

# Land concentration, land grabbing and people's struggles in Europe.



**HANDS OFF  
THE LAND**

TAKE ACTION AGAINST  
LAND GRABBING

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## **HANDS OFF THE LAND**

**TAKE ACTION AGAINST LAND GRABBING**

a joint project of TNI, FIAN International, FIAN Netherlands, FIAN Germany,  
FIAN Austria, IGO in Poland and FDCL in Germany.

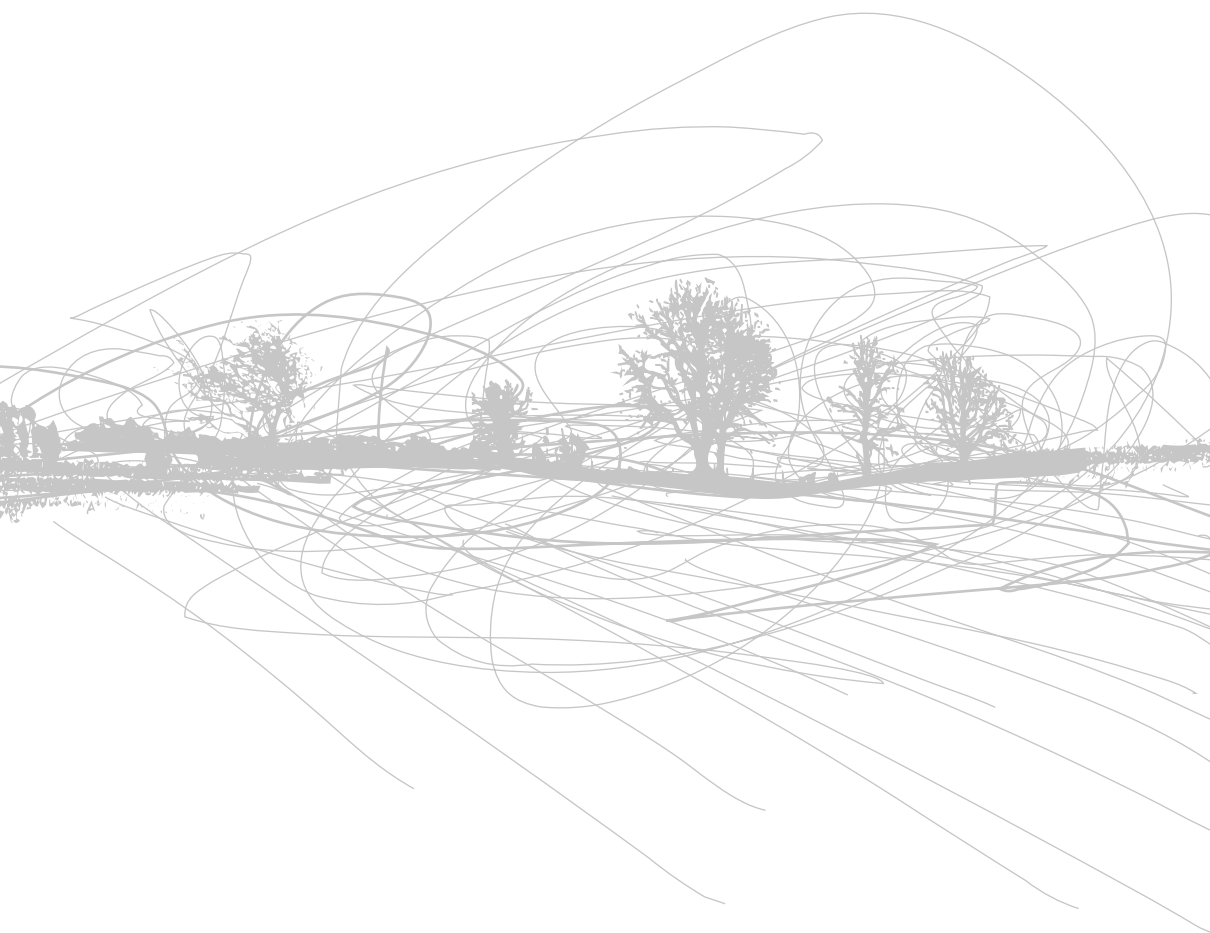


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# Executive summary\*

European Coordination Via Campesina (ECVC)\*\*

Hands-Off The Land (HOTL) Alliance\*\*\*

17 April 2013

## Introduction<sup>1</sup>

Land grabbing<sup>2</sup> is widely assumed to be happening only in the global South, but in-depth analysis by a team of researchers shows that land grabbing is also creeping in Europe.

The report, involving 25 authors from 11 countries, reveals the hidden scandal of how a few big private business entities have gained control of ever-greater areas of European land. It exposes how these land elites have been actively supported by a huge injection of public funds – at a time when all other public funding is being subjected to massive cuts. While some of these processes – in particular ever-increasing land concentration -- are not new, they have accelerated in recent decades in particular in Eastern Europe. They have also paved the way for a new sector of foreign and domestic actors to emerge on the European stage, many tied into increasingly global commodity chains, and all looking to profit from the increasingly speculative commodity of land.

Among other findings, the report reveals that:

## 1. Increasing land concentration

- **Land ownership in Europe has become highly unequal** reaching, in some countries, proportions similar to Brazil, Colombia and the Philippines – all notorious for their unequal distribution of land and land-based wealth. While in the EU there are some 12 million farms, the *large farms (100 hectares and above)* that only represent 3 percent of the total number of farms, control 50 percent of all farmed land.
- **This concentration of land ownership started decades ago, but has accelerated.**<sup>3</sup> In Germany, for example, a total of 1,246,000 holdings in 1966/67 shrunk to just 299,100 farms by 2010. Of these holdings, the *land area* covered by farms of less than 2 hectares, shrunk from 123,670 hectares in 1990 to a mere 20,110 hectares in 2007, while farms of 50 hectares and larger expanded in area from 9.2 million hectares in 1990 to 12.6 million hectares in 2007.<sup>4</sup>
- **In Eastern Europe, the concentration of land ownership has been particularly marked since the collapse of the Berlin Wall.** Many farmers were bankrupted when their countries entered the EU and highly subsidised agricultural products began flooding their markets. In the first six years, the majority of small farmers were not even eligible to apply for EU agricultural subsidies

\* A longer, full-blown introductory paper by Saturnino M. Borras Jr., Jennifer C. Franco and Jan Douwe van der Ploeg, and is currently being finalized and will be available in June 2013.

\*\* European Coordination Via Campesina is an organisation of 27 farmers' and agricultural workers' unions as well as rural movements working to achieve food sovereignty.

\*\*\* The HOTL is an alliance consisting of: the Transnational Institute (TNI), the international secretariat of the Foodfirst Information and Action Network (FIAN-IS), FIAN-Germany, FIAN-Netherlands, FIAN-Austria, Forschungs und Dokumentationszentrum Chile-Lateinamerika (FDCL) in Germany, and the Institute of Global Responsibility (IGO) in Poland.

which fuelled sales of farms. Here a new elite group of speculators/investors have succeeded in capturing vast tracts of land.

- **Public money, through subsidies paid under the Common Agricultural Policy, supported this concentration of land and wealth.** In Italy, for example, in 2011, 0.29 percent of farms accessed 18 percent of total CAP incentives, and 0.0001 of these (that is 150 farms) cornered 6 percent of all subsidies. In Spain in 2009, 75 percent of the subsidies were cornered by only 16 percent of the largest farmers. In Hungary in 2009, 8.6 percent of farms cornered 72 percent of all agricultural subsidies. Currently, the CAP subsidy scheme is being changed to subsidies per hectare of farm land. Unintended consequences of this might be that it further fuels the European land grab in the Eastern and Mediterranean parts of Europe, as it will marginalise small farms, and continue to block entry by prospective farmers.

## 2. Creeping land grabbing

- **Alongside land concentration, new actors have arrived to grab land especially in Eastern Europe.** The report highlights cases of Chinese companies in Bulgaria undertaking large-scale production of maize, of Middle Eastern companies in Romania embarking on large-scale production of grains, and of European companies involved in grabbing up land in many European countries for a variety of agricultural and non-agricultural purposes. Just like their counterparts in Ethiopia, Cambodia or Paraguay, all these large-scale land deals are being carried out in a secretive, non-transparent manner. As elsewhere, the “grabbers” are foreign *and* domestic companies, with the apparent participation of regional European capital, including both traditional agribusiness controlling commodity chains and finance capital including pension funds – not unlike in Latin America or Southeast Asia.
- This has further aggravated the already concentrating trend in land control. Outside the EU: in Ukraine the 10 biggest agrohholdings control about 2.8 million ha, while some oligarchs own up to several hundreds of thousands of hectares each. In Serbia the four largest Serbian landowners together allegedly control more than 100,000 ha.
- **Land is being grabbed across Europe for multiple reasons:** production of raw materials for the food industry dominated by transnational companies, extractive industry, bio-energy, “green grabs” such as vast solar greenhouses, urban sprawl, real estate interests, tourism enclaves, and other commercial undertakings. In France, for example, each year more than 60,000 ha of agricultural land are lost to make space for roads, supermarkets and urban growth or leisure parks. These are often more scattered cases of usually smaller land deals. But they add up, and also tend to encroach into the most fertile and productive agricultural lands.

## 3. Blocking entry by prospective (young) farmers

- This is an unprecedented dynamic of land grab and land concentration. The structure of CAP subsidy schemes and accompanying national policies do not really contribute to the entry into farming by prospective farmers, most of them young people. This was already a serious issue before. This issue has become even more of a problem in the midst of increasing land concentration and creeping land grabbing. The current and planned CAP subsidy schemes are likely to solidify the barrier to more democratic access to land and entry to farming by young people. Access to land is a basic condition to achieve food sovereignty in Europe.

- If there is one positive insight from this is the fact that across Europe there are so many young people who are willing and eager to take up farming – despite the popular belief that young people are no longer interested in agriculture. This growing popular interest among young people to take up farming is partly provoked and inspired by increasing interest in healthy, local food and sustainable agriculture by young people. Yet the harsh reality of European agricultural policies means that these future farmers are either losing small plots of land or being denied entry. The winners of the growing land concentration and creeping land grab are large industrial farm-holdings, clinging to a system of agriculture that has significant environmental and social costs.

## 4. Growing and spreading farmer's and peoples struggles

- Fortunately the hope for halting and reversing the European land grab lie with many of these same social groups that are getting dispossessed and marginalized. All of the cases examined in the study highlight how new movements, cross-class, rural and urban, and from different occupations, are emerging in Europe. Their actions, as in many regions of the world, are both *defensive* against land concentration and land grabs, but also *pro-active* seeking to occupy land, advance alternatives. The study includes the case of the community of Narbolia, Sardinia mobilising against the use of prime agricultural land for massive solar greenhouse projects, and the case of opposition to the Notre Dames des Landes airport project in Nantes in France. In terms of pro-active struggles, it highlights the case of SOC in Andalusia, where landless peasant farmers are collectively occupying land and cultivating it using ecological farming systems, and SoLiLA in Vienna where young people are coming together to “squat” fertile urban land for community supported agriculture and city food gardening and thus preserve it from conversion to urban commercial projects.
- These struggles are transforming both urban and rural spaces into new battlegrounds in the struggle for control of the direction of European agriculture.

## Conclusion

A study of Europe's land dynamics points forcefully to the need to rethink the conventional “Global South-centric” view of contemporary land issues. It shows first, *land grabbing is critical issue today but is not the only urgent and important land issue in the world today; the generic issue of land concentration is just as urgent and important and probably even more prevalent than the former*, at least in the European context.

Second, *it reveals that land concentration and land grabbing do not occur only in developing countries in the South; in fact, both are underway in Europe today.*

Third, as is happening elsewhere in the world, *it points to the hope inspired by people's struggles against land concentration and land grabbing unfolding in Europe.* Their struggles underscored the urgent need for a *truly transnational* political struggle against contemporary enclosures of one of humanity's most critical resources, the land we live on.

## Recommendations

In light of the findings of this report, the European Coordination Via Campesina (ECVC), supported by various organizations directly and indirectly involved in this report, put forward a set of demands addressed to national and EU governmental bodies to address the triangular issues of land concentration, land grabbing and barriers to entry to farming. Our main demands are:



Land should regain importance as a public good. We must reduce the commodification of land and promote public management of territories. Priority should be given to the use of land for small-holder and peasant agriculture and food production against the simple private property commercial interests. Access to land should be given to those who work it (or: those who want to work it in a socially and ecologically acceptable way) [ this leaves the possibility for young people to enter the land open, and it simultaneously distances from those who currently control and 'work' fast track of land. It also links with the statement that follows here below, i.e. that redistributive land policies are needed].

(1) Stop and reverse the trend of extreme land concentration and commodification!

- Carry out redistributive land policies (land reform, land restitution, affordable land rentals, and so on) in areas of concentrated ownership.
- Recognize historical use rights and communal land systems
- Implement policies to support transformation of industrial farms into small family/peasant farms/ food sovereignty projects, including urban agriculture.

(2) Stop land grabbing!

- Ban on all investors and speculators (companies, banks/ governments) that are operating, and / or grabbing land, in Europe and elsewhere in the world;
- create a public databank/tracking system of the transactions of governments and companies engaged in land grabbing

(3) Assuring access to land for farming as the basis to achieve food sovereignty specially for young people - abolish the patriarchal system of land possession or heritage and promote policies of positive discrimination to assure access for women

- Create public management frameworks or reform existing ones (e.g. Safer, France) to facilitate the access of youth, landless people, also for other resources such as water.
- Strengthen or create the participation of local communities in decision making on land use
- Develop legal frameworks for cooperative-type farms and co-ownership arrangements that would improve the situation of women in land ownership and make it easier for young people to set up a farm.
- Change the installation and renting criteria and adopt policies to support sustainable small farm/ peasants projects (eg leave minimal surface condition for subsidies).
- Push for the adoption and democratic application of the Tenure Guidelines on responsible governance of land (UN) in Europe within a food sovereignty framework
- Support to concrete actions of recovering land (e.g. occupation of industrial zones)
- Prioritize the use of land for food versus agrofuel production and other commercial energy uses , extractive industries, useless megaprojects,...– in Europe and elsewhere in the world

## Endnotes

1. Corresponding author for the entire collection is Dr. Jennifer Franco: [jennycfranco@tni.org](mailto:jennycfranco@tni.org). The contributors to the entire study are as follows: Austria case (Kim Möhrs, Franziskus Forster, Sarah Kumig, and Lukas Rauth), Bulgaria case (Georgi Medarov), France case (Morgan Ody), France-La Zad case (Anton Pieper), Germany (Roman Herre), Hungary case (Róbert Fidrich), Italy case (Antonio Onorati and Chiara Pierfederici), Romania case (Judith Bouniol), Serbia case (Milenko Srećković), Spain case (Marco Aparicio Wilhelmi, Manuel Flores, Arturo Landeros, Sara Mingorría, Delphine Ortega Espès and Enrique Tudela), Ukraine case (Christina Plank), and the case of FAO Tenure Guidelines applications (Florence Kroff and Claire Guffens). Brigitte Reisenberger of FIAN-Austria played a key role in helping to get the study process started. The team at TNI that helped put together this report by reviewing and editing the collection of papers, among other things, include Pietje Vervest, Sylvia Kay, Timothe Feodoroff, Gloria Pracucci, Ben McKay, Nick Buxton. The report was edited by Deborah Eadi. The co-authors of the introduction paper are: Dr. Borras, Fellow of the Transnational Institute (TNI) and Associate Professor at the International Institute of Social Studies (ISS), The Hague; Dr. Franco, Coordinator of the Agrarian Justice Program at TNI; and Jan Douwe van der Ploeg, Professor at Wageningen University.
2. The definition offered by Borras, Franco et al (2012: 405) is used here: "... land grabbing is the capturing of control of relatively vast tracts of land and other natural resources through a variety of mechanisms and forms involving large-scale capital that often shifts resource use to that of extraction, whether for international or domestic purposes, as capital's response to the convergence of food, energy and financial crises, climate change mitigation imperatives and demands for resources from newer hubs of global capital."
3. While the aggregate number of farms in the EU increased from 1996/67 to 2010, this increase was due to expansion of the Union, from 6 member states in 1966/67 to the current 27, with newer members having relatively large agricultural sectors and being relatively land abundant (for example, Romania).
4. A word of caution in dealing with official statistics, for Germany and for the EU more generally: official aggregate statistics in the EU often conceal more than reveal actual picture of land property distribution and relations. There are large operational farms whose landholdings are subdivided into smaller units that are reflected in the official statistics. There are also many cases of small farms of 2 ha and below that are 'hobby farms'. Hence, the relying solely on the official statistics on smallholdings is unlikely to provide a precise reflection of the actually existing reality. The less problematic set of statistics is the aggregate of large land holdings and their share in the total utilized agricultural area.

# Overview of the collection

## **Land concentration, land grabbing and people's struggles in Europe: summary of and introduction to the collection of studies**

**By Saturnino Borrás Jr., Jennifer Franco and Jan Douwe van der Ploeg**

This introductory paper synthesises the key findings of the various reports, link these to the global perspectives on land grabbing, land concentration and people's land struggles. (*Note: this paper is available only in June 2013*).

## **Land Grabbing, Artificialisation and Concentration in France: causes, consequences and challenges**

**By Morgan Ody**

The past decades in France witnessed a shrink in access to land with the rise of barriers for newcomers in the farming sector. This phenomenon is intrinsically intertwined with land concentration, land grabbing and 'artificialisation' of land (conversion of farm land to non-agricultural uses). People, especially youth, wanting to start a farm find themselves in stiff competition with existing commercially well to do farmers. Land concentration is increasing: in 1955 80% of the farms were of below 20 ha, the current average is around 80 ha. 'Artificialisation' of land has been progressively reducing the amount of available agricultural land. In France, each year more than 60,000 ha of agricultural land are lost to make space for roads, supermarkets and urban growth or leisure parks. There is an increasing trend towards land speculation, as the price of land frequently increases especially if assessed eventually in the category of land for real estates.

## **Land: access and struggles in Andalusia, Spanish State**

**By Marco Aparicio, Manuel Flores, Arturo Landeros, Sara Mingorría, Delphine Ortega and Enrique Tudela**

The region is currently undergoing a double process of land concentration and growing privatisation. On the one hand, between 1962 and 2009, the number of farms dropped by 67% (from over 3 million to below 1 million) while at the same time their average size more than doubled. In 2010, 2% of landowners owned 50% of the land. On the other hand, over the past 50 years private property has grown enormously, while other types of land-based social relations – such as sharecropping – have diminished significantly. Furthermore, the reform of the Common Agricultural Policy (CAP) in 2003 brought with it the Single Payment Scheme, perpetuating the maintenance of highly inequitable land distribution, and encouraging the abandonment of small-holder production. The result is the preservation and consolidation of Andalusian latifundia and an ongoing de-peasantisation. Both European and state-level public policies, far from supporting local sustainable production and agrarian workers, are encouraging modes of production that contribute to land concentration in the hands of corporations. Agricultural unions and various other organisations that defend the need for a vibrant rural sector and the right to food have criticised the injustice and illegitimacy of the implementation of CAP measures. The struggles for land have achieved some success: the peasant farmers' movement has occupied and started to cultivate lands, planning and following a model of ecological production that continues to expand. The Andalusian Trade Union (SOC-SAT) epitomises resistance against the concentration of land ownership and the abandonment of farms, and for the creation of employment in Andalusia. SOC-SAT is mobilising across the Spanish State,

reaffirming that the struggle for agrarian justice continues. Its land claims are not geared towards obtaining ownership but rather to form workers' cooperatives, organised by the Union. In some cases the political context has facilitated projects based on organic production as opposed to the prevailing agro-intensive and agro-export model.

## **Land concentration, land grabbing and options for change in Germany**

**By Roman Herre**

Germany has witnessed a significant trend towards increasing land concentration recent decades. A total of 1,246,000 holdings in 1966/67 shrunk to just 299,100 farms by 2010. Of these holdings the land area covered by farms of less than 2 hectares shrunk from 123,670 hectares in 1990 to a mere 20,110 hectares in 2007, while farms of 50 hectares and larger expanded in area from 9.2 million hectares in 1990 to 12.6 million hectares in 2007. A novel feature of the last 5 – 10 years has been the increasing appropriation of land by non-agricultural investors for non-agricultural purposes, including for bio-gas production. In some regions in Germany, it is estimated that these new investors have purchased between 15% and 30% of the land available on the market. The problem is particularly marked in former Eastern Germany where the further privatisation of formerly state-owned land and the deregulation of the land market have favoured big investors with large financial resources. This has led to a surge in land prices. Between 2005 and 2011 the cost of 1 ha of land in Germany increased by 55% from € 8,692 to € 13,493. The rising demand for and control over land by non-regional and non-agricultural investors threatens the livelihoods of local family farms both now and in the future, as it denies people the opportunity to go into agriculture unless they have large financial backing.

## **Land concentration and green grabs in Italy: the case of Furtovoltaico in Sardinia, Italy**

**By Antonio Onorati and Chiara Pierfederici**

During the past decades, Italy has been experiencing a concentration of agricultural land property, whereby 22,000 farms with more than 100 ha own more than 6.5 million ha of total agricultural area. Aside from the public lands, the remaining 4.5 million ha are concentrated in the hands of 19,000 private companies or farms, each possessing more than 100 ha. National policies have exacerbated the situation by allowing the rush to privatise the common or public lands still available, which are labelled as 'under-used'. Regardless of its vital role in providing employment, securing food sovereignty and offering viable alternatives in a context of global economic and environmental crises, governments continue to underestimate small-scale agriculture: most policies are designed and implemented on the basis of viewing the agricultural sector as a 'burden' rather than understanding the potential of small-scale farming, especially in terms of economic growth, social development and employment. The report focuses on an Enervitabio Ltd project in the municipality of Narbolia in Oristano province. A solar greenhouse plant for agricultural production was built, with an energy production target of 27 megawatts (MW). The plant is a relevant example of a trend whereby hundreds of hectares of prime farmland are being used for solar greenhouse projects that have various negative impacts: not only are they undermining the rights of local communities to produce food and secure access to land, but also they are skirting the law and eroding the capacity of small farmers to contribute to resolving the crisis affecting Italy. The case of Narbolia solar greenhouses illustrates how large industrial groups and foreign investors are taking advantage of government subsidies and national laws to amass profits, regardless of the largely adverse impact on Sardinian agriculture. Moreover, such projects have been capturing financial resources intended for the agricultural sector. These issues prompted community reactions and protests. Since 2012, local mobilisation

and resistance have mainly been expressed via the local 'S'Arrieddu for Narbolia' Committee. The groups composing the Committee have been intensively active in disseminating information and also bringing lawsuits concerning the irregularities outlined in the paper.

### **Land Grabbing in France: the case of Notre-Dame-des-Landes Airport**

**By Anton Pieper**

A highly disputed and much resisted airport project in the French countryside provides a clear example of politicized agrarian struggle within the context of land grabbing and artificialisation in Western Europe. The grab of 2,000 hectares of agricultural lands for an airport whose relevance is being contested, demonstrates one of the ways in which large corporations are currently seizing land. It embodies the problem of arable lands being diverted and 'artificialized' for industrial and urban uses, a change driven by large-scale capital interests. This takeover, achieved through a 'revolving door' configuration between government and corporations leaving little space for local democracy involves hundreds of millions of euros, among other issues, while the government refuses to consider alternatives put forward by the resisters. Although debated for more than four decades, the issue took a new turn in 2008 with the granting of building permission, and in 2011, with the publicity surrounding farmers squatting on the land in protest. Local farmers and activists and other spontaneous formations have been united in the resistance against the 'Grand Ouest' airport project. Renaming the area ZAD, Zone à Défendre (Zone to Defend), and themselves zadistas, activists, farmers and local residents have been resisting the development of the airport by occupying the land expropriated by the state on behalf of Vinci, the company which won the tender for construction works. With the increasing pressure and police violence, especially since the forced eviction procedures started in October 2012 this land struggle, characterised by its diversity and creativity, is loosing ground.

### **The politics of land and food in urban cities in the North: reclaiming urban agriculture and the struggle**

**By Kim Möhrs, Franziskus Forster, Sarah Kumnig, Lukas Rauth – members of *Solidarisch Landwirtschaften!* (SoliLa!) in Austria**

Against the backdrop of a larger and long-term decline in the farming population in Austria, small farmers are abandoning agriculture at a particularly alarming rate. Loss of access to land is a key factor. One-third of the arable farmland has been lost in Austria since 1951. Today 20 ha of land per day are enclosed for roads, buildings, infrastructure projects, and numerous other real estate activities associated with urban sprawl. This is twice as fast as in Germany and occurs within an EU context whereby 1,000 km<sup>2</sup> is lost per year. The rural exodus in Austria and the loss of agricultural land is thus linked to broader questions of land use and land planning which transcend the traditional rural-urban dichotomy. It is in fact at the rural-urban interface, that the battle for the valuation, use, and meaning of land can become most apparent. Vienna shows how land used agricultural purposes - from urban gardens, to allotments, to various forms of community supported agriculture - is often the most expendable when faced with competing pressures and interests. Agricultural land use in Vienna shrank by 20% between 1999 and 2010 while the number of farms decreased by 30.2% between 1995 and 1999 - 67.7% of those disappearing farms holding less than five hectares. In response to the loss of agricultural urban spaces and in protest against the prohibitively high cost of leasing or buying land, land occupations have been carried out in the city with the aim to build a broader alliance for food and land sovereignty. Thus, the insights from urban land struggles and urban political ecology must be taken into account when examining the scale and nature of land grabbing in Europe.

## **The Return of the White Horse: Land Grabbing in Hungary**

**By Robert Fidrich**

With Hungary's accession to the EU, land and natural resources are increasingly being commodified and controlled by large-scale capital to the detriment of Hungary's small-scale farmers. The highly unequal distribution of EU agricultural subsidies under the Common Agricultural Policy has played a major role. In the first six years after EU accession, the majority of small farmers were not eligible to apply for subsidies, effectively excluding 93% of Hungary's total farming population. In 2009, 8.6% of farms were receiving 72% of the agricultural subsidies. The low price of land in Hungary compared to the old EU member states has been another key driving factor behind a new wave of land grabbing. Although a moratorium on land ownership by foreigners is currently in place, the expected lifting of this ban in 2014 has already spurred outside actors to grab and control large areas of land through various means. The Hungarian government now estimates that around 1.0-1.5 million ha land is in the hands of foreigners, many of them from Austria, who have been able to capture significant amount of national and EU agricultural subsidies. Though the purposes for which the land is grabbed vary – from motorcycle rings and golf courses to hotels and private luxury estates – in all cases, it is Hungary's family farmers and local food cultures that are losing out.

## **Scramble for land in Romania: an iron fist in a velvet glove**

**By Judith Bouniol**

Across Romania, natural resources have become the object of greed and massive investments. Lands are being grabbed for many purposes – agricultural, mining, energy, tourism, water resources and speculation. It is reported that around 800,000 ha, or 6% of Romanian farmland, could already be in the hands of transnational corporations. In this case, Europe is all at once a land grabber, a site of, and context for land grabbing.

The phenomenon is hidden behind the harmonious image of Romanian accession to the EU, including the liberalisation of national market to foreign buyers. The country is ideal for investments in land and agro-industrial products. Its natural characteristics make it suitable for cereal crops, large areas are potentially available and land costs less than in the rest of Europe. Rural areas are being abandoned, leaving behind an ageing and vulnerable local population who not have much alternative but to accept the arrival of agro-industrial European corporations that settle legally through lease or purchase of land. In addition, government legislation and support favour large-scale investors. It is probably that some element of speculation to capture the lucrative EU CAP subsidies is one of the drivers of the grabs. Half of the subsidies were received in 2012 by 1% of the farmers, all of whom have farm size above 500 ha. However, the apparent legality is like a velvet glove disguising the aggressiveness of the iron fist driving the phenomenon. Land is being massively seized and the control over the benefits of its exploitation as well as the power to decide on its use is being monopolized in private hands.

## **Land concentration, land grabbing and land conflicts in Europe: the case of Boynitsa in Bulgaria**

**By Georgi Medarov**

The new wave of enclosures by large private investors hitting Bulgaria falls within the context of a massive (re)concentration of land ownership fostered by EU accession in 2007. 82.4% of agricultural landholdings are above 100 ha. Although the aftermath of the Soviet Union collapse had witnessed a wide redistribution of land to large number of people, the lack of adequate state support and economic incentives for small-scale agriculture led to severe rural degradation throughout the country. The unfolding process of re-consolidation of land has been nurtured by government's policies such as 'voluntary consolidation' programmes, driven by the Bulgarian State's eagerness to attract foreign investments for large-scale intensive agriculture. The adhesion

to EU brought new rules for competition that further limited the possibilities for smaller farmers and cooperatives. The rush to land in Bulgaria has fuelled widespread speculation, and has driven the rise of a new class of land speculators and brokers, the *arendatori*. Entwined with foreign capital – investors and funds – they capture vast tracks of land for a diverse range of purposes. Land is being grabbed for urban or tourism industry development, including gentrification and golf, ski and sea resorts, as well as mining projects. Land grabbing is also traced to large-scale agriculture and even to genetically engineered crops.

### **Land grabbing and concentration in Europe: the case of Serbia**

**By Milenko Srećković**

Land grabbing in Serbia started during the rapid privatisation that took place in the aftermath of Yugoslavia's disintegration and is now being further extended following Serbia's accession to the EU. Taking advantage of this situation, national and foreign corporations are seizing control of vast tracts of Serbian land. Started in the threshold of the 2000s, the privatisation process led to a strong consolidation of land ownership. The four largest Serbian landowners are nowadays reported to hold altogether more than 100,000 ha each. Carried out in a non-transparent manner this privatization drive has been above all conducted with questionable legal ground. It seems to have been based on abusing a loophole between right to use and right to appropriate agricultural land. The subsequent consolidation of landholding trend is furthermore reinforced by the large-scale land acquisitions involving foreign – mostly European – corporations. Besides being a grabber, Europe is also linked to land grabbing in Serbia as a context for the phenomenon. The terms of EU adhesion imposed upon its new members include the liberalisation of national land market to foreign buyers within a decade, before 2014. At the dawn of those terms becoming fully effective, large landholders are hoarding land and anticipating market speculation, a calculation based on the big differential in the price of land on the Serbian and European markets.

### **Land Grabs in the Black Earth: Ukrainian Oligarchs and International Investors**

**By Christina Plank**

In Ukraine, land grabbing concerns to some extent the transfer of formal ownership, but primarily revolves around who has *de facto* control over the land. The phenomenon represents an alarming case of controlling, capturing and concentrating decisions regarding Ukraine's land use and agricultural model in few private hands. The push for a large-scale agro-export model, in the context of the privatisation of agricultural land within the framework of Ukraine's land reform, led to the current wave of land grabs, with foreign and national agri-business obtaining control over Ukrainian agriculture. Although the land reform has redistributed land to approximately 7 million rural inhabitants, the agricultural policies provided to date hardly any state support for small and medium farmers. As a consequence the majority of the actual landowners lease their land and this has paved the way to the rise of large-scale agroholdings. Increasingly horizontally and vertically integrated in order to control the whole value chain, their expansion goes hand in hand with the concentration of land. The 10 biggest agroholdings control about 2.8 million ha, while some oligarchs own up to several hundreds of thousands of hectares each. Those are used for agro-export intensive cultures, with a trend emerging toward the growing of flex crops. Due to their need of foreign technology and further financial capital, Ukrainian agroholdings are interwoven with transnational capital flows through stock exchanges, European pension funds and the support received by international financial and development institutions.

### **The myth of good land and natural resource governance in Europe: What the FAO Tenure Guidelines on land, fisheries and forests reveal**

**By Florence Kroff and Claire Guffens**

This paper examines the FAO tenure Guidelines and its potential usefulness in the context of contemporary land concentration and land grabbing in Europe. *Note: this paper will be available only in June 2013.*

# Land Grabbing, 'Artificialisation' and Concentration in France:

## Causes, Consequences and Challenges

**Morgan Ody\***

Land policies in France were profoundly reshaped after World War II in order to provide land tenure for small farmers. To date, these policies and state regulations have maintained a high level of rights for farmers and kept down the price of land relative to other European countries. These policies also changed ownership. Before 1939, the aristocracy held much of the farmland whereas today farmers or close members of their family control 80% of agricultural land. At the same time, it is hard for young people to obtain land in order to take up farming – despite the fact that almost half of the new farmers are not originally from farming families. In other words, the policies that granted land tenure for small farmers are now impeding the equitable access to land. To paraphrase Edgar Pisani (1986), 'it is because of its success that this land policy needs to be reworked'<sup>1</sup>. Within this context, two main factors explain the difficulty of obtaining access to land: land concentration and what can be termed the 'artificialisation' of agricultural land.

Before the World War II, most small farmers would access land either by leasing it or by sharecropping. The landlords, very often aristocrats, were extremely powerful as they could evict the farmer after the harvest. During the war, the National Committee of Resistance, mostly composed by progressive people, established a programme to improve social justice after the war. The 1946 law on farm rent is the direct result of their work. Although not named as such, it has had the effects of an agrarian reform on rural society. First, sharecropping was abolished because it was considered inequitable for the farmer: most often 50% of the harvest had to be given to the landlord. The strict rules then established for leasing land are still in place. Contracts are for nine years, and the landlords are obliged to renew unless they or their children want to work the land. Furthermore, if there is no written contract but the farmer pays a rent, it is considered to be a verbal contract that has the same force as a written one. This law effectively released small farmers from their fear of the landlords. For many rural people it was only then they could feel that serfdom and the arbitrary power of aristocracy had really been abolished. Obviously, those who own land frequently criticise these regulations, which they consider do not respect private property. It leads some of them not to rent their land or to do so without a proper lease, by asking payments in cash. In the first case the local mayor has the right to oblige the owners to rent their land if it is proved to be lying idle, although few would proceed in this fashion for fear of alienating the landowners. In the second case, there is a tribunal composed of landowners, tenants and a judge in each department to discuss conflicts between landowners and tenant farmers.

\* Morgan Ody grows vegetables on a small farm in Bretagne. She is active in the youth group and in the committee on land issue of Confederation Paysanne. Confederation Paysanne is a French farmers organization. It defends sustainable family farming and its workers and enhances the values of solidarity and a fair sharing of resources and revenues. It struggles against the domination of agriculture by transnational companies and corporate power.



Two additional regulations were established in the 1960s, at the time when the then European Common Market was being created and there was a need to modernise French agriculture. Their goal was to enable small and middle farmers (rather than large-scale farmers) to scale up in order to be competitive. The first was ‘the monitoring of the farming structures’, whereby the land can be worked only with a government licence. *Owning* agricultural land is not sufficient to give the right to farm it, without such authorisation. For those renting the land the authorisation alone is not sufficient and there must be a formal lease from the landowner. These authorisations are given after a consultative process with a local commission (Departmental Agricultural Advisory Commission, or CDOA) comprising representatives of the farmers’ unions, local authorities or farmers’ cooperatives and banks. Usually the commission follows a list of criteria giving priority to new farmers and farmers whose farm is too small to be viable. This regulation is very important but not always easy to take advantage of. For instance, in order to block the authorisation of a farmer already working 200 ha and asking for 50 ha more, the commission requires the name of someone who wants to start a farm on the same land. The commission then has then to receive within a month the young farmer’s business proposal, proving that it is feasible to settle. This short timeframe often makes it very difficult to block an authorisation and prevent a big farm from taking over more land. The monitoring of the farming structure is also threatened by the fact that an increasing number of farms are ‘legal firms’, so instead of buying land and/or buildings, newcomers buy shares in the company and thus escape control of the administration.

The second tool is called SAFER – the society for land planning and rural establishment. It was established to help to prioritise agricultural land use, restructure farms and settle new farmers. Its mission is basically to buy agricultural land and buildings in order to re-sell them to other farms. There is a SAFER in each region, and whenever a land is being sold – SAFERs are informed of all sales – they can either buy the land voluntarily or block the sale. They have the capacity to pre-empt the sale if they can prove that someone else with a higher level of priority wants the farm (such as a smaller or younger farmer wanting to settle) or if the price is too high and represents speculation. People seeking to purchase a farm usually go through the SAFER. Once again, it is a very interesting mechanism, but with many loopholes. First, SAFERs have neither the financial capacity nor the political will to stock land for long enough to allow a young farmer to present a viable project, go through all procedures and make financial arrangements, given that the sale has to be stopped within three months. The second problem with SAFER is that it is a public-private partnership (PPP) – hence a partly private body controlled by its stakeholders, namely the main farmers’ unions, the chamber of agriculture and the bank Crédit Agricole. Local authorities also own a share but they have little part in the decision-making process. The last issue is that it lacks transparency, since the information about what farm is being sold, where and when is only given to the stakeholders, networks from which young farmers are excluded. Confédération Paysanne has taken several SAFERs to court and is little by little winning the right to transparency.

Farmers’ unions play a key role in the administration of land tenure. This so-called ‘co-management’ is, however, highly criticised for legitimising the monopolistic control and power within the hands of the main union, FNSEA, while other agrarian-related actors are excluded both from the debates and from the decision-making process. Indeed, the representatives from FNSEA often also sit for the Crédit Agricole, the farmers’ cooperatives and the chamber of agriculture in institutions such as CDOAs and SAFERs. As a result, one of the major struggles is to open up this process to other actors: other farmers’ unions, environmental organisations, consumers, etc. For example, Confédération Paysanne, although elected by 20% of French farmers, is not represented in SAFERs and by very few representatives in CDOAs.

Concretely, if a person wishes to settle as farmer but has no family farm to inherit, she or he will first need to get a diploma in agriculture as without it there will be no government support. The next step is to obtain information about farms for sale or rent – a step where transparency is deeply lacking. Eventually, if the would-be farmer happens to know about land on sale or for rent, it is possible to contact the landowner and/or send a request to the administration for the license to work the land. Having this authorisation gives a lot of weight to a demand to rent the land, and is in any case essential in order to be permitted to work the land. Another approach is to contact SAFER to inform them about the type of farm that is of interest, so that they may be able to pre-empt a farm that can then be purchased from them. But the best way to succeed is to speak to a lot of neighbours, network in the surroundings and make friends with a great number of people!

There are two main reasons why it had become so hard to find land for newcomers in agriculture: first, land grabbing and 'artificialisation' for non-agricultural projects, which reduced the amount of available agricultural land and second, the concentration of land within the farming sector.

In France, each year more than 60,000 ha of agricultural land is lost to make space for roads, supermarkets, urban growth or leisure parks. The land grabbing takes place close to those cities where the best agricultural land is to be found. It means that a great part of the most fertile land is lost to agricultural use. In some parts of the country, particularly near the Mediterranean coast, farmlands are less than 20% of the total area. This process is due to the fact that transforming agricultural into urban land creates a massive added value. If farmland worth 5,000 € per hectare is assessed in terms of what could be built on it, its value increases by at least a hundred times more. Decisions regarding land use change are made at the local level, where vote-catching is at its highest. It is standard for a city major to change the urban plans just before elections in order to win votes. Even if in the long term it leads to reduced employment and wealth creation in agriculture, in the short term a change in land use is a very quick and easy way to create artificial monetary wealth, economic growth and employment – but in the construction sector. It is the reason why, although the need to stop such land 'artificialisation' is consensual in political discourses, in practice nothing is done about it. For landowners, the possibility of getting their land reclassified as suitable for construction, which would make them millionaires, often leads them not to rent or sell their land, but to keep it untouched 'just in case'. Most land struggles currently taking place in France are about large infrastructure projects that would destroy agricultural land. One example is the aim to build an airport project at Notre Dame des Landes which, if it were to go ahead, would destroy at least 2,000 ha of farmland and lead to the eviction of several farmers.

In addition to the declining amount of land available for agriculture, people wanting to start a farm will find themselves in stiff competition with existing farmers. While in 1955 80% of the farms were of below 20 ha, the current average is around 80 ha. As a rule, if a farm of below 50 ha is for sale, it will be purchased by a neighbouring farmer rather than be taken up by a new farmer. The European Common Agricultural Policy (CAP) gives a clear incentive to concentrate land, as direct payments are linked to the number of hectares owned. Another reason for land concentration is speculation. As the price of land frequently increases, many farmers see it as a good investment or retirement plan, not to farm it, but to re-sell it. A young person wanting to take up farming will never be able to compete with someone whose farm has already been paid for, especially considering the additional costs related to investment either to create or renovate production equipment. Finally, some environmental laws have also paradoxically pushed farmers to increase the size of their farm. This has been the case with the nitrate regulation: industrial farms had to prove that they had enough land to apply the fertiliser without

exceeding a certain ratio for the level of nitrate released into the environment. In intensive livestock production areas, this has led to a race to buy or rent land simply to be able to use the fertiliser without having to reduce the number of animals raised on farm – which should have been what the regulation aimed to achieve.

### **What solutions might make it easier for future farmers to obtain access to land?**

- Stop or drastically limit the amount of land that can be taken out of agriculture to meet urban demands. Urban policies should stop viewing agricultural lands simply as a space to be colonised and try instead to make cities grow intensively, better using the space already available.
- Change policies that create incentives to enlarge the size of farms, such as direct payments linked to the number of hectares (to be replaced by payments linked to employment on the farm and/or limited to the first 25 ha) and environmental regulations that push farmers to acquire more land to overcome restrictions (for example, by prohibiting farms to raise over a certain number of animals).
- Reform the institutions regarding land tenure to make them more transparent and more open to all stakeholders.
- Either give the SAFERs the financial and administrative capacity to act as a land bank and to stock land for new settlement in agriculture, or create a new institution to do this. Stocking land during for a longer period of time long enough would make it easier for young people to set up and present their farming projects.
- Strengthen the monitoring of farming structures tool to ensure that land is shared according to priorities linked to the common good and not according to whoever has the most money or influence to obtain it.

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# Land: access and struggles in Andalusia, Spain

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# Introduction

## Andalusia: a central role in the struggle for land in the Spanish State

In a number of European regions it is increasingly difficult to secure access to land. This situation is exacerbated by the neoliberal process and corporate monopoly over land, which is on the rise in Europe. As the *European Coordination Via Campesina* and *Reclaim the Fields* have pointed out, across Europe and specifically across the Spanish State,<sup>1</sup> despite their economic, social or environmental differences, many regions share the same problems concerning access to land. Mega-projects and urbanisation affect the entire Iberian Peninsula, pushing up the price of land and seeing more arable land being used to meet industrial and urban demands.

According to the Spanish agricultural census, between 1962 and 2009,<sup>2</sup> the number of farms dropped by 67% (from over 3 million to below 1 million) while at the same time their average size more than doubled. At present 0.3% of farms of over 1,000 hectares (ha) occupy 16% of the total agricultural area (INE, 1962 and 2009). This is due mainly to the rural exodus, the abandonment of plots of land and the process of land concentration. Furthermore, the proportion of agricultural workers has been continuously declining in relation to the total labour force, so that by 2009 agriculture accounted for only 3.9% of the economically active population (INE, 2009).

The agrarian issue has played a key role in Andalusia's history, which shows the strong linkages between the territory and issues regarding land resources and its management, access, use and property. Unlike other European countries, and despite the overall decline in peasant farming, the rural population has remained stable in Andalusia. This has permitted the formation of strong social networks and for peasant demands to be transmitted across the generations.

Historically, the western part of the region – our study area – comprising the Guadalquivir basin and districts bordering the provinces of Córdoba, Seville and Cádiz, has been characterised by large estates, known as *latifundia*. This unequal pattern of land ownership is linked to the process of land concentration by the Catholic Church and the aristocracy.

Today, Andalusia is undergoing an acute phase of land privatisation. In 2010, the concentration of land was ten points higher than in the mid-twentieth century: 2% of landowners own 50% of the land (INE, 2011).

Public policies, far from supporting local sustainable production and agrarian workers, are encouraging modes of production that do not correspond to the true needs of Andalusia's population. Neoliberalism has accelerated the process of concentrating land in the hands of corporations. Among the 16 Spanish districts with the greatest presence of business corporations owning agricultural land, ten are in Andalusia (Such, 2011). The agri-business and food-retailing corporations not only concentrate land ownership, but also the food chain, which gives rise to tensions among different actors in the chain.

The corporate control of land is endangering the future of Andalusia's food sovereignty and hampering sustainable production. This situation is aggravated by the current economic context, where unemployment affects 34% of working-age population and 40% in the rural area (INE, 2012).

At the same time, as we shall see, Andalusia's agriculture is controlled and maintained by European agricultural policies, which make it difficult for countries and regions to decide on their own food and agricultural systems. The reform of the Common Agricultural Policy (CAP) in 2003 brought with it the Single Payment Scheme (SPS),<sup>3</sup> perpetuating the maintenance of highly inequitable land distribution, and encouraging the abandonment of smallholder production. According to the list of beneficiaries of the CAP, large food-distribution companies and rich families both monopolise the land in Andalusia and receive significant subsidies.

In Andalusia, the concentration of land ownership and the reluctance of landowners to create jobs in districts strongly affected by unemployment and chronic poverty have prompted the rural exodus. On the other hand, the region is also one of Europe's hotspots of social struggles for land: its history of agrarian injustice and the strong peasant class consciousness, have provoked a significant social reaction. This has triggered interesting processes such as land occupations, the establishment of agricultural cooperatives, mutual support networks and partnerships between producers and consumers. Resistance has been articulated around a movement of landless peasants working as agricultural labourers. At key points in Andalusia's recent history they have maintained the struggle against institutions and landowners to press for one of their oldest demands: agrarian reform and land redistribution.

Today, and after the bursting of the real-estate bubble, some of the construction workers who were laid off are returning to the rural areas in the hope of regaining their former jobs. Along with scores of unemployed urban youths, they are undergoing a process of *re-peasantisation*<sup>4</sup> and reiterating their demands for land access and work.

The question of obtaining access to land in Andalusia calls for a process of reflection and critique. The first section of this paper describes the historical process of concentrating land in the hands of the few; the second provides data on the agricultural sector, focusing on property regimes and the inequitable distribution of land; the third explains the effect of the CAP on the sector in terms of land-use changes and social injustice; the fourth section outlines the national and international normative framework supporting social claims to access to land; and the fifth and final sections show the main struggles and alternatives, with a special emphasis on three emblematic cases of the Andalusian Trade Union (SOC-SAT).

## Methodology and Study Area

Andalusia's agrarian structure is heterogeneous in terms of its geography, landholding patterns and the main models of agricultural production in each of its 62 districts. Its 87,268 km<sup>2</sup> includes areas where small properties predominate, which are basically the mountainous districts particularly in the eastern region. The provinces of Almería and Granada stand out because over the last 20 years they have developed an intensive agro-industrial model, based on greenhouse production.

The western region, comprising the Guadalquivir Basin and districts bordering the provinces of Córdoba, Seville and Cádiz, has historically been characterised by large properties and estates, or *latifundia*. This area, of enormous natural richness and which is completely dominated by agriculture, is where there have been major land conflicts between the large landowners and the demands of agricultural labourers for access to land. As we shall see in the following chapters, this inequitable distribution was initially linked to the process of land concentration by the Catholic Church and the aristocracy, and later by a process of privatisation.



Figure 1. Map of the study area: Guadalquivir River Basin, showing location of case studies.

Source: Own elaboration with Ikimap, based on OpenStreetMaps.

Our study is focused mainly on the Guadalquivir Valley, with case studies conducted in the area between Córdoba and Seville.

The authors compiled empirical material during fieldwork undertaken in November 2012, through interviews with members of the *Sindicato Andaluz de Trabajadores* (SOC-SAT), *Instituto de Sociología y Estudios Campesinos* (ISEC) at the University of Córdoba and University Pablo de Olavide in Seville. Interviews were also conducted with Andalusian government officials (CAP Monitoring Team, DG of Agricultural Structures – formerly the Andalusian Institute of Agrarian Reform – and the General Office of Land Management). The empirical information was complemented by a literature study.

The report is based largely on statements made by the people surveyed, emphasising the aspects considered most important.

## Background to the land conflict land in Andalusia

The concentration of landownership and the existence of the *latifundia* have their roots in Andalusia's history.

The origins of its skewed land distribution date back to the Spanish conquest of Muslim Andalusia during the thirteenth and fourteenth centuries, when large farms were divided between the aristocracy and Christian religious orders. The Christian kings of Castile conquered western Muslim Andalusia, Al-Andalus, 200 years before they seized control of the more mountainous eastern region. This resulted in some cases in the nobles taking over large tracts of land to protect the borders between the Christian and Muslim kingdoms. In the sixteenth and seventeenth centuries, this process was reinforced by the wealth flowing to nobles and courtiers from the conquest of South America, while the merchant class acquired political power along with their social status. The subsequent civil and ecclesiastical confiscation of land during the nineteenth century, coupled with the liberal assertion of individual property rights and land auctions, led to large investments in purchasing land, which effectively maintained the large estates.

Thus, the process by which land became concentrated in the hands of a powerful minority took place over centuries and ultimately shaped a farm-management system based on crops such as grain and

olives. Although these crops are complementary in terms of their seasonality, they could not guarantee a regular income for peasant families, who were thus forced to work on the large estates. This situation was aggravated by the low wages paid to agricultural labourers, which triggered a number of strikes and rebellions during the nineteenth and early twentieth century. In 1932, the recently constituted Second Republic created the *Instituto de Reforma Agraria* (IRA) (Agrarian Reform Institute) and promulgated the first Agrarian Reform law.

This law established various categories of land to be confiscated and imposed ceilings on landholdings; however, large estates were untouched and the capitalist nature of the Spanish property system remained intact. The revolutionary impact of the law was due to its vast area of influence, in particular in western Andalusia, where it affected a third of the land. Specifically in the provinces of Córdoba and Seville it affected 46% and 53% respectively of all cultivated land (Malefakis, 1970). Nevertheless, despite the numerous land occupations during the Republican period, the law was poorly enforced.

During the 1936–1939 civil war, the Agrarian Reform law was applied in the Andalusian districts under Republican rule, and the unions encouraged the distribution and the collectivisation of land abandoned by the former owners, supporters of the *coup d'état*. The process came to a halt following the triumph of Franco's dictatorship in 1939. From this moment on, the administration focused on neutralising the impacts of the Republican agrarian legislation. Together with the violence exerted against the peasantry – thousands were executed in Andalusia during the war and post-war period – all the expropriated lands were returned to their former owners, as were the crops grown on the land.

Once the peasant movement had been dismantled and was fiercely repressed, in 1939 Franco's dictatorship embarked on a new period of agricultural policy with the *Instituto Nacional de Colonización* (INC) (National Institute of Colonisation). Through the INC the regime made major investments in irrigation systems on the large farms, and also purchased land with the aim of settling farmers' families. This interventionist policy did nothing to solve the land problem, and the investments in irrigation were unprofitable, which in 1962 provoked a wake-up call from the World Bank (Liceras, 1988). The INC later became the *Instituto de Reforma y Desarrollo Agrario* (IRYDA) (Agrarian Reform and Development Institute) and its assets were inherited by subsequent administrations.

During Franco's dictatorship, the structure of land property continued to reproduce landless peasant farmers, mainly in southern Spain. In places such as the provinces of Córdoba and Seville, by 1956 more than half of the peasant farmers were landless, as shown in Figure 2.

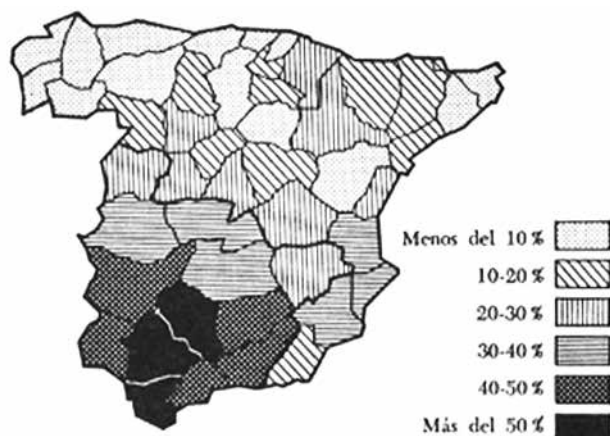


Figure 2. Landless peasants, male population, 1956

Source: Malefakis, 1970.



After Franco's death, the *Instituto Andaluz de Reforma Agraria* (IARA) (Andalusian Agrarian Reform Institute) was created in 1984 to replace the irrigation projects driven by the IRYDA. It was set up by the Regional Government, under the *Partido Socialista Obrero Español* (PSOE) (Spanish Socialist Workers' Party), thus responding to one of Andalusia's greatest historical aspirations. But the lack of funding and political will resulted in the Agrarian Reform becoming a source of unemployment benefits for landless and/or unemployed peasant farmers, reducing public land expropriation to the minimum. Even so, the IARA purchased about 25,000 ha, where many cooperatives were formed.

Spain's entry to the then European Economic Community (EEC) in 1986 further hampered the promotion of policies to support peasant farmers, aimed at guaranteeing their access to land. Indeed, it created an ideological conflict with the principles of the Agrarian Reform, which had aspired to increase both agricultural productivity and agricultural employment. This is because, by that time, encouraging productivity was no longer a European goal, and European agricultural products were not competitive in the global market. As we shall see in Chapter 3, the CAP subsidies played an important role in this process.

Clearly, this stage of the Agrarian Reform, which lasted from 1984 until the beginning of the 1990s, had very little impact. Its main contribution was to encourage a production-oriented model of farming, but the Andalusian Regional Government did not address the issue of land concentration or other measures that could have promoted better land use. From the 1990s the trend towards transforming the agricultural structure was totally abandoned, as was the land redistribution policy, liquidating the IARA assets to only 9,000 ha, or eight or nine farms scattered throughout the region, while the remaining farms were re-categorised in order to become urban areas during the construction boom.

The IARA ended its irrigation interventions aimed at boosting the most productive sector, which were inherited from Franco's period and were still going on right up to the end of the twentieth century. Towards 2000 the Andalusian Administration considered this stage of the Agrarian Reform had concluded and, although the IARA kept functioning, the Andalusian Parliament avoided using the term 'Agrarian Reform' because nobody wanted the debate to be reignited in view of its political costs during the 1970s and early 1980s. In 2010 the IARA was officially closed down, although it had effectively been dead for the previous 15 years. Currently the Andalusian administration is not seeking to resolve the issue, which is the source of dispute between the two governing coalition parties: the PSOE and *Izquierda Unida* (IU) (United Left).

## Concentration of land and property regimes in Andalusia

### Territorial inequality and land concentration

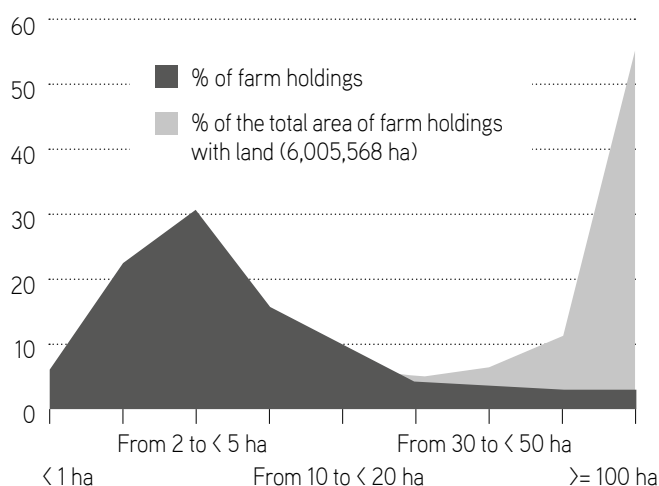
Andalusia has always been an important agricultural region in the Spanish State and farmlands currently make up 45.74% of the territory, although the number of farms is declining. In 2009, there were 246,104 farms, down by 40% since 1962 (INE, 1962 and 2009) and its economy is now based mainly on the tourism sector.<sup>5</sup>

Andalusian agriculture remains far more important than in other European countries or regions, generating 8.26% of the total income and employing 8.19% of the population. The sector is characterised by the proportion of wage labour as opposed to agricultural entrepreneurs and family labour (Dolors García et al., 1995).

Notably, Andalusia has the EU's highest unemployment rate, affecting 35.42% of the region's economically active population, and 40% in the rural areas (INE, 2012).

As mentioned in the previous section, Andalusia's history is strongly linked to inequitable property rights (Oliver and González de Molina, 1999; Dolors García et al., 1995; Sánchez and García, 1996). The attempted Agrarian Reform failed to change the profound social cleavage, with a few powerful landowners and huge *latifundia* (Dolors García et al., 1995) monopolising the available land, and a multitude of smallholdings with very little land to develop production. According to the *Instituto Nacional de Estadística* (INE, 2009) (National Institute of Statistics), in 2009 66.53% of Andalusia's arable land was concentrated in 6.32% of farms. Similarly, according to EUROSTAT data, in 2010 at the national level 5.17% of farms of over 100 ha accounted for 55.1% of the agricultural area in active use (UAA).

Far from diminishing, Andalusia's structure of large landowners is actually increasing (Such, 2011). Figure 3 shows that holdings of over 30 ha account for most of the regional UAA, whereas the majority, with areas between 2 ha and ha, hold a tiny percentage of that area.



**Figure 3.** Graphical representation of the concentration of land in Andalusia

Source: The authors based on data from INE, 2009

Andalusia illustrates the effects of urban speculation, which leads to a rise in the price of land because of its scarcity.

These difficulties are increased for marginalised people. Women in particular own less than 22% of farm holdings (INE, 2009), meaning that they enjoy even less equality than women in Lesotho or Malawi.

As a female militant of SAT states: *'In many of the crews, women's salaries are lower than men's (...), we are making demands through the Union, and (we are) also making demands about immigrant rights. The Union is achieving the same agreement for all of us, no matter the gender, colour or language spoken'* (interview, 2012)

In addition, women are responsible for 98% of all care work, as part of the invisible domestic and family workforce, making it more difficult for them to obtain a job and gain economic independence.

At the same time, the rural world has aged dramatically: over 30% of holdings are maintained by people aged 65 years or more, and over 76% by people over 45 years of age. Those of 34 years or under own just over 6% of the land (INE, 2012). This demography also entails land abandonment, causing losses in the associated bio-cultural memory since knowledge is not being handed down from one generation to the next.

## Property regimes

Another very interesting aspect obtained through INE data concerns land-tenure regimes, classified as property regimes, lease, sharecropping and others. Over 95% of farm holdings in Andalusia are under the private property regime. This percentage has grown since 1999, as has – albeit slightly – the percentage of leases, while the proportion of sharecropping and other unspecified regimes – comprising common use, cooperative, and union lands as well as the free assignment of lands – has declined (Algibez Cortes, 1978; Anuario, 2005).

If we compare the data from the First Agrarian Census of 1962, there is a big difference regarding the current status of land tenure. In that year private holdings represented 73% of the total in Andalusia, in line with the national average, right up to 2005 (INE, 2005). Sharecropping accounted for 4.5% and other regimes for over 8%. The percentage of leases remained stable. These data indicate that private property has grown enormously, while the other regimes – more interesting from the viewpoint of facilitating access to land, such as sharecropping and others – have diminished significantly. This is evidence of the destruction and decay of communal property.

According to the study conducted by Fernando Fernández Such (2011) on land distribution and tenure, the commodification of land and speculation have pushed up the price of land. From 1993 to 2008, the average annual growth rate increased by 5.6%, but land prices began to fall from 2008. The global crisis and the collapse the real-estate market have also affected land prices, and the amount of land on the market, by 39%. Thus the national average price per hectare of agricultural land stands at 10,485€. These low prices allow corporations to buy up large amounts of land, displacing small farmers or labourers who do not have the financial resources to compete.

In the Spanish State, corporations and public entities own the largest estates, especially bearing in mind that only 20% of public land is fertile and the rest is forest and unsuitable for agriculture land (Such, 2011).

	Corporations			Public Entities		
	Farm holdings (thousands)	LA (thousand ha)	UAA (thousand ha)	Farm holdings (thousands)	LA (thousand ha)	UAA (thousand ha)
200-300	902	220,905	164,706	1,243	304,149	76,103
300-500	1,043	398,577	282,380	1,432	555,910	151,041
500-1000	1,170	806,650	522,827	1,827	1,292,537	341,300
>1000 ha	788	1,581,118	820,293	2,718	8,044,546	1,942,103

**Figure 4. Ownership of estates of over 1,000 ha**      Key: LA: Land Area; UAA: Utilised Agricultural Area.  
Source: Such, 2011

Private land ownership is, consequently, the most common land-tenure regime in Andalusia, although the last decade has seen a significant change in the structure of land tenure, with a major increase in corporate landownership.

According to Such (2011), the number of corporations (excluding cooperatives and agro-processing companies) owning farmland has doubled and now represents a significant percentage of agricultural land. In 2011, among the 16 Spanish districts with the highest percentage of agricultural land (more than 25%) under corporative ownership, 10 were in Andalusia.

Such points out that, although currently available data do not show the extent of the agri-business and large agri-food companies' 'empire', some business groups such as Ebro, Siro, Gullón or Pascual are known to possess over 10,000 ha

Regarding communal lands,<sup>6</sup> data suggest that at 12% Andalusia is below average for the Spanish State as a whole, whereas regions such as La Rioja are over 65%.<sup>7</sup> These data show profound inequality with regard to land tenure and communal land use.

## **Role of the European Union Common Agricultural Policy in the agricultural sector**

The European Common Agricultural Policy (CAP) began in 1962, with the goal of increasing agricultural productivity in order to guarantee a decent standard of living for the agricultural community, stabilise markets and ensure reasonable prices for European consumers.<sup>8</sup> Its budget for subsidies for European farmers and ranchers represents a significant proportion of the European Union (EU) expenditure,<sup>9</sup> 'indirectly orienting the choice of production (management, crops, areas, quantities, etc.)' (Torremocha, 2011). During its 50 years of existence, including a number of reforms, it has had significant impact on the agricultural sector, and has also been the subject of internal and external criticism.

The repercussions of the CAP at the European level include surplus production, the disappearance of small family farms, farmers' increasing dependence on subsidies and the environmental and landscape impacts of agro-industrialisation (Soler, 2005; Torremocha, 2011; González, 2011: 24). Organisations of peasant and small-scale farmers, as well as other social movements, have criticised the EU's agro-industrial model, which implies more inputs, product homogenisation and concentration, and at the same time a hugely indebted agricultural sector (Torremocha, 2011).

The CAP has also been criticised for its impact on the process of 'de-peasantisation' and destruction of rural society, through incentives to abandon agricultural activities (González, 2011: 24; Confédération paysanne, 2007). The decoupling of aid and production incorporated in 2003 allows farmers to receive subsidies without actually working the land, producing food or creating jobs. The race towards productivity and competitiveness has created a 'dual' agricultural system, which combines intensive and export-oriented production with small-scale agriculture (Confédération paysanne, 2007).

Finally, 'the definition and formulation of CAP lacks a gender approach and neglects the situation of inequality of women and men in the rural environment and in agricultural activities, as well as the structural and systemic causes of such inequality' (de Gonzalo, 2012). The structural aid for the agri-food sector<sup>10</sup> received by Spain since joining the EU in 1986 has led to significant changes.<sup>11</sup> In 2011 it was the second largest recipient country after France, with €5,812 million (distributed among 950,919 beneficiaries), and 10.4% of the CAP's budget.<sup>12</sup> Within Spain, Andalusia is the biggest recipient, with €1.7 million, 29% of the total.

Agricultural unions and various other organisations that defend the need for a vibrant rural sector and the right to food have severely questioned the direction of the different CAP reforms. They criticise the injustice and illegitimacy of their implementation, which are promoting the preservation of Andalusian latifundia and de-peasantisation.

Indeed, such policies are largely responsible for the fact that agriculture is no longer considered to be a gratifying activity. As a result, rural areas are depopulated, the rural population is ageing, and it is increasingly difficult to ensure that new generations will take over. Added to this are the rising

prices for consumers and the declining farm-gate purchase price of agricultural products, as well as the impoverishment of ranchers and small and medium-sized farmers. Between 2003 and 2008 the Spanish agricultural sector suffered a loss of 124,000 jobs and a decline in agricultural income of 26% (CEIGRAM, 2010).

## Unfair distribution of the CAP subsidies

The CEIGRAM<sup>13</sup> (2010) (Centre for Studies and Research on Agrarian and Environmental Risk Management) observes that the Single Payment Scheme (SPS) treats farmers, agricultural sectors and territories unequally, and generates conflict between two types of farmer, those who work the land and the owners of farming assets, favouring the latter. In addition, the SPS acts as a barrier to entry for young farmers.

The criteria for access to aid promote the concentration of subsidies in large landowners and food corporations (Valiño, 2010). The list of beneficiaries of the CAP, published by the Spanish government in 2009, demonstrates irrefutably the monopolisation of subsidies, since 75% of the aid is received by only 16% of the recipients.<sup>14</sup> Indeed, members of Spanish aristocracy are among the major beneficiaries (Guerra, 2009).<sup>15</sup>

On the other hand, and as pointed out by FIAN (2004), the CAP has transformed the agrarian model 'in the interests of the food distributors and agribusiness'. In 2008, 237 major food industries and transnational companies (TNCs) received over €1 million in CAP subsidies.<sup>16</sup>

In 2011, the CAP also benefited large food distributors such as Mercadona S.A (2,599,483 €), LIDL SUPERMERCADOS SA (691,655 €) and Carrefour S.A (126,679 €). A *Veterinarios Sin Fronteras* (Veterinarians Without Frontiers) report (VSF, 2012) shows that, thanks to aid received from the CAP, some corporations have seen their profits increase by up to 140% between 2009 and 2010.

González (2011, 63-64) underlines the 'extreme' concentration in the Spanish food chain: the five largest national groups concentrate over 60% of the retail distribution, while the agricultural input supply industry is led by large multinational companies in an almost monopolistic position. This disequilibrium creates tensions between the different actors in the chain and price structures characterized by marked differences between the prices of raw materials and consumer goods: only in 2009 the difference in prices from the field to the table rose to 490%.

Even the European Parliament has denounced oligopolistic practices in continent-wide distribution, and called for measures to counter financial speculation in the food chain.<sup>17</sup>

Finally, as pointed out by Guerra (2009), some Rural Banks also received European subsidies during 2008,<sup>18</sup> and some aid has come to light because of the high profile of the beneficiaries, which include real-estate companies.<sup>19</sup>

## Changes in land use

As stated by one of the researchers interviewed, *'a decoupling between food and production (has been created). We have become specialised in the market for some products, and forgotten other products – equally necessary. This has triggered the expulsion of farmers by the abandonment of land and lack of productivity, in absence of competitiveness. There is a sector of our agriculture that does not produce any more. There are problems in Sierra Morena, Sierra de Segura, Sierra de los Pedroches, Sierra Norte de Sevilla and Sierra de Huelva, in the interior of Granada. Those lands are reverting to the market because they are subsidised and helped by the CAP and they are not available to access (...).*

*The difference between the period of the 1930s to the 1970s and nowadays is that back in time, 80% of your earnings would go to your pocket and the key element was the amount of your capital invested for exploitation. Since the CAP enforced the Single Payment Scheme and established a value for land property; land has become a rent acquisition element, independently from its productive use'* (interview with Manuel González de Molina, lecturer in contemporary agrarian history at the University Pablo Olavide in Seville, 2012).

Several studies have shown qualitative and quantitative changes in Spanish agricultural production in the 26 years since the CAP has been implemented in the country (see, for example, CEIGRAM, 2010; Lamo de Espinosa, 2011). They note that the 'decoupling' of aid from the beneficiaries' production due to the 2003 reform and the introduction of the SPS has accelerated the decline in the amount of land under cultivation.

Since the disappearance of almost all the aid received before the 2003 reform, the production of durum wheat, beetroot, potato, tobacco and cotton has significantly decreased, and cane sugar and hops are disappearing (with serious consequences for employment) (Lamo de Espinosa, 2011).

There was also a loss of bio-diversity between 1995 and 2008, accompanied by a slight shift towards monoculture of cereals (a sector highly regulated by the CAP interventions from the outset) and oil-seeds. In particular, there has been increased production of wheat (the area under cultivation and its production increased by 134% and 269% respectively), barley and maize, due to the increased demand for bio-fuels (Lamo de Espinosa, 2011).

It should be noted that the Spanish State is the only member of the EU which cultivates genetically modified organisms (GMOs) on a large scale, with 116,306 ha of maize MON810 in 2012, according to the Ministry of Agriculture,<sup>20</sup> which has serious socio-environmental impacts.<sup>21</sup> In 2012 the European Commission halved (from 10% to 5%) the use of bio-fuels across the EU in view of the direct impact the predicted rise in their adoption had already had in terms of increasing food prices, not only in Europe but also in many other regions.<sup>22</sup>

Under the CAP, olive monoculture has extended (the area under cultivation and its production increased by 18% and 60% respectively), while vine and almond tree monoculture significantly declined. On the other hand, there has been a significant expansion in the production of vegetables and certain fruits, which receive little or no CAP subsidies. The total area dedicated to their production decreased (-29%), but their volume increased. They currently represent 64% of Spanish vegetable production and 41% of food exports, and employ 400,000 people – half of all those in agricultural employment.

The **CAP reform** scheduled for 2014–2020 is intended to 'secure food supply, protect the environment and ensure rural areas are developed sustainably'.<sup>23</sup> It may involve an annual cut of over €1 billion for Spain and €7 billion for the whole period. This would imply 'a failure for Spain in a sector defined as strategic', according to the *Coordinadora de Organizaciones de Agricultores y Ganaderos* (COAG) (Coordination of Farmers' and Ranchers' Organisations).<sup>24</sup> As COAG stated, 'it can endanger the Spanish agricultural sector, as well as aggravate the food crisis'.<sup>25</sup>

## The cap defended by Vía Campesina

*The ECVC organisations have defined the following priorities for a fair, sustainable and legitimate agricultural policy, in particular:*

- Access to land, water, seeds, and credit should become a right. That includes the farmer's rights to save their seeds and to improve plant varieties. Farmers' income should come first from selling their products. For farm prices reflecting the real value of the products, the two following conditions are necessary:

- Supply management instruments should be implemented to avoid surpluses or shortages.
- Any dumping at export (sale at prices below the production costs) must be forbidden, and instead the EU and the other countries must have the right to protect themselves from imports at too low prices.

- To maintain a vibrant countryside in all regions,

- Sustainable family farming should be maintained and developed: European funds are necessary, especially for small farms and less favored areas.
- The process of concentration of the agricultural production has to be stopped and the production better distributed between the regions and between the farms.
- Public services should be maintained and improved in all regions.

More information is available at: <http://www.eurovia.org/spip.php?article6&lang=it>.

## Legal framework for access to land

### 1.1 National normative context for the struggle against concentration of land ownership and for land reform

The Spanish Political Constitution of 1978 does not include in any of its articles the concepts of the concentration of land ownership or of agrarian reform. The only reference to agriculture is in Article 130, which states that: 'the public authorities will attend to the modernisation and development of all economic and, in particular, of agriculture, farming, fisheries and craft, with the purpose of equalising living standards for all of the Spanish population'. This is at least a reference to the 'agrarian issue' or the special difficulties facing the survival and development of rural workers.

Without a doubt, the best example of a constitution that engaged with agrarian reform was the Portuguese Political Constitution of 1976. It is obvious that the changes introduced as Portugal joined the EU in 1986 would fundamentally affect measures regarding agricultural distribution. So, before the reforms introduced in 1982 and 1989, the section dealing with economic organisation established that 'it is primarily incumbent on the State in the economic and social context: h) to implement Agrarian Reform'; in Article 96, moreover, it specified that the objectives of the Agrarian Reform include 'c) to create the necessary conditions to obtain the effective equality of all the persons engaged in agriculture (...); d) ensure the use and rational management of the soil and the remaining natural resources, as well as the maintenance of its regeneration capacity'. It also set down the conditions for expropriating *latifundia* and transferring them and the means of production to people able to work them (Article 97.1), among other provisions.

The fact that the Spanish constitution did not remotely resemble the progressive Portuguese constitution on these issues underlines the profound differences in their respective transitions to democracy. In the case of the Spanish State, there was no rupture with the dictatorial regime, but a process of consensual reform that chose to avoid the most contentious issues, among them land redistribution.

The 1978 constitution does, however, contain some articles that could support agrarian reform. Apart from Article 130.1, mentioned above, Article 9.2 obliges the public authorities to remove all obstacles hampering real and effective equality and freedom; Article 40.1 encourages the public authorities to promote 'favourable conditions ... for a rent distribution ... (to be) more equitable...'. Further, the main constitutional anchor for addressing land redistribution is found in Article 33, where the right to property is recognised and delimited by its social function, as well as the possibility of forcible expropriation to meet demands of public use of social interest (Article 33.3).

In the case of Andalusia,<sup>26</sup> the current autonomous statute, reformed in 2007, maintains references to the Agrarian Reform in Article 10.3, where it establishes as basic goals of the Autonomous Community: '13º the modernisation, planning and integrative development of the rural environment in the framework of a policy of Agrarian Reform, fostering growth, full employment, development of agriculture infrastructure and the correction of regional imbalances, in the frame of a communitarian agricultural policy encouraging competitiveness in Europe and rest of the world'.

Given this statutory provision, the Andalusian Law of Agrarian Reform (LARA) (Law 8/1984, 3 July) was approved in 1984. Even after a recent modification that rescinds an important section of articles, the main objective of LARA has been to make large-scale agriculture more profitable rather than to redistribute land to landless agricultural workers. It could be argued that LARA does not open the way to a genuinely redistributive agrarian reform because it does not seek to dismantle the *latifundia* structure.

It is likely that such limitations arose from the context of LARA's approval, very close to the approval of the constitution itself. That implied choosing to avoid breaking with Franco's legislation regarding property in general and agricultural property in particular. In this sense, during the parliamentary debate, the Communist Party, through the intervention of its representative Romero Ruiz, proposed a bill to raise the number of farms that could be subject to expropriation, including all those that could not reach a productive capacity of at least 75% of the average for the region, and not the finally approved 50% productive capacity performance.

LARA is one of the few attempts to regulate the mechanisms that would allow progress regarding the social function of the land. Specifically it deals with three main measures:

- a) Tax on underused lands for farms whose whole performance is situated between the average and below 80% of the optimal performance for the region (Article 36.4).
- b) The obligation to prepare production plans and improvements, where performance is situated between 50% of the average performance and the average performance (Article 19.2b).
- c) The expropriation of land or of its use for farm holdings whose productive capacity cannot reach a minimum level of 50% of average performance (Article 19a).

As pointed out above, LARA has been recently stripped of its more relevant articles. In the context of the crisis derived from financial speculation, the Andalusian Government approved Decree 5/2010, of 27 July, dealing with emergency measures to re-organise public sector. The budget cuts in public services have affected the agricultural sector through the closure of the *Instituto Andaluz de Reforma Agraria* (IARA), which had existed since the establishment of the LARA in



1984. At the same time, all of the articles in the LARA referring to the settlement regime in publicly owned lands were repealed. Lands formerly owned by IARA, which are not currently occupied by third parties, 'will be destined to maximise value enhancement measures, through their assignment to public entities for general purposes or alienation to public entities or natural and legal persons of private character'. This provision underlines how far it differs from the institutional and normative idea of agrarian reform, the eternal unfulfilled promise for Andalusia.

## **1.2 Potential application of the FAO 'Voluntary Guidelines' on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security in Andalusia and the Spanish State**

Our examination of the principles and framework policies embodied in the Tenure Guidelines sought to identify some critical points in order to determine if and how the people, communities and others considered in this report (see sections 5 and 6) could in fact acquire rights and associated responsibilities to use and control land, fisheries and forests.

The 'Voluntary Guidelines on the responsible governance of tenure of land, fisheries and forests in the context of national food security' tackle the issue of transferring tenure rights within the framework of redistributive reforms, proposing several safeguards that could be used at the local and national levels to organise resistance to land grabs: 1) States may consider allocation of public land, voluntary and market-based mechanisms as well as expropriation of private land, fisheries or forests for a public purpose (Article 15.1); 2) redistributive reforms may be considered for social, economic and environmental reasons, among others, where a high degree of ownership concentration is combined with a significant level of rural poverty attributable to lack of access to land, and should guarantee equal access of men and women to land, fisheries and forests (Article 15.3); States should ensure that redistributive land reform programmes provide the full measure of support required by beneficiaries (Article 15.8). It has to be noted, however, that the concept of redistributive reforms was modified to include market-based mechanisms such as 'willing seller – willing buyer' schemes, which have singly failed to achieve any land reform (Guffens and Kroff, 2012).

The Guidelines should be interpreted principally in relation to the main objective set out in Article 1.1, to prioritise essential support to vulnerable and marginalised people, such as small-scale producers, keeping in mind the goals of food security, the realisation of the right to adequate food, poverty eradication, environmental protection and sustainable social and economic development. In this regard, governments are obliged to protect local communities and marginalised groups from land speculation and concentration of ownership, as well as to regulate land markets through policies and laws and to protect the tenure and human rights of local communities in the case of investments that imply the transfer of tenure rights.

Furthermore, all of the relevant actors should be able to participate in decision-making processes: States should ensure that there is wide public participation in the development of planning proposals and the review of draft spatial plans (Article 20.4), and are encouraged to set up multi-stakeholder platforms and frameworks at local, national and regional levels (Article 26.2).

The Guidelines also highlight the importance of small-scale producers to national food security and social stability (Articles 11.8 and 12.2), calling on States to give special attention to protecting their rights when facilitating market-based tenure transactions. A notable achievement is the recognition of women's key role and the strengthening of their rights (Articles 3B4, 4.6, 4.7, 5.3, 5.4, 5.5, 7.1 and 25.5).

'Finally, States are encouraged to establish or facilitate the creation of land banks as readjustment approaches (13.2 and 13.3), for example, by establishing tax and financial incentives to transfer long-term land management and ownership to public bodies and land trusts' (Guffens and Kroff, 2012).

## Struggles and alternatives in Andalusia

The historic struggle for land was recognised and made visible by everyone we surveyed in our field visits, from academics to government institutions. The accumulation of capital stock and the empowerment of peasant farmers' struggle for access to land have given rise to a variety of social movements, all sharing the common aim of guaranteeing access to resources, generating employment and protecting the right to food.

Agro-ecology<sup>27</sup> has become one axis of resistance to the dominant agro-industrial model in Andalusia. Its agenda includes access to land as guarantor of primary production, the promotion of community life as a means to ensure social cohesion (Rodrigo Mora, 2011), and equal access to land and resources by women and men.

The struggles for land have achieved some success. The peasant farmers' movement has occupied and cultivated lands, planning and following a model of ecological production that continues to expand. According to the Spanish Ministry of Environment and Rural and Marine Affairs (MARM), between 1991 and 2011 the number of organic *operators*<sup>28</sup> increased from 396 to 32,837 and the area of land under ecological cultivation nationwide expanded from 4,235 ha to 1,845,039 ha<sup>29</sup> (MARM, 2010). In 2011, organic food consumption was worth €965 million, according to the Ministry of Agriculture, Food and Environment (Magrama, 2012). In addition, organic farming contributes significantly both to agricultural employment – it generated 50,000 jobs in 2010 – and to the agri-food trade, making it '*attractive to future prospects*' (Magrama, 2012).

In 2010, Spain was the European leader and the fifth country worldwide in terms of the area being farmed organically, with the tenth largest number of organic producers and the tenth largest domestic market for organic food (FiBL-IFOAM, 2012).

In 2011, 52.75% of the land under organic cultivation, 60.64% of the organic livestock farms, 32.5% of the operators and 26.16% of the industrial farming activities related to plant and animal production, were located in Andalusia, making it country's most important region for such production (MARM, 2010).

The economic crisis and the cult of individualism have sparked the interest of Andalusia's urban youth in developing new collective production and responsible consumption projects, creating urban–rural bridges, through eco-villages, village revival or consumer cooperatives. Organisational platforms such as the one emerging from the 15M movement<sup>30</sup> have given these initiatives continuity as a means to create the social network needed for its promotion and recognition.

*'There are production and consumer cooperatives in every province; the association network continues its expansion, as well as a direct relationship between producer and consumer; associations of producers try to perform their sales through short marketing channels. In a nutshell, an agro-ecological network is being formed, emerging from the social capital accumulation generated from the peasantry movement since the beginning of the 80s'* (interview with Manuel González de Molina, lecturer in contemporary agrarian history at the University Pablo Olavide in Seville, 2012).

The study area in Andalusia has a number of interesting agro-ecological processes and projects. In particular, the Unitary Cooperative of Production and Consumption *La Acequia*, the Mutual Support

Network and the Network of Producers and Consumers of Córdoba are examples of attempts to synthesise a number of assumptions based on the theory of agro-ecology.

There appears to be a revival, at least at the discursive level, of rural and agricultural patterns, developed by many individuals and collectives that are returning to the field, currently expanding and very likely to continue to do so.

The SAT is an example of struggle against the concentration of land ownership and the abandonment of farms, and for the creation of employment in Andalusia.

In some cases the political context has facilitated projects based on organic production as opposed to the prevailing agro-intensive and agro-export model. For example, the promotion and implementation of a programme to serve organic food in school cafeterias – the first in the Spanish State – is based on a network of small producers supplying their village schools and neighbourhoods with organic food.

According to Manuel González de Molina, who promoted the initiative while he was General Director of Ecological Agriculture at the Secretary of Agriculture and Fisheries of the Andalusian Government (2004–2007): *‘We intended to promote a model change. While we were in office we supported the creation of short commercialisation channels, more focused on the internal market, although, after we left office due to political struggles, export-oriented production was promoted, with all kinds of incentives. They won’t give you one euro if you want to sell in the country, they will give you anything you need if you are going to sell your produce out of Spain, causing a reduction in sustainability’* (interview with Manuel González de Molina, lecturer in contemporary agrarian history at the University Pablo Olavide in Seville, 2012).

Other pioneering initiatives highlighted during the surveys are still in development, for example, ecological certifications through a participatory guarantee system, with three pilots being managed in Sierra del Segura, Ronda and in the north of the province of Granada.

## Experiences of peasant resistance in Andalusia: the struggle of SOC-SAT

The struggle for land regained strength in Andalusia in the 1970s through the Andalusian peasant resistance movement, which has thrived since the end of Franco’s dictatorship. It was mainly in the Guadalquivir Valley and the Sierra Sur of Seville where the *Sindicato de Obreros del Campo* (SOC) (Farm Workers’ Union, referred to hereafter as the Union) was founded in 1976, harking back to many of the demands of the peasant movement during the early twentieth century, including – and always prominent – the struggle for land. The end of the 1970s and early 1980s saw a number of protests by the farm workers’ movement: hunger strikes, lockouts and road blocks, rallies where other social sectors joined in solidarity, symbolic farm occupations aimed at achieving an Agrarian Reform that would reduce or eliminate the large estates in Andalusia. Compared to the situation in the 1930s, the struggle for land had lost its strength because of the massive rural–urban migration during the 1970s and because of the social stigma attached to agricultural work. The Union’s strategy therefore became more oriented towards running small town councils, where they have been winning elections since 1979.

*‘I joined the Union because my family has always been struggling to avoid being separated due to the lack of work. My younger brother was the first one to join the Union, looking for a job. We are eight siblings, all of us labourers. If the Andalusian land is so rich, why do families have to leave, looking for work?’* (interview with Lola Álvarez, leader of SAT-Córdoba, 2012).



Figure 6. SAT militants at the General Strike, 14 November 2012

The rise to power of the PSOE both nationally and in Andalusia in 1982, brought new hopes that the Agrarian Reform law would be put into practice. Instead, the new administration implemented a subsidy policy for unemployed agricultural labourers. This profoundly changed the direction of the peasant movement's struggle because it fostered a dependence on subsidies rather than keeping the focus on the struggle for land. From 1984, there was a decline in the incidence of rural conflicts, and there appeared to be a significant cultural shift as protests began to revolve around wage issues. At the same time, a section of the labour

movement was organised in farms owned by the SOC, which was moving towards the principles of agro-ecology, helped by members of the *Instituto de Sociología y Estudios Campesinos* (ISEC) (Institute of Sociology and Peasant Movements) at the University of Córdoba, in turn inspired by social and peasant movements in Latin America (Sevilla, 2006).

The 1980s witnessed several farm occupations by Union members, leading to the creation of agricultural workers' cooperatives, some of them very well known and focused mainly on increasing production, whose main purpose was to create employment in the villages, such as in Humoso in Marinalda. In contrast, other cooperatives, closer to the principles of agro-ecology, such as *La Verde* in Villamartin in the province of Cádiz, or *Romeral* in the province of Málaga, started to establish alternative models of production and consumption (Sevilla, 2006: 20). Both have been successful examples of SOC cooperatives, which opted to purchase auctioned land. These agro-ecological production initiatives emerged from the Union's struggle for access to land and remain key examples of productivity in the region. The cooperatives participated in the school cafeterias mentioned earlier, and work as promoters of conservation programmes of genetic varieties and seed exchange.

In 2007, the SOC's need to connect with urban movements gave rise to the *Sindicato Andaluz de Trabajadores* (SAT) (Andalusian Trade Union), which was formally founded in Seville in that same year as the SOC-SAT.

SOC-SAT is still making the news and mobilising across the Spanish State. It has made it clear that the struggle for agrarian justice continues. Rallies of 400 women demonstrated, calling for a Rural Employment Plan. There have also been demands that bridge rural and urban issues, such as the campaign for a basic income and an end to evictions. In summer 2012, the *Marcha Obrera Andalusia en pie* (Workers March' – Andalusia Arise) mobilised over 10,000 people through the streets of Andalusia, expressing their disagreement with the government's economic and social policies. In interviews, the public authorities also referred to symbolic actions such as the occupation of bank branches and universities.

One of the most noteworthy media stunts was the ‘appropriation’ of goods from the Mercadona supermarket, to be distributed among the neighbours of an entire block evicted in Seville, which provoked a very interesting public debate.<sup>31</sup> *‘Food was distributed in order to denounce the fact that there are lots of people going hungry, with families without any income, while these big companies are throwing food into the bin. Why don’t they distribute the food among the people?’* (interview with Lola Álvarez, labourer and leader of SAT–Córdoba, 2012).

The repressive actions taken against SOC-SAT in recent decades, with fines of up to 400,000 €, prison sentences of over 50 years, and nearly 500 unionists under indictment, make the SAT one of the most repressed social movements in Europe today.

### Three examples of resistance

We now present three emblematic cases of land occupation for production carried out by the SAT: Marinaleda, Las Turquillas and Somonte.

#### Marinaleda

Marinaleda is the best-known case and a reference point for the Union in Andalusia. During the 1980s, there was an occupation of land owned by the Duke of the Infantado on the Humoso estate of around 1,200 ha. Using a legal loophole to force the occupation of farms that had benefited from public irrigation, it was initially agreed that water would be channelled to the whole farm. After that, the land was expropriated by the Andalusian Government and assigned to the people of Marinaleda, who created an agricultural cooperative called HUMAR, which grew and packaged vegetables. In accordance with the Union’s guidelines for land struggles, the cooperative is reluctant to take ownership of the farm.



Figure 7. Marinaleda’s emblem: ‘Marinaleda: Utopia Towards Peace’

*‘We don’t want the ownership of the land, but its usufruct. Why? Because you cannot give the land*

*to someone if the struggle was carried out by so many people. We cannot give the property to 10, 15 or 20 people. Besides, by distributing the land you wouldn’t solve any problems. Only a few families would benefit from it and the rest would continue as before’* (interview with Gloria Prieto, Marinaleda Councillor, 2012).

In accordance with this idea, a large proportion of the people worked voluntarily to maintain the farm, make it profitable and generate jobs in a village that has been characterised by unemployment and by youth migration:

*'We have a cooperative called HUMAR; during the campaign there are 200 people working between the factory and the fields. Apart from the land, we have the industry, because we consider that the people of the land are the worst paid for performing the hardest work, because our products used to be taken to Barcelona and to the north, while here there was no employment. So we decided to create industry, packaging peppers and beans and using our oil mill'* (interview with Gloria Prieto, Marinaleda Councillor, 2012).

Currently Eroski, a big food chain, is the largest purchaser of HUMAR'S packaged products. These must meet the corporation's quality requirements, which means intensifying production beyond the desirable level. On the other hand, the oil is currently being exported to different places (for instance, in recent years the cooperative has started to export to Venezuela). In the current crisis, in which many are unemployed due to the slump in the construction sector, people are returning to the countryside in search of work. HUMAR's aim to create jobs is thus seen as more vital than ever. In addition, the self-build housing project has been very successful. The *Junta de Andalucía* (Government of Andalusia) provides housing materials and the workforce is the responsibility of the prospective tenants, who may work on the construction site or hire other villagers. The tenant has to pay 25 € a month to defray the loan to the Andalusian Government.

## Las Turquillas

Situated between the municipalities of Osuna and Écija, near to Marinaleda, peasant farmers from this village and from the nearby village of Lantejuela have been claiming the right to this 1,123 ha farm for 15 years. The farm is a military horse-breeding centre, owned by the Ministry of Defence and the formal property of the Spanish Army. It is currently exploited by a sub-contractor who does not cultivate the land and uses only 20 ha to keep a hundred horses and donkeys. The Ministry also owns another farm of 410 ha of irrigated land, Las Islas, 5 km from Écija.<sup>32</sup>

All of the mainly symbolic occupations carried out by the villagers have been repressed:

*'We have occupied this farm several times, four in total. Last time we stayed for 18 days. There is 37% unemployment in our village, while this farm was 80% unproductive last year, yielding absolutely nothing. It's not simply – as we have stated before – that they only cultivate sunflower and wheat – crops that don't create jobs – but rather that they are leaving 80% of the land uncultivated'* (interview with Juan, labourer from Lantejuela and a SAT member, 2012).

Thanks to the three previous occupations, the municipality of Osuna obtained 300 ha of this farm in 2009, which now manages it, allocating 80 ha to organic farming, creating a green corridor and rehabilitating the three lakes in the area as a tourist attraction. The first agricultural labourers began to work on the farm in 2011 thanks to a 600,000 € grant from the Government of Andalusia and the Instituto Nacional de Empleo (INEM) (National Employment Institute) enabling them to hire 198 workers.<sup>33</sup>

The rest of the farm's agricultural land remains idle, making very clear the failure to exploit its agricultural potential. As the peasant farmers from Lantejuela village, inspired in the Marinaleda model, have pointed out:





Figure 8. View of the uncultivated fields of Las Turquillas

*'The land cannot be in the hands of a few people, like it happens in Andalusia, to serve as hunting reserve (...) many of the owners come here to hunt for two or three months a year and nobody has raised their voice to talk about jobs for the working class. (...) If the land were assigned to the labourers we would get support from Marinaleda infrastructure to make this farm profitable. It is not profitable to pay a man aged 52 unemployment benefit of 426 € when his entire family is without work'* (interview with Juan, labourer from Lantejuela and SAT member, 2012).

They do not seek to own the land, but rather to manage it through Union cooperatives; the Union would manage the employment lists to distribute work fairly. Public farms are the primary objective of the Union, given that they are easier to obtain and expropriate, and are more favourable to the creation of public land 'banks' to be managed by the municipalities in order to guarantee access to peasant farmers from nearby villages. They intend to work the land as a means to meet the local needs for work and food. As they state, in this context of crisis, *'we are going hungry'*. The peasants from villages near to Las Turquillas intend to come back next February to occupy the land again, until they obtain it.

## Somonte

The occupation of Somonte is the result of the reaction of the farmworkers' movement to the liquidation auction of 20,000 ha of public farms following the demise of the IARA in 2011. SAT members deplored the privatisation of land at a time of record unemployment in the area, with 1,700 people in Palma del Rio and more than 4,000 people in the surrounding villages without jobs in 2012.<sup>34</sup>

SAT members from Guadalquivir Valley districts occupied Somonte, a farm of 400 ha in the province of Córdoba on the day before its auction, scheduled for 5 March 2012. At the time of the occupation more than 12,000 ha had already been sold, and about 8,000 ha were to be auctioned.

In so doing, they demonstrated the Union's new strategy, abandoning symbolic occupations in favour of permanent occupations:

*'Somonte and the current occupations are not longer of a symbolic character, as we carried them out years ago; faced with the present situation, there's no option left but to occupy land with the purpose of staying on it, because what we need is work, to live with dignity. If there are public lands that can generate employment and feed families, we, the labourers, will work them by the sweat of our brow, which is what we do'* (interview with Lola Álvarez, labourer and leader of SAT-Córdoba, 2012).

*'We occupied the lands of the Duchess of Alba, the Duke of Infantado and all this bourgeois aristocracy of landlords – always symbolically, trying to get our voices heard, and to restate our claims for the long-promised Agrarian Reform. But now we know there is no political will and everything was deceit and lies: since our occupations were symbolic, they did not care, they just would sign a complaint and that was it. Then we decided that we no longer would occupy lands symbolically, we decided to occupy lands like in Marinaleda, and start working on them, and we would not come back to the farms of the aristocracy to perform parades, but to occupy them for good'* (interview with Javier Ballesteros, labourer and SAT member, 2012).

The proposal of the people occupying Somonte<sup>35</sup> pulls together elements related to the principles of agro-ecology, such as their commitment to local markets, production geared to self-sufficiency and reforestation of the farm boundaries. Collective life in the farm buildings is an important feature of the project. They claim that the farm did not generate local employment and that it was managed by a company in agreement with the Government of Andalusia, specifically the Agricultural Management and Fisheries Agency, which had first opted to cultivate bio-fuels and experimental crops – on land that had been uncultivated for months at the time of the occupation.



Figure 9. Members of Somonte working in the pepper field

They propose an alternative model of land management, not only opposed to the production-driven view of the Andalusian Government, but also incorporating the traditional commitment of the Union's cooperative to adapt agricultural production to meet the local employment needs and wage demands.

The field has 359 ha of dry land and 41 ha of irrigated land. According to Somonte's members, the latter could soon provide about 50 jobs by setting up vegetable plots of about 3,000 m<sup>2</sup> to grow peppers, asparagus, onions and other vegetables, and the plantation of several species of native tree, such as cork oak.

*'Our idea is to cultivate first to meet our own needs and the remaining products will be distributed – as we are already doing – in local markets, village markets, knocking on people's doors and in social markets. For example, we have the social market of La Tejedora in Cordoba, which operates according to*



*the principles of fair trade and solidarity, far from the capitalist model of distribution. The idea is to work in a communitarian way to eat healthily and live healthily, and have at least a guaranteed access to our food rights'* (interview with Javier Ballesteros, labourer and SAT member, 2012).

The Platform of Support for Somonte, created in a number of Andalusian cities and villages, are based on this experience both materially and in terms of collaboration in selling their products, as in the case of *La Tejedora*, where a part of Somonte's production is sold.

As these examples show, the current crisis and the various dynamics and trends of the peasant struggle in Andalusia present a scenario that looks both to the struggle for land and beyond that to the management model to put in place once the land is under peasant control.

## Conclusions

Land is still the basic production factor for the Andalusian economy, and the key to building a more inclusive and equitable society. But while it remains a pressing issue, the problem of access to land remains largely ignored in public political debate.

This situation is compounded by the monopolisation of the CAP subsidies by Andalusia's traditional large landowners, and by several food corporations. This situation leaves control of the land – and key decisions over how it will be used and for what purposes – in the hands of a few, blocking the creation of employment and discouraging food production for local markets. At the same time, farmers continue to abandon their small plots of land because the CAP system works strongly against their interests and they are unable to make their farms profitable.

To make sense of the current economic and social situation, it is necessary to understand the new mechanisms by which ownership of land is becoming more concentrated. After 26 years of the CAP, Andalusia is geared to supplying external markets. Large food corporations, such as Carrefour and Mercadona, are receiving CAP subsidies and also monopolising productive lands and controlling the food-supply chain. The case of the cooperative HUMAR-Marinaleda, a valuable social experiment in employment generation, exemplifies this dynamic: its business model is largely subordinated to the criteria and conditions imposed by the supermarket chains.

Despite the limitations, the existing legal framework does also open ways to obtain access to land, whereas new international instruments are emerging that seek to strengthen the rights of peasant farmers, such as the FAO Voluntary Guidelines. Land legislation needs to define it as a public resource that should be used for agricultural purposes. On this basis, land regulations should then aim to facilitate, for example, access for young people or groups interested in returning to agriculture, taking into account the social and environmental value of land.

In contrast, the public policies promoted by the Andalusian Government have failed to respond to the growing problem of unemployment. Responding to the demand for land could also address the lack of employment through providing jobs related to food production. However, land ownership is becoming more concentrated as public land is progressively privatised, for instance through the partial auction of more than 20,000 ha, formerly owned by IARA, as reported by the SAT.

Despite the severe repression inflicted on the SAT, its steady and persistent struggle has ensured that many of its development projects are successful. By diversifying its strategies, ranging from symbolic to productive land occupations, the SAT has managed to bring the issue of land back under the local and international spotlight.

It is noteworthy that the SAT's land claims are not geared towards obtaining ownership but rather to form workers' cooperatives, organised by the Union. The SAT has promoted these cooperatives by gaining political power and designing development plans for its own mayoralities, as in the case of Marinaleda. The effectiveness of this route depends, of course, on the Union's ability to stay in power. In addition, projects have allowed greater autonomy to develop agro-ecological production initiatives, adding to the existing demands for land and employment, the right to healthy food and the revival of local markets. The historical struggles and demand for land by Andalusia's peasant farmers are now being complemented by new agro-ecological movements, leading to experiments such as consumer and producer cooperatives, rural-urban exchange networks, short marketing channels and participatory certified organic production.



Figure10. *Javier Ballesteros, member of the SAT in Somonte, during an interview*

## Recommendations

### At the local level:

- To strengthen both the role of municipalities in the management of the commons and also the participation of civil society in this process;
- To facilitate the creation of workers' cooperatives, as well as access to publicly owned land through long-term leases and managed by agricultural trade unions;
- To develop public policies aimed at rethinking the agrarian logic and rural-urban linkages in the direction of food sovereignty, such as local distribution networks, serving organic food in school cafeterias, local seasonal markets, agro-ecology, etc.

### At the national level:

- To create mechanisms that allow access to land (e.g. incentives for sale or lease, assignment of use, expropriation);

- To conduct a census of land distribution, ownership and use;
- To improve the working conditions of day labourers, and promote special employment schemes that guarantee both gender equality and employment for at least four months a year.

### At the EU level:

- To radically rethink agrarian policy, both within the EU and in its application in the different European regions;
- To maintain crop subsidies (e.g. for olive production) with the aim of creating employment and sustainable farming methods and rural development policies suited to each area;
- To give priority to subsidising smallholders and cooperatives that are in the common interest;
- To investigate and eliminate subsidies to wealth landowners;
- To design rural development policies appropriate to the local context, respecting environmental, social, economic and food security criteria.

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## Endnotes

1. European Coordination Via Campesina's member organisations in Spain are: Plataforma Rural, Coordinadora de Organizaciones de Agricultores y Ganaderos (COAG), Euskal Herriko Nezakarien Elkartasuna (EHNE), Sindicato Labrego Galego (SLG), Sindicato de Obreros del Campo - Sindicato Andaluz de Trabajadores (SOC-SAT). Details available at: <http://www.eurovia.org>.
2. See *Instituto Nacional de Estadística* (INE) (National Institute of Statistics) data, available at: [http://www.ine.es/inebmenu/mnu\\_agricultura.htm](http://www.ine.es/inebmenu/mnu_agricultura.htm).
3. The Single Payment Scheme (SPS), introduced by EC Council Regulation 1782/2003, is a key feature of the 2003 reform of the CAP and the principal agricultural subsidy scheme in the EU. Its objectives are to encourage farmers to produce according to market demands and to support their income. This direct aid payment is 'decoupled' (i.e. separated) from agricultural production itself. The beneficiaries of the SPS are 'farmers' engaged in an 'agricultural activity' and having 'eligible land' at their 'disposal'. However, the lack of a precise definition of these terms and the application of the related provisions has allowed persons or entities with only marginal or no agricultural activity to receive SPS payments. In 2009, the SPS was applied in 17 of the 27 EU Member States at a cost of €28.8 bn. The SPS factsheet is available at: [http://ec.europa.eu/agriculture/direct-support/pdf/factsheet-single-payment-scheme\\_en.pdf](http://ec.europa.eu/agriculture/direct-support/pdf/factsheet-single-payment-scheme_en.pdf), <http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:030:0016:0099:en:PDF>.
4. The emergence of *re-peasantisation* is 'in essence, a modern expression of the fight for autonomy and survival in a context of deprivation and dependency' (Ploeg, 2008: 6).
5. This has increased significantly since the 1970s.
6. Communal lands are under the direct management of local residents of ancestral personal and real-estate properties. Land under communal management is inalienable and cannot be for the exclusive use of an individual or institution. The communal scheme has existed in Spain since the ninth century as a continuation of the Germanic law, and used to be a key element in the socioeconomic and reproductive dynamics of rural societies. Currently, communal management is reduced to mountains, expanses of forest and livestock pastures. Most are used under an open council system and managed directly by local residents. It differs from the municipal system, under which land management depends on local governments.
7. The number of livestock differ vastly between the regions of La Rioja and Andalusia.
8. See: [http://europa.eu/pol/agr/index\\_en.htm](http://europa.eu/pol/agr/index_en.htm).
9. It reached 71% of EU expenditure in 1984, since when it has been decreasing as other common policies have been developed, and is now down to approximately 40%. In 2013, direct aid and market aid will account for 32% and rural development 7.3%.

10. 'The agricultural expenditure is financed by two funds, which form part of the EU's general budget: the European Agricultural Guarantee Fund (EAGF) finances direct payments to farmers and measures to regulate agricultural markets such as intervention and export refunds, while the European Agricultural Fund for Rural Development (EAFRD) finances the rural development programmes of the Member States'. See: [http://ec.europa.eu/agriculture/fin/index\\_en.htm](http://ec.europa.eu/agriculture/fin/index_en.htm).
11. For more information on the CAP in Spain, see the Ministry of Agriculture, Food and Environment webpage, at: <http://www.fega.es/PwfGcp/es/>.
12. See: <http://www.maec.es/es/MenuPpal/EspanayUE/Politicascomitarias/Paginas/Politicas%20Comunitarias%2015.aspx>.
13. See: <http://www.ceigram.upm.es>.
14. See: <http://www.fega.es/PwfGcp/es/noticias/?notUris=tc:5-34567>.
15. For example, in financial year 2008, the Duchess of Alba and her children received more than €2 million through their businesses such as Euroexplotaciones Agrarias and Eurotécnicas Agrarias (Guerra, 2009).
16. As shown by VSF (2012), in 2010, the main recipients were: Azucarera Ebro (sugar: €61 million), Tereos Syrial (derivatives of cereal, sweeteners and agro-fuels obtained from sugar cane and cereal: €30 million), Zumos Valencianos del Mediterráneo S.A. (export of citrus and other products used in the manufacturing and marketing of fruit juices: €6.9 million), Freixenet (wine: €5 million), Central Lechera Asturiana (milk: 1,743,937.02 €), Nestlé Spain (259,437.39 €) and Kraft (11,427.62 €).
17. European Parliament resolution of 10 March 2009 on ensuring food quality, including harmonisation or mutual recognition of standards (2008/2220(INI)). See: <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P6-TA-2009-0098+0+DOC+XML+V0//EN>.
18. Caja de Ahorros Municipal de Burgos (211,117.80 €), Caja Rural de Navarra (146,956.08 €), Caja Rural de Aragón (96,135.52 €), Caja General de Ahorros de Canarias (66,880.75 €), Caja Castilla La Mancha (34,625.13 €), Caja Rural de Extremadura Sdad. Coop. (16,183.38 €) and Caja Rural del Sur (10,214.08 €).
19. Agriinmobiliaria La Mancha S.A. (715,235.31 €), Compañía Andaluza de Renta Inmobiliaria (217,414-78 €), Compañía Agrícola Inmobiliaria Zaragozana S.L. (240,693.02 €), Caja Inmobiliaria Provincial de Toledo (24,941.50 €), and Caja de Arquitectura y Urbanismo (8,023.65 €).
20. See: <http://www.magrama.gob.es/es/calidad-y-evaluacion-ambiental/temas/biotecnologia/organismos-modificados-geneticamente-omg-consejo-interministerial-de-ogms/superficie.aspx>.
21. With respect to the impact of the introduction of genetically modified maize in Spain, see for example the study: [http://www.ecologistasenaccion.org/IMG/pdf\\_Informe\\_implicaciones\\_socioeconomicas\\_transgenicos.pdf](http://www.ecologistasenaccion.org/IMG/pdf_Informe_implicaciones_socioeconomicas_transgenicos.pdf).
22. See: [http://europa.eu/rapid/press-release\\_IP-12-1112\\_es.htm](http://europa.eu/rapid/press-release_IP-12-1112_es.htm).
23. See: [http://ec.europa.eu/news/agriculture/111012\\_en.htm](http://ec.europa.eu/news/agriculture/111012_en.htm).
24. See: <http://foropac.es/content/coag-subraya-que-la-reforma-de-la-pac-refleja-el-fracaso-del-gobierno-espa%C3%B1ol>.
25. See: <http://www.europapress.es/castilla-y-leon/noticia-coag-movilizar-toda-espana-contra-reforma-pac-pone-jaque-sector-agrario-20120918132620.html>.
26. In Spain, the autonomous communities have wide legislative and executive autonomy, with their own parliaments and regional governments, in accordance with the Spanish constitution of 1978, with the aim of guaranteeing the autonomy of nationalities and regions. The distribution of competences is different for each community, expressed in the 'autonomy statute (*estatuto de autonomía*)'. There is a *de facto* distinction between 'historic' communities (Basque Country, Catalonia, Galicia, and Andalusia) and the rest. The former initially received more functions, including the ability of the regional presidents to choose the timing of the regional elections (provided they are at least four years apart).
27. The agro-ecology movement broadly includes all the movements of peasants, workers, consumers and producers, ecological experiments, land struggles etc., that aim to redress the social, economic and ecological injustices of the current food system.
28. The term *operators* refers to agricultural, livestock and aquaculture producers, manufacturers, retailers, wholesalers, importers, exporters.
29. Over the last decade, the area of land being farmed organically has grown by 25% in Spain, compared to 12% average growth in the EU, according to the European Commission Directorate-General for Agriculture and Rural Development. See: [http://ec.europa.eu/agriculture/statistics/index\\_en.htm](http://ec.europa.eu/agriculture/statistics/index_en.htm).
30. On May 15, 2011 around 200,000 people of all ages, ideologies, genders and social classes participated to massive spontaneous protests in 58 Spanish cities. They were protesting against the economic system and austerity measures, demanding a radical change in Spanish politics and supporting basic rights: home, work, culture, health and education. The demonstrations were organised by a group called 'Real Democracy Now' (see their manifesto at: <http://european-citizens-network.eu/civil-en/spip.php?article42>). At the end of the protests, camps were set up in main squares across the country, by thousands of people, mainly young people, called "los indignados" (the indignant). This signalled the birth of a movement referred to as the 15M Movement or the Spanish Revolution.

31. See international news: <http://www.guardian.co.uk/commentisfree/2012/aug/20/civil-disobedience-sanchez-gordillo>, [http://www.nytimes.com/2009/05/26/world/europe/26spain.html?pagewanted=all&\\_r=1&](http://www.nytimes.com/2009/05/26/world/europe/26spain.html?pagewanted=all&_r=1&).
32. There are no data confirming that this farm has received CAP subsidies in the past two years, but according to the *Fondo Español de Garantía Agraria* (FEGA) (Spanish Agricultural Guarantee Fund), the military centre– horse-breeding farm owned by the Ministry of Defence in Jerez de la Frontera (in Cádiz province) received 676,477 € in 2010 and 667,034 € in 2011. See: <http://www.fega.es/>.
33. See: <http://www.20minutos.es/noticia/940644/0/>. <http://www.cuartopoder.es/laespumadeldia/2012/12/12/defensa-invoca-la-yeguada-militar-para-no-ceder-su-latifundio-a-los-parados-de-osuna/>.
34. By the end of 2012, 1,442,600 people were unemployed in Andalusia. See: <http://www.ine.es/jaxiBD/menu.do?L=0&divi=EPA&his=0&type=db>.
35. On 5 March 2012, a 500-strong assembly decided to occupy the farm. At present, about 20 unemployed peasant farmers are living on the farm and working collectively.



# Land concentration, land grabbing and options for change in Germany

Roman Herre\*

## The German 'land question'

Between 1991 and 2012 the number of farms in Germany almost halved from 541,000 to 287,500 (for holdings of over 5 hectares), despite the fact that after the reunification many large agricultural producers' cooperatives (*Landwirtschaftliche Produzentengenossenschaften* or LPG) farms in eastern Germany were split up. Between 2007 and 2012, 34,100 German farms closed down, and today, only 1.6 % of the population work in agriculture (DBV, 2013: 92).

One symptom and cause of this decline is the accelerated process of land concentration: between 2007 and 2010 the number of farms smaller than 100 hectares (ha) dropped whereas the number of farms larger than 100 ha rose. This growth was despite the overall decline in agricultural land in Germany. The number of farms between 500 ha and 1,000 ha grew between 2007 and 2010 by 200, or 3.4% (DBV, 2011: 94). Today 11.7 % of farms are of 100 ha or more and hold 55.9% of the total amount of agricultural land (DBV, 2013: 93).

An important aspect of this trend is that the price of agricultural land in Germany has skyrocketed. This is a reflection of the new 'interest in land' by those with large amounts of capital. Between 2005 and 2011 the cost of 1 ha increased by 55% from 8,692 € to 13,493 € (DBV, 2013: 86). Other data refer to a price increase of 84% between 2007 and 2011.<sup>1</sup> The price for new leases of arable land rose to 261 € per hectare in 2010, up from 205 € per hectare in 2007, a 27% increase (DBV, 2013: 90, 92).

This trend can be attributed largely to the increasing commercial production of bio-energy (mainly bio-gas), which is linked to the renewable energy law aimed at stimulating the sector.<sup>2</sup> In addition – and overlapping with the bio-energy boom – the price rise is strongly linked to areas where financial and supra-regional investors (including 'new investors' from non-agricultural sectors) have entered the land market. In some regions it is estimated that these new investors have purchased between 15% and 30% of the land available on the market (Foster et al., 2011: viii). In the Emsland region, for example, new land leases reportedly cost up to 1,200 € per hectare, about three times more than the mean price in the region. The local farmers argue that their 'classic' food production is economically viable only up to 500–600 € per hectare (Foster et al., 2011: 129, 132).

Overall, Germany is undergoing an intense process of agricultural transformation towards a capital-intensive model that excludes 'non-competitive' farmers, 'classic' food producers and effectively denies people the opportunity to go into agriculture unless they have large financial backing. Another important aspect is that the agro-industrial model extracts most value-added from the local level, which implies very low benefits for the local economy – certainly one reason for the recent acceleration of urban growth in Germany.

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This development implies a substantial erosion of culture and social life in the rural areas. Food production, a basic cultural aspect of any society, is increasingly delinked from most of the German population. This poses fundamental questions about democratic control of Germany's food system. The consequences of the industrial food system can be found almost on a weekly basis in the newspapers: in February 2013 alone, the media exposed the horse meat scandal, the egg scandal and the case of 45,000 tonnes of toxic feedstuff being used on 4,500 farms. These recurrent food scandals highlight the risks inherent in the dominant and expanding industrialised food system.

Furthermore it poses questions of the right to work, especially for the youth in eastern Germany – youth unemployment is a key problem in many regions, and is aggravated by the spread of capital-intensive agriculture.

Overall it highlights the need for a development in the other direction: a more local, diverse and democratic food system embedded in and controlled by society and not dominated by a few agro-industrial investors and corporations.

To conclude, it is not surprising that in Germany the 'land question'<sup>3</sup> is once again on the table and is increasingly the topic of wider discussion in Germany, and among farmers, including young farmers and those interested in going into agriculture for the first time.



Picture: Logo of the German youth network 'Alliance Young Peasantry' against land grabs and for better access to land for the youth

The government and decision-makers need to address this structural problem, but the data show the failure to produce adequate answers. Moreover, it seems that the government is actively supporting the developments described above, especially in eastern Germany, where large tracts of land and/or farms are being made available to external investors.

## A glance at land grabs in Germany

### A. Land privatisation in Uckermark

In 1992, shortly after the fall of the Berlin Wall, the company BVVG was put in charge of managing the use of formerly state-owned agricultural land in eastern Germany. This has created a unique articulation of the land question in eastern Germany. The two main activities of the BVVG are to lease and sell land (privatisation). By the end of 2009, BVVG had sold 627,000 ha agricultural land (391,000 ha under preferential or discounted conditions under the EALG (*Entschädigungs- und Ausgleichsleistungsgesetz*) scheme, and has 393,000 ha under lease arrangements. Many of the long-term lease contracts were due to expire as from 2010 (BVVG, 2010: 1).

There was a policy shift in 2007 and again in 2010. The government advised BVVG to renew only parts of the lease contracts and to accelerate land sales to private investors on the open market. This was to bring quick and high returns.<sup>4</sup> Since 2007, with the adoption of the new *principles for land privatisation*,<sup>5</sup> which strengthened the link between the land and the 'free' market, and sent land prices and the cost of leasing land skyrocketing. New lease prices in the Uckermark rose from 50 € per hectare in 2005

to 279 € in 2010 (Johan Heinrich von Thünen Institut, 2011: 84). Similarly, the price of purchasing land almost doubled between 2007 and 2009 (Siegmond, 2010).

Today, local farmers – especially small farmers – have huge trouble in renewing lease contracts, either because of the high costs or because the BVVG will no longer renew the leases, so that the land can be sold. The EALG scheme merits closer examination. This gives existing lease-holders the automatic right to buy the land at discounted rates, provided the farmers own less than half of their total cultivated land. As the scheme was not linked to the size of the farm, it led to the absurd situation whereby a small farmer cultivating 45 ha, owning 25 ha and leasing 20 ha from BVVG was ineligible for the special purchase facility and often lost the land. At the same time, the EALG allowed large farms and investors to purchase the land at the discounted rate, thus providing them with very high subsidies.<sup>6</sup> As 75% of the total area leased out by BVVG was to farms of over 500 ha, this contributed to the acceleration of land concentration, as the data illustrate.<sup>7</sup> A farmer and expert on land policy in eastern Germany concludes: 'The intention of the land policy, especially linked to the BVVG land, is to prevent as much as possible a re-establishment and new installation of family farms after 1990' (Gerke, 2012a).

Today, at the tip of the iceberg, are big investors who managed to acquire large tracts of land in eastern Germany, especially in the Uckermark, from 2007. For example, an international furniture company (Steinhoff Holding) has acquired Gut Bartow in Demmin, farms in Gerswalde and Röddlin in the Uckermark as well as Felgentreu in Teltow-Fläming. It is estimated that the company owns about 25,000 ha in eastern Germany, some 5,000 ha in the Uckermark alone<sup>8</sup> – mainly for bio-gas. The reason? 'We diversify our capital', stated Krüger-Steinhoff in the press, stressing that, 'behind this investment you have our family, not an anonymous fund'.<sup>9</sup> But that makes no real difference to the local farmers.

Other investors in the Uckermark are Thomas Philipps (retail trader), Joachim Olearius (banking family)<sup>10</sup> and Rolf Henke (publisher).

An interesting aside is that BVVG does not usually allow non-agricultural actors to participate in open auctions for land. So the investors would acquire an existing farm, enabling them to participate in land auctions as 'farmers' – of course with much more capital than any small farmer could muster. And indeed the capital-intensive business model<sup>11</sup> and/or the capital behind the investors meant that local farmers lost out. The result: in some communes (e.g. Gerswalde, Damme and Angermünde) investors own up to half of the total agricultural area. A report commissioned by the Ministry of Agriculture concludes in the case of Uckermark 'The existing agricultural companies tend to be exposed to pressure through non-agricultural investors, since the latter build a strong competition for land at the land market. Especially the LPG- follow-up farms with labour-intensive structures are affected ...' (Johan Heinrich von Thünen Institut, 2011: 93). It further states: 'The actual price level is seen by farmers, consultants and other experts as (far) too high. Following them, it cannot be earned by normal agricultural activities' (Johan Heinrich von Thünen Institut, 2011: 83).<sup>12</sup>

## **B. Land grabs by financial investors: The case of KTG Agrar**

KTG Agrar is a German financial investor specialised in large farming operations. It currently controls 38,000 ha,<sup>13</sup> of which at least 28,000 ha are located in eastern Germany and the rest in Lithuania. KTG Agrar has undergone rapid expansion. In 2006, it controlled some 13,900 ha and now plans to grow by 10% per annum, equating to the acquisition of some additional 4,000 ha each year (Foster et al., 2011: 14).

One pillar is the production of conventional grains. Interestingly, a major part of KTG Agrar's operations is to produce organic wheat, rye and spelt, which is distributed by its own brands *BioFarmers* and

*bio-zentrale*. Another important and quickly growing segment is bio-energy production, mainly bio-gas but also wood pellets. Between 2007 and 2012 the company's output grew from 6.5 megawatts to 31 megawatts and it plans to expand to 50 megawatts by 2015.<sup>14</sup>

KTG Agrar is a prominent example of the new investors entering the agricultural land market in Germany. Others are Tonkens Agrar AG (2,900 ha), JLW Holding AG (about 24,000 ha) and Steinhoff Familienholding GmbH, mentioned above (about 25,000 ha) (Foster et al., 2011: 15).

## C. Similarities with global land grabs

The above examples show that, just as at the global level, non-agricultural and non-local investors are making land demands on an unprecedented scale. The trends include:

- Rising demand for land by non-local (non-regional) and investors with no agricultural background
- Very negative effects for the local farmers, especially if they are in direct competition with rich investors through deregulated land and land-lease markets
- Protests by local farmers
- Low-paid seasonal jobs, especially in the bio-gas sector (Polish workers are paid 5€ an hour)<sup>15</sup> and large parts of agricultural value-added do not benefit the local area and run counter to broad-based and equitable rural development
- Exclusion of the public from land that was previously accessible (Berliner Morgenpost, 2008)
- Accelerated land concentration
- Shrinking space for democratic control and political participation and decentralised food systems

## Some thoughts on the issue of 'transparency'

At the global level, the mainstream approach presented by governments, multilateral organisations and investors regarding land grabbing is to focus on transparency as the main means to regulate and/or facilitate the process (e.g. the Global Land Transparency Initiative proposed by the G8). The case of Germany raises the question of whether such an approach is appropriate:

- The 2010 BVVG principles clarify that sales and leases are awarded through a **public auction** (BVVG, 2010). This was initiated with the introduction of the 2007 privatisation principles. From the beginning the farmers have been aware of this and its consequences.
- The government **openly announced** in 2007 that lease contracts would not be renewed, probably luring non-local investors into the land market.
- In 2010 there was a national media campaign announcing that the government would sell the remaining BVVG land (Gerke, 2012b).

Despite a **high level of transparency** (especially compared to countries in the Global South), many regions in Germany have experienced a rush of new land investors, creating problems for the local communities (e.g. land prices, unfair competition for land, domination of a region by non-locals).

Transparency did not prevent the influx of investors. Indeed, it may even be what attracted them. At the heart of this phenomenon lies the government's decision to open up the land market, to achieve rapid privatisation of land and maximise profits; and to promulgate a renewable energy law that discriminates against food production rather than being based on a sound concept of rural development focused on local communities and existing farmers, and a long-term vision for the rural sector.

## Need for action – the Tenure Guidelines and options for change

If the process of land concentration continues at the same pace, in the next two decades, 40% of existing farmers will abandon the sector – predominantly the small and medium farmers with up to 50 ha.<sup>16</sup> Most of the land and food production in Germany will be controlled in a few hands. This presents grave risks to the aim of maintaining and strengthening sustainable rural communities. It also raises major questions about the democratic organisation and control of the food system.

In view of this situation, the German government should urgently open an inclusive debate on the way forward and a vision for agriculture in Germany. This discussion should especially include small farmers (who are the most likely to lose out in the coming years), young farmers and aspiring farmers. Four of the most relevant themes to be tackled are:

- **Access to land** – instruments that promote and prioritise access to land by small farmers and young farmers including young landless people interested in taking up farming
- **Land concentration** – how to stop and reverse the development?
- **Strengthen rural communities** – mechanisms to reverse incentives to concentrate ownership of land, and instead to promote and give priority to local food production and consumption, diverse and sustainable rural communities and an agricultural value-added that primarily benefits the local community
- **Democratic control** – Instruments and mechanisms for transparent decision-making processes and broad participation of the population – especially farmers – in formulating policies relating to the land and food systems

In eastern Germany the above-mentioned youth network calls for:<sup>17</sup>

- An immediate halt to land transfers by BVVG
- Land-allocation criteria that prioritise small farmers and young farmers including young landless people who wish to take up farming

## Rationale for implementing the Tenure Guidelines in Germany

The Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security<sup>18</sup> (hereafter TG) are 'global in scope' (2.4), which means they apply to Germany. In fact, Germany has been one of the main supporters of the TG process. Demands for their meaningful application in Germany should be taken up if the government wants to retain credibility in pushing for their adoption elsewhere. Indeed, it would strengthen global implementation efforts if other countries can see that Germany is applying the TG, even if this entails mobilising additional capacities and resources and opening up political processes and discussions.

Some aspects of the TG are particularly relevant to the German context and to the three themes identified above. At the same time, it is important that every guideline be seen in the context of the overall TG objective to prioritise benefits for vulnerable and marginalised people (1.1).

### A. Defining a vision – what agrarian structure do we want in 20 years?

Guideline 3B5 is highlighted as an 'essential principle' of the TG, stating that the governance of tenure must be guided by a 'holistic and sustainable approach', recognising 'that natural resources and their uses are interconnected, and adopting an integrated and sustainable approach to their administration'.

Guideline 11.2 further refers to the relevance of the ‘interest of societies’ and ‘values’:

‘States and other parties should recognize that values, such as social, cultural and environmental values, are not always well served by unregulated markets. States should protect the wider interests of societies through appropriate policies and laws on tenure’.

Defining a vision for the German agricultural sector should be guided by these principles. A process and debate on such a vision should be as a central part of implementing the TG, based on Guideline 26.2, which defines core aspects of implementation: ‘States are encouraged to set up multi-stakeholder platforms and frameworks at local, national and regional levels or use such existing platforms and frameworks to collaborate on the implementation of these Guidelines; to monitor and evaluate the implementation in their jurisdictions’. This process ‘should be inclusive, participatory, gender sensitive, implementable, cost effective and sustainable’. Thus such a platform (or various platforms) should be set up in Germany and should from the outset include small farmers and young farmers, especially young landless people interested in taking up farming, in defining the principles for such a process.

One result might be to inform an EU-wide process towards a directive on the use and management of land.

## **B. Missing mechanisms for access to land**

The Guideline on equity and justice (3B3), another ‘essential principle’ of the TG, states that ‘recognizing that equality between individuals may require acknowledging differences between individuals, and taking positive action, including empowerment, in order to promote equitable tenure rights and access to land, fisheries and forests, for all, women and men, youth and vulnerable and traditionally marginalized people, within the national context’.

At present, there are no adequate mechanisms in place to address and overcome the numerous obstacles, especially for small farmers and aspiring young farmers to access land. Based on the national situation, Germany should take positive action in form of policies and programmes to promote access to land for small farmers and potential farmers, especially aspiring young farmers.

## **C. Addressing land concentration: the national and federal land law and the TG**

Guideline 3B3 refers to the need for equitable access to land, which is closely linked to the issue of land concentration. This aspect is further specified in Guideline 11.2 regarding land markets: ‘States should take measures to prevent undesirable impacts on local communities [...] and vulnerable groups that may arise from, inter alia, land speculation, land concentration [...]’.

Following paragraph 9, clause 1.1 of the national *Grundstückverkehrsgesetzes*, a law that regulates transfers of agricultural land in Germany, transfers can be denied if they entail an ‘unhealthy distribution of land’. As specified in paragraph 9 clause 2, this is ‘generally the case when a transfer opposes measures to improve the agrarian structure’. The related law on land leases (*Landpachtverkehrsgesetz*) has similar provision (paragraph 4) plus an additional specification to deny lease contracts if they imply an ‘unhealthy accumulation’ of land.

As farmers argue, these rather interesting legal provisions have two problems in practice.<sup>19</sup> First, their provisions are not observed. Guideline 6.9 states ‘States should provide for the administrative and/or judicial review of decisions of implementing agencies’. On this basis, the national or federal Ministry of Agriculture could conduct a study to ascertain how far the legal provisions are being applied. Second, the legislation does not define what constitutes a good agrarian structure as the basis for making an

assessment, and it is interpreted mainly within a narrow economic logic.<sup>20</sup> Based on the TG (and the outlines above), a sound framework for an agrarian structure should take a holistic approach. Guideline 5.3 explicitly refers to such frameworks and explains:

Frameworks should reflect the social, cultural, economic and environmental significance of land, fisheries and forests. States should provide frameworks that are non-discriminatory and promote social equity and gender equality. Frameworks should reflect the interconnected relationships between land, fisheries and forests and their uses, and establish an integrated approach to their administration.

The study suggested above could also examine whether the prevailing interpretation of good agrarian structure is in line with the TG, especially Guidelines 3B5, 5.3 and 11.2.

There are further legislative aspects that could address land concentration. Guideline 19.1 proposes a land taxation with an objective of *'preventing undesirable impacts that may arise, such as from speculation and concentration of ownership or other tenure rights. Taxes should encourage socially, economically and environmentally desirable behaviour...'*. Based on this, an impartial and inclusive debate should be conducted on the possible role of progressive land taxation in preventing and reversing land concentration. The instrument of land ceilings (TG 12.6, 15.2) could form part of this debate.

## **D. Addressing the conduct of BVVG through the tenure guidelines**

It seems obvious that the privatisation principles of the BVVG, including the preferential scheme, fail to address the problems of land concentration and access to land for small farmers and youth. A first step should be to assess whether the BVVG privatisation criteria (including the EALG scheme) are consistent with the TG, especially taking into account the interest of society and values highlighted above. In addition, Guideline 4.6 stresses that *'states should remove and prohibit all forms of discrimination related to tenure rights, including those resulting [...] lack of access to economic resources'*. It should be assessed whether the German state, via the BVVG, complies with this guideline.

Based on Guidelines 26.2 and 4.7, which highlights that the local communities should *'participate in processes that could affect their tenure rights'*, such an assessment and subsequent processes might lead to a revision of the privatisation principles and to obliging the BVVG to ensure that its approach to land management primarily benefits local communities and is inclusive and participatory. This could include discussing a halt to the privatisation process and/or an effective mechanism for access to land of young aspiring farmers.<sup>21</sup>

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- DBV (2013) *Situationsbericht*.
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Siegmund, K. (2010) 'Höhenflug der Bodenpreise', *Bauernzeitung* 29.

## Useful links

<http://www.abl-ev.de/themen/agrarpolitik/bodenpolitik.html>

<http://www.stopp-landgrabbing.de/>

## Endnotes

1. Federal Statistical Office, based on a press release by topagrar, available at: <http://www.topagrar.com/news/Markt-Marktnews-Bodenpreise-stark-gestiegen-943085.html> (accessed 26 February 2013).
2. Erneuerbare Energien Gesetz (EEG), a renewable energy law. This law rewards bio-energy production, including the provision of investment security for 20 years. Many view this as a regulation that discriminates against 'traditional' food production such that it cannot economically compete with subsidised bio-energy production – also in the land market.
3. Linked to the struggles for agrarian reform in Latin America and elsewhere, the *land question* concerns the system and structure of ownership of land (with a focus on land concentration) linked to the welfare of the whole society. For instance, what kind of land ownership structure is desirable and socially sound, and how can land-poor and landless peasants obtain access to land?
4. The data supporting this statement are as follows. The 2010 profits (surplus) of BVVG was €320 million, with €342 million from land sales and €72 million from leases. In 2011 the profits had risen to €438 million, which must have been generated mainly by more land sales (of a shrinking amount available). See BVVG Annual Report 2010.
5. Deregulation measures, opening land markets and strengthening the links to land sales via BVVG '*mit Einführung der Ausschreibung als Regelverwertungsverfahren Anfang 2007 werden die tatsächlichen Wertverhältnisse sichtbar*', according to a presentation made by Dr Wolfgang Horstmann (BVVG), 21 October 2008.
6. For example, a farm of 2,000 ha that included 1,500 ha under lease could buy 500 ha at the discounted rate (Gerke, 2012).
7. Farms of under 250 ha bought 6% of their much lower lease areas whereas farms of over 1,000 ha bought 12% (Gerke, 2012a).
8. Estimates from local farmers, based *inter alia* on data from the '*elektronischer Bundesanzeiger*' available at: [www.ebundesanzeiger.de/](http://www.ebundesanzeiger.de/).
9. Reported at: <http://www.nnn.de/nachrichten/home/top-thema/article//landnahme-der-grossinvestoren.html/>.
10. Reported in Handelsblatt, *Familiärer Nachfolger in den Startlöchern*, 7 January 2009.
11. Steinhoff focuses on bio-energy through maize monoculture (reportedly, cheap labour from Poland is employed for harvest season, so the issues of jobs is also on the table) and can use the investment and the losses of the first years to offset this against the huge turnover and profits of the furniture company.
12. This was also confirmed in interviews with local farmers.
13. Figures available at: [www.ktg-agrar.de/](http://www.ktg-agrar.de/) (accessed 21 February 2013).
14. Press release of 17 September, available at: [www.ktg-agrar.de/](http://www.ktg-agrar.de/) (accessed 21 February 2013).
15. Personal interview with local farmer, June 2011, Uckermark.
16. It is estimated that 112,500 farm holdings would close, all below 100 ha and 90% below 50 ha (author's calculation based on the annual decrease of farm holdings of different sizes between 2007 and 2011 (DBV, 2012: 95).
17. Available at: [http://www.stopp-landgrabbing.de/?page\\_id=91](http://www.stopp-landgrabbing.de/?page_id=91) (accessed 27 February 2013).
18. Those Guidelines were endorsed in May 2012 by the Committee on World Food Security CFS. See <http://www.fao.org/cfs/cfs-home/cfs-land-tenure/en/>
19. Personal communication with farmers, Nürnberg, 13 February 2013.
20. In a recent case, a court decided that a company could be seen as local if it has a mailbox near the land it wishes to acquire. See: Newspaper Bauernstimme February 2013 edition, p.17
21. Interestingly, the possibility of including young farmers in the preferential scheme was the subject of discussion. Topagrar 4 February 2013.

# Land concentration and green grabs in Italy: the case of Furtovoltaico in Sardinia

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*Plan of solar greenhouse plant*



*Meeting of the 'S'Arrieddu for Narbolia' Committee, 14 October 2012*

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# 1. Introduction – Green grabbing: the case of Narbolia

The intertwining of climate change, environmental and economic crises and food price volatility and spikes raises serious concerns about the widespread model of agricultural production widespread in the North. It suggests the urgent need for a more sustainable, decentralised and locally based farming system that is capable of addressing current risks and challenges. This means a focus on reducing carbon emissions, shortening food miles, enhancing local food-production systems and improving access to land and the right of existing and future small-scale farmers and family farms to cultivate it.

The value of agricultural land is changing in Europe, in particular in Italy, leading to increased land concentration as ever more agricultural land is coming under the control of a small number of large-scale farms or companies. The value of agricultural land is becoming de-linked from its actual agricultural use: financial capital is speculating on land for business purposes, mainly to grab the value of agricultural rent, but also its environmental value (through carbon sequestration mechanisms, as well as the production of ‘renewable energy’) and the value of natural resources associated with the land, in particular water and biodiversity.

In such a process, land use is shifting further towards an extractive model, and away from the family farms that could provide the basis for more sustainable and localised agrarian systems. Extractive agriculture relies on the exploitation of resources, regardless of their need to regenerate themselves, on monoculture and high levels of energy consumption. It alienates people from the countryside and concentrates wealth outside the area through practices that oscillate between the free market and protectionism, which are an inherent part of how the dominant economic model functions.

The trend towards land concentration exposes the crucial limitations of various mainstream policies, in particular:

- **Agricultural policy** that favours larger farms or corporate units and an extractive model of agriculture rather than small-scale producers and agro-ecological methods. Both European and national legislation in Italy have supported the capitalisation and industrialisation of agricultural production processes, thus encouraging capital-intensive, large-scale agro-industry.
- **Land policy** that prioritises the ‘right of possession’ over the ‘right to produce’ and the ‘right to cultivate’. Access to land for young people and smallholders does not necessarily have to be secured through ownership: the sale and purchase of land can co-exist with a set of regulations aimed at promoting and protecting the agricultural use of land rather than its possession.
- **Energy policy**, with incentives for the ‘agri-production of renewable energy’ is reinforcing the two main trends in agricultural and land policies, both at the European and at the national level.

These combined policies form the main means for obtaining control over the right to produce, not the inescapable decline of the agricultural sector. In addition to fostering the impoverishment of natural resources and the land, this process is having a dramatic impact on the whole food-production system.

To illustrate these concerns, this chapter presents a case of land grabbing in the name of environmental protection via the promotion of ‘renewable energy’ in the Italian region of Sardinia.

The case concerns an Enervitabio Ltd project in the municipality of Narbolia in Oristano province. A solar greenhouse plant for agricultural production was built, with an energy production target of 27 megawatts (MW). The plant is a relevant example of a trend whereby hundreds of hectares of prime farmland are being used for solar greenhouse projects that have various negative impacts: not only are they undermining the rights of local communities to produce food and secure access to land, but

also they are skirting the law and eroding the capacity of small farmers to contribute to resolving the crisis affecting Italy. Moreover, such projects have been capturing financial resources intended for the agricultural sector.

While there has been significant attention devoted to land grabbing in the South, the same phenomenon is also affecting small farmers in the North. There is a need to maintain a vigorous commitment and engagement in resisting this process. This is not about making occasional complaints or conducting an isolated campaign. This chapter will stress the urgent need to support the long-term processes needed to return the land those who work it.

Defending land for agricultural use is the basis of solidarity, since land is a vital resource for all human life and provides the means through which present and future generations can access water and enjoy a safe, prosperous and biodiverse natural environment. For this reason, we should react to every portion of land that is captured, wherever it might be, as if it was robbing something from everyone: this is not about romantic ruralism or altruism, but about self-interest. Everyone is entitled to a future that is worth living, which cannot be surrendered. The destructive use of the land denies everyone this future.

The reduction of cultivated land, involving millions of hectares being used for an array of non-agricultural uses (such as residential, industrial, military, commercial and tourism activities, infrastructure and the production of renewable energy) must be a priority issue for each and every person. Solutions are within reach as long as everyone accepts the responsibility to question, understand and engage.

This chapter focuses first on various levels of land and agricultural policies, and the resulting land-grabbing practices. The first section constitutes an overview of the global land-grabbing phenomenon and the trends towards the shifting value and use of land, and the dynamics of shrinking access to land and land concentration. The second section explores the Italian dimensions of such trends, highlighting that those who lose out from the concentration and capitalisation of agriculture are those who, despite policy constraints, most contribute to addressing major crises, providing food sovereignty and rural employment and also reducing carbon emissions. Finally, the paper turns to the regional level, focusing on patterns of land property and the agricultural situation, including in relation to the global food system, and the promotion of a 'renewable energy' project in Sardinia by both the central and local government.

The next section examines the case study of the Municipality of Narbolia, the location of a mega-solar greenhouse development being undertaken by Enervitabio Ltd, and the local community's opposition to the project, its struggles and resistance.

The concluding section summarises insights from the Narbolia experience, draws out lessons in relation to the broader trends and concerns identified in the introduction, and presents various policy recommendations needed to shape the necessary changes.

## **2. Land and agricultural policy: common trends at the international, European and national level**

### **A. The international context**

#### **I. A global land grab**

The term 'land grabbing' entered the international stage in the context of converging economic, financial, energy and food crises between 2007 and 2008. At the time, the media spotlight was focused primarily on emerging and relatively new players such as Saudi Arabia and South Korea, which were becoming

involved in potential large-scale land acquisitions in countries in the South, for the purpose of producing food crops. What is now clear is that framing the issue in this way overlooked, if not neglected, key drivers and power dynamics and relations underlying and supporting land grabs.

Our understanding of what constitutes a land grab in the contemporary context is based on Borras et al. (2012), namely the three interlinked specificities of contemporary land grabs: land grabbing as controlling resources; land grabbing involving large-scale transactions, in terms of the scale of acquisition and/or of the capital involved; and land grabbing as a response to the convergence of multiple crises – food, energy/fuel, climate change, economic and financial, as well as the growing need for resources by BRICS (Brazil, Russia, India, China, South Africa) and middle-income countries (MICs).

Land grabs therefore need to be placed ‘in the context of the power of national and transnational capital and their desire for profit, which overrides existing meanings, uses and systems of management of the land that are rooted in local communities. The global land grab is therefore an epitome of an ongoing and accelerating change in the meaning and use of the land and its associated resources (like water) from small-scale, labour-intensive uses like subsistence agriculture, toward large-scale, capital-intensive, resource-depleting uses such as industrial monocultures, raw material extraction, and large-scale hydropower generation – integrated into a growing infrastructure that link extractive frontiers to metropolitan areas and foreign markets’ (TNI 2013).

This chapter argues that **agricultural land in Europe**, as in many other countries across the globe, has become object of financial speculation as the value of land is moving away from its current agricultural use. Financial capital speculates on land, mainly to obtain the value of agricultural rent, but also its environmental value, through allegedly sustainable practices such as carbon-sequestration mechanisms and renewable energy production, along with the value of natural resources inherent in the land, primarily water and biodiversity. The rapid growth in the demand for land is largely due to the large-scale acquisition of resources and land by mining and construction industries, and to the growing agro-industrial demand for flex-crop plantations – all of which contribute to land speculation.

## II. Shrinking access to land and land concentration

Evolving patterns in land use and land property highlight two concurrent trends, both at the European and at the national level in Italy: shrinking access to land, especially for smallholders, and increasing land concentration, especially in the hands of businesses that are becoming more interested in obtaining agricultural land. These trends are shown in Table 1 and Figure 1.

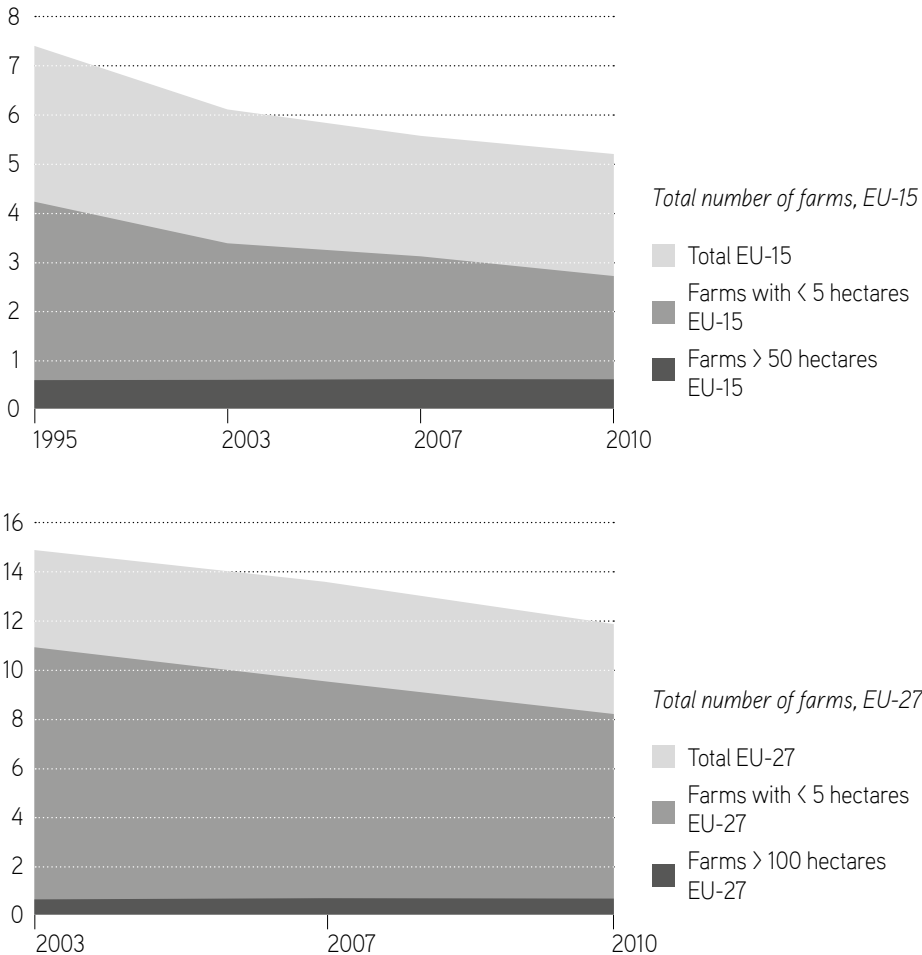
**Table 1.** *Total number of farms in the European Union 1995–2010*

Date	Total number of farms	Farms with < 5 hectares	Farms with > 50 hectares
1995 (EU 15)	7,370,000	4,193,590	585,730
2007 (EU 15)	5,662,420	3,087,070	616,920
2010 (EU 15)	5,225,340	2,784,800	610,070
2003 (EU 27)	15,021,030	10,959,000	688,420
2007 (EU 27)	13,700,400	9,644,000	698,000
2010 (EU 27)	12,014,800	8,314,150	716,490

As shown in Table 1, in 1995 the EU-15 had 7.4 million farms, which had dropped to 5.7 million by 2007; in 2003 the new EU-27 had 15 million farms, which had dropped to 13 million in 2007. In 1995 EU-15 there were 4 million farms with less than 5 ha and by 2007 there were 3 million. The EU-27 had 11 million farms in 2003 and less than 10 million in 2007. In total, this implies a loss of more than 70% of the total number of EU farms. The EU-27 accounted for approximately 12 million farms and 170 million ha of Used Agricultural Area (UAA).

In 1995 there were 585,730 farms of over 50 ha were (EU-15), and 2007 saw an increase to 616,920. When taking into consideration EU-27 data of 2003, there were 688,420 large farms, which went up to 716,490 in 2010.

Figure 1. Total number of farms in the European Union 1995–2010



Source: EUROSTAT, 2013

There are many actors involved in such acquisitions, which can be classified under different legal categories and business interests. Some of the main corporations involved include Allianz RCM Global Agricultural Trends, Baring Global Agriculture Fund (Crédit Agricole and Société Générale – France) and Robeco Agribusiness Equities D EUR (Rabobank – the Netherlands).

## B. The national context

### I. Land concentration in Italy

Shrinking access to land at the global and European level has been mirrored by similar difficulties for Italian farmers. National policies have exacerbated the situation by allowing the rush to privatise the common or public lands still available, which are regarded as underused.

Italy is encouraging the creation of new farms through the sale of public lands that either formally belong to the state or are collectively managed by Municipalities or Local Authorities, which represent a large part of the availability of UAA.

**Table 2. *Used Agricultural Area in Italy (in ha)***

Administrations or public authorities	269,375.50
Institutions or Municipalities that manages collective properties	445,123.65
Total	714,500

Source: ISTAT, 2011

**Table 3. *Total Agricultural Area (TAA) in Italy (in ha)***

Administrations or public authorities	852,643.99
Institutions or Municipalities that manage collective properties	1,103,090.72
Total	1,955,735

Source: ISTAT, 2011

In addition to the data shown in Tables 2 and 3 above, Italy's UAA of 714,500 ha coincides with 1,955,735 ha of TAA, divided into more than 2,600 farms. Over 1 million ha come under a communal or common property category. These lands belong to the citizens, which makes them inalienable. The only role of the Municipalities is to manage them to protect citizens' collective rights over land.

Currently, Italy's agricultural land is characterised by a concentration of property, whereby 22,000 farms with more than 100 ha own more than 6.5 million ha of TAA. Aside from the public lands, the remaining 4.5 million ha are concentrated in the hands of 19,000 private companies or farms, each possessing more than 100 ha. Between 2000 and 2010, these companies increased the cultivated surface by 8% and strengthened their absolute number by 16%.

**Table 4. *Farms in Italy of below 100,00 hectares***

Years	% of total	
	Farms	TAA
1948	0.22	25.8
1980	0.69	36
1990	0.72	36.8
2000	0.52	29
2010	0.95	29.8

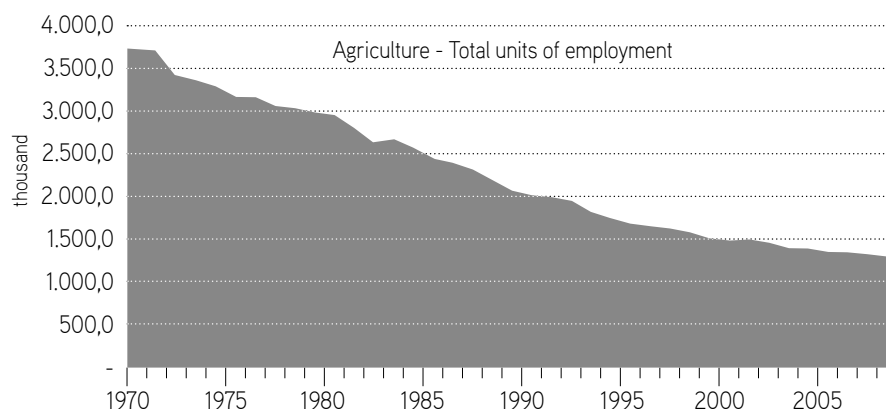
Source: ISTAT, 2011

Over the past 60 years, the Italian agricultural system has undergone a profound transformation. The so-called Italian Agrarian Reform, passed on 21 October 1950, law no. 841, was slightly more than a land reform. It was implemented at a time when farms of less than 2 ha represented 83% of the total of 17.4% of the land being farmed. At that time, only 0.22% of farms were larger than 100 ha, approximately 26% of TAA. Table 4 below shows evolving trends regarding the larger farms (ISTAT, 2011).

Large farms with **more than 100 ha** not only experienced a continuous growth in number, but also a 10% increase in the amount land in 40 years. On the threshold of 2000s they had access to almost 30% of the TAA. Such trends contradict the benefits that the agrarian reform should – and could – have brought by reinforcing the process of agricultural land concentration taking place in the country. Just over half (51%) of farms were of less than 2 ha in 1961 and controlled the 7.2% of the TAA. By 2000 they represented 57%, controlling only 6% of the TAA (ISTAT, 2011).

What emerges from an intersection of Figure 2 with Table 5, representing employment trends in the agricultural sector between 1970 and 2008, is that land concentration did not create jobs at the national level.

Figure 2. *Employment trends in Italy's agricultural sector*



Source: ISTAT, 2011

As shown in Table 5, between 2000 and 2010 there was a reduction of 31.6%, while working days decreased only by 24.8%. This means that those who continued to work on the family farm did more work although there were fewer of them: **self-exploitation by family members** in family farming increased.

Table 5. *Farm labour and workdays in Italy*

Farm labour categories	No. of people 2010	No. of people 2000	Absolute variations	Variations %
Holder	1,067,535	1,664,404	-596,869	-35.9
Spouse working on the farm	484,067	718,828	-234,761	-32.7
Other family members working on the farm	277,336	431,823	-154,487	-35.8
Relatives working on the farm	145,949	179,047	-33,098	-18.5
Family labour	1,974,887	2,994,102	-1,019,215	-34.0
Other labour	540,055	683,897	-143,842	-21.0
Total farm labour	2,514,942	3,677,999	-1,163,057	-31.6

Farm labour categories	Working days 2010	Working days 2000	Absolute variations	Variations %
Holder	94,562,603	125,277,639	-30,715,036	-24.5
Spouse working on the farm	23,751,754	38,563,848	-14,812,094	-38.4
Other family members working on the farm	18,617,301	28,983,097	-10,365,796	-35.8
Relatives working on the farm	8,292,870	11,087,988	-2,795,118	-25.2
Family labour	145,224,528	203,912,572	-58,688,044	-28.8
Other labour	32,797,380	32,777,552	19,828	0.1
Total farm labour	178,021,908	236,690,124	-58,668,216	-24.8

Source: ISTAT, 2011

## II. The impacts of land concentration

Since the 1990s, it has become virtually impossible for small farmers to obtain access to land in Italy. Evictions are rising, with a massive reduction in the number of farms and agricultural workers. The situation is dangerously close to impoverishing all dimensions of production, including human and natural resources, threatening to alter dramatically not only the agricultural landscape but also the whole way of producing food.

This trend is fostered by a **high concentration of agricultural land** in the hands of a small number of farms. Over the last ten years, the process of land concentration in Italy escalated sharply: the top percentile controls one third of total agricultural land. At the end of World War II, farms with over 100 ha represented 0.22% of the total number although they controlled 25% of the country's agricultural. Now, about 22,000 farms control over 6.5 million ha, and the last decade has seen a fall in the number of companies holding less than 20 ha (ISTAT, 2011).

Table 6. *Number of farms in Italy 2000–2010*

UAA (ha)	Farm number		Absolute variation	Variation %
	2010	2000		
Without HA	6,130	3,412	2,718	79.7
Less than 1,00	504,609	1,012,806	-508,197	-50.2
1,00 - 1,99	326,078	462,558	-136,480	-29.5
2,00 - 4,99	356,366	459,988	-103,622	-22.5
5,00 - 9,99	185,323	218,008	-32,685	-15.0
10,00 - 19,99	119,737	129,234	-9,497	-7.4
20,00 - 29,99	46,594	46,219	375	0.8
30,00 - 49,99	40,853	36,688	4,165	11.4
50,00 - 99,99	29,221	23,944	5,277	22.0
100,00 and more	15,509	12,596	2,913	23.1
Total	1,630,420	2,405,453	-775,033	-32.2

Source: ISTAT, 2011

Between 2000 and 2010, more than 700,000 farms of below 30 ha disappeared. Larger farms have increased both in absolute terms and in terms of their agricultural area. In particular those that have a UAA of more than 100 ha have increased in number by 23% and in area by 8.9%: today there are 15,000

farms with a size of more than 100 ha controlling roughly 3.5 million ha (26.6% of the total), while 1.5 million small-scale farms, with less than 30 ha (equal to 94.7% of farms), control less than 6 million ha (46.6% of cultivated land). Despite the process of modernisation, capitalisation and financialisation led both by the Common Agricultural Policy (CAP) and national policies, small-scale family farms remain dominant and indeed their number grew by 15% between 1950 and 1990, while those employing workers decreased by 2.5%. Furthermore, while TAA under small-scale farms rose by 20% over the same period, these farms lost control of over 5% of land (ISTAT, 2011).

What emerges is that family farming, conventionally defined as controlling an agricultural area of less than 20 ha, is the driving force of Italian agricultural food production. The myth of the large-scale capital-intensive agro-industrial farm thus collapses, along with the idea that it is bound to triumph over the backwardness of small-scale farming. A deep investigation of sole-holder farming, in order to identify its strengths and recent expansion, becomes a key part of the analysis.

In order to be productive, farms need access to certain basic elements for their survival: principally land, water and labour. In capital-intensive farms, exemplified in the infamous 'farms without land' (meaning pigs, chickens and cattle fed with industrial feed and confined to barns and sheds), capital is by definition pivotal to economic viability. Financial, economic and technical capital can either be generated within or outside the industry. Material resources can be derived from private investment or public expenditure, mainly the CAP.

Regardless of its vital role in providing employment, securing food sovereignty and offering viable alternatives in a context of global economic and environmental crises, governments continue to underestimate small-scale agriculture: most policies are designed and implemented on the basis of viewing the agricultural sector as a burden rather than understanding the potential of small-scale farming, especially in terms of economic growth, social development and employment. Furthermore, public policies tend to be based on the assumption that reducing the number of farms would achieve more efficient agricultural activities. The CAP subsidies are a case in point. In 2011, 0.29% of farms obtained 18% of total CAP subsidies to Italy, and 0.0001% (150 farms) obtained 6% of them. The remaining 93.7% farms received 39.5% of the subsidies (EUROSTAT, 2013).

Hence we argue that the key issue is access to the land required for new farming start-ups, especially those managed by young people, together with supporting small-scale farming.

## **C. The regional context: Sardinia**

### **I. An overview of the land situation**

In 2010, Sardinia had 58,447 smallholder farms of a total of 60,610. Such figure represents a 44.9% decline since 2000, when there were 106,012 individual farms. In 2010 agriculture covered 1,151,000 ha of Sardinia's UAA, an increase of 13% compared to 2000. At the same time, in terms of TAA, over 131,000 ha were lost, with a drop of 8.2% (ISTAT, 2011).

It is also worthy of note that capital-intensive farms employing wage labour lost 71% of TAA and 42% of UAA between 2000 and 2010, while **smallholders** lost only 0.5% of TAA and **increased their UAA by 12%**. Shrinking land availability had critical effects on the productivity of family farming. Despite the harsh global economic and financial crises, and although the number of individual and family farms declined between 2000 and 2010, UAA figures show that these farmers opted to maximise their land use. This strategy shielded smallholders and family farms from the changing agricultural and economic context and enabled them to adopt mechanisms to resist the global crises. Once again, smallholders concentrated their efforts and reviewed their energy consumption and machinery use in order to protect



their ability to work and produce even in the face of a major economic and productive crisis. Small-scale agriculture appears, then, both to be a sound