop production, raising animals humanely, having unmanaged natural areas, using intercropping, and trap crops. However, there is another issue as well: What will the literally hundreds of millions of people involved in agriculture today do if they are no longer farming? Most will probably flock to cities (and slums) that do not have sufficient job opportunities. This “surplus” population is already rapidly growing larger with land grabs and increased agricultural mechanization—people not needed for either industrial or agricultural production, and who no longer have access to land to grow their own food. This then is precisely one of the most critical issues of our age.

## Parting Thoughts

From the beginning of capitalism the drive for profits has been the major force in dispossessing peasant and small-scale farmers from the land. The enclosures provided much of the primary accumulation—in the amassing of capital, in the formation of a labor force, and the development of an internal market—for the beginnings of industrial capitalism.<sup>38</sup> Dispossession has occurred when small farmers were not able to compete with larger and increasingly capitalized farms. But “extra-economic means” have also been prominent—new laws passed that abrogate customary rights or promote investment; the barrel of a gun; and corruption of local, regional, and national officials. Today’s land grabs bear some similarities to those of the past. And in some countries land thefts by local oligarchies continue. But the extent of the global land grabs; the participation by European and North American capital and by sovereign wealth funds; the combination of international

trade agreements and local laws favoring the neoliberal agenda; the biofuel mania; and rapid food price hikes—together constitute a qualitatively new, historically specific transformation. And, of course, the situation in China is absolutely unique.

Before ending, it is important to recognize that many peasant farmers are not taking the dispossessions of the new land grabs without a fight. Peasant organizations such as La Vía Campesina are struggling against the new wave of land seizures. And while not organized, Chinese farmers have been fighting the corruption and the taking of their lands. All of these struggles are fighting against very powerful ideological, as well as police and military, forces. However, for the world's people to have secure access to the quantity and quality of food needed for a decent life, the land grabs and the development of large, highly mechanized factory farms must stop. Countries need to take control of their agriculture away from international and market forces and support the development of national food sovereignty based on family size farms—or, in some cases, larger collectives or farm cooperatives.

"The moral of the tale," Marx wrote in the third volume of *Capital*, "is that the capitalist system runs counter to a rational agriculture, or that a rational agriculture is incompatible with the capitalist system (even if the latter promotes technical development in agriculture) and needs either small farmers working for themselves or the control of the associated producers."<sup>39</sup>

*Fred Magdoff is professor emeritus of plant and soil science at the University of Vermont. He is coauthor, with John Bellamy Foster, of [The Great Financial Crisis](#) (2009) and [What Every Environmentalist Needs to Know About Capitalism](#) (2011)—both published by Monthly Review Press.*

*This article is based on notes from a presentation to the annual meeting of the Rural Sociology Society, in New York City on August 7, 2013.*

## Notes

1. ↪Ambrose Evans-Pritchard, "[The Backlash Begins Against the World Landgrab](#)," *Telegraph* (London), September 12, 2010, <http://telegraph.co.uk>.
2. ↪Woody Guthrie, "[Pretty Boy Floyd](#)," <http://woodyguthrie.org/lyrics>.
3. ↪On the concept of primary [or primitive] accumulation see Harry Magdoff, "[Primitive Accumulation and Imperialism](#)," *Monthly Review* 65, no. 5 (October 2013): 13–25.
4. ↪Paul Bairoch, "Agriculture and the Industrial Revolution," in Carlo M. Cipolla, ed., *Fontana Economic History of Europe: The Industrial Revolution* (London: Collins/Fontana, 1973), 459.
5. ↪"[Improve](#)," *Online Etymology Dictionary*, <http://etymonline.com>.
6. ↪Ellen Meiksins Wood, "The Agrarian Origins of Capitalism," in Fred Magdoff, John Bellamy Foster, and Frederick H. Buttel, eds., *Hungry for Profit* (New York: Monthly Review Press, 2000).
7. ↪Walter Johnson, "[King Cotton's Long Shadow](#)," *New York Times*, *Opinionator* blog, March 30, 2013, <http://opinionator.blogs.nytimes.com>.
8. ↪Ibid.
9. ↪Angie Debo, *And Still the Waters Run: The Betrayal of the Five Civilized Tribes* (Princeton: Princeton University Press, 1973); and "[What Were the Results of Allotment?](#)," Native American Documents Project, California State University San Marcos, <http://public.csusm.edu/nadp>.



10. ↪The African Studies Center and MATRIX digital humanities center at Michigan State University, *Exploring Africa*, "[Module 30: Zimbabwe Teacher's Edition](http://exploringafrica.matrix.msu.edu)," <http://exploringafrica.matrix.msu.edu>; and Tony Allan, Martin Keulertz, Suvi Sojamo, and Jeroen Warner, eds., *Handbook of Land and Water Grabs in Africa: Foreign Direct Investment and Food and Water Security* (London: Routledge, 2013).
11. ↪Deborah Potts, "Land Alienation Under Colonial and White Settler Governments in Southern Africa," in Allan, Keulertz, Sojamo, and Warner, eds., *Handbook of Land and Water Grabs in Africa*, Table 1.2.1, 26.
12. ↪R.C. Lewontin, "The Maturing of Capitalist Agriculture: Farmer as Proletarian," in Magdoff, Foster, and Buttel, eds., *Hungry for Profit*.
13. ↪For information on *Life and Debt*, see <http://lifeanddebt.org>.
14. ↪Jonathan M. Katz, "[With Cheap Food Imports, Haiti Can't Feed Itself](http://huffingtonpost.com)," *Huffington Post*, March 20, 2010, <http://huffingtonpost.com>.
15. ↪Damien Cave, "[As Cost of Importing Food Soars, Jamaica Turns to the Earth](http://nytimes.com)," *New York Times*, August 3, 2013, <http://nytimes.com>.
16. ↪Trade policies fostered by the most advanced and wealthiest capitalist countries had a number of purposes. However, one of the important ones was to allow capital to flow in and out of countries with minimal (or no) restrictions. This included allowing foreigners to invest in nations and to repatriate their profits at will. Although the regulations of the World Trade Organization played its part, so did the IMF mandated structural adjustments as did NGOs from the North that had assimilated a similar ideological approach. In addition, many government and academic economists in the countries of the South received training in the bastions of the ideology of "free trade"—the United States and Britain. Thus, in order to attract foreign capital—supposedly the way that countries were to develop—local laws were changed to allow such investment. For example, multinational companies have acquired approximately 2.5 million hectares of Tanzanian land under laws passed in the late 1990s under the tutelage the IMF and the World Bank. The laws passed under the strategy of Liberalize, Marketize, Privatize (LIMP) paved the way for foreign control of vast tracts of agricultural lands.
17. ↪Cited in Mark Campanale, "Private Investment in Agriculture," in Allan, Keulertz, Sojamo, and Warner, eds., *Handbook of Land and Water Grabs in Africa*.
18. ↪Evans-Pritchard, "The Backlash Begins Against the World Landgrab."
19. ↪Maria Cristina Rullia, Antonio Savoria, and Paolo D'Odorico, "Global Land and Water Grabbing," *Proceedings of the National Academy of Sciences* 110, no. 3 (2013): 892-97.
20. ↪Rullia, Savoria, and D'Odorico "Global Land and Water Grabbing."
21. ↪Land Matrix describes itself as "a global and independent land monitoring initiative that promotes transparency and accountability in decisions over land and investment"; see <http://landmatrix.org>.
22. ↪The inclusion of South Sudan as an "investor" country is due to the collusion of a small group of influential individuals who form the Mukaya Payam Cooperative. It cooperates with U.S. investors called Nile Trading & Development, a subsidiary of U.S.-based Kinyeti Development LLC, that in turn describes itself as "a global business development partnership and holding company founded by professionals with decades of experience in international business, finance and diplomacy." See "[About Kinyeti](http://kinyeti.com)," <http://kinyeti.com>.
23. ↪See <http://investsierraleone.biz>.
24. ↪John Vidal, "'[Indonesia Is Seeing a New Corporate Colonialism](http://theguardian.com),'" *Observer*, May 25, 2013, <http://theguardian.com>.
25. ↪Landesa press release, "[Insecure Land Rights: The Single Greatest Challenge Facing China's Sustainable Development and Continued Stability](http://landesa.org)," 2010, <http://landesa.org>.



26. ↪James Pomfret, "[Freedom Fizzles in China's Rebel Town](#)," *Reuters*, February 28, 2013, <http://reuters.com>.
27. ↪Geoff Dyer, "[Taking the Countryside: Why Agribusiness May Reap Profits and Problems for China](#)," *Financial Times*, April 4, 2007, <http://ft.com>.
28. ↪"[Premier Underlines Developing Modern Agriculture, Scale Farming](#)," *Xinhua*, March 30, 2013, <http://news.xinhuanet.com>.
29. ↪Ian Johnson, "[China's Great Uprooting: Moving 250 Million Into Cities](#)," *New York Times*, June 15, 2013, <http://nytimes.com>.
30. ↪Michael Pettis, "[The Urbanization Fallacy](#)," *China Financial Markets*, August 16, 2013, <http://blog.mpettis.com>.
31. ↪On the role of migrant labor in China and the relation of this to its entire accumulation strategy, see John Bellamy Foster and Robert W. McChesney, [The Endless Crisis](#) (New York: Monthly Review Press, 2012), 165–76.
32. ↪Josh Chin and Brian Spegele, "[China's Bad Earth](#)," *Wall Street Journal*, July 27, 2013, <http://online.wsj.com>.
33. ↪International Labour Office, [Global Employment Trends 2013: Recovering From A Second Jobs Dip](#) (Geneva: ILO, 2013), <http://ilo.org>.
34. ↪Mike Davis, *Planet of the Slums* (London: Verso, 2006), 178. On depeasantization see Farshad Araghi, "The Great Global Enclosure of Our Times: Peasants and the Agrarian Question at the End of the Twentieth Century," in Magdoff, Foster, and Buttel, eds., *Hungry for Profit*, 145–60.
35. ↪James M. MacDonald, Penni Korb, and Robert A. Hoppe, [Farm Size and the Organization of U.S. Crop Farming](#), United States Department of Agriculture, Economic Research Report No. 152, August 2013, <http://ers.usda.gov>, 18.
36. ↪Hou Weili, "[Back to Their Roots: New Incentives for Family Farming Provide Opportunities to Boost China's Rural Economy](#)," *ChinAfrica* 5, April 2013, <http://chinafrica.cn/english>.
37. ↪Samir Amin, "[World Poverty, Pauperization, & Capital Accumulation](#)," *Monthly Review* 55, no. 5 (October 2003): 1–9.
38. ↪H. Magdoff, "Primitive Accumulation and Imperialism."
39. ↪Karl Marx, *Capital*, vol. 3 (London: Penguin, 1981), 216.

The original source of this article is [Monthly Review](#)

Copyright © [Fred Magdoff](#), [Monthly Review](#), 2013

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

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

Articles by: [Fred Magdoff](#)

**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)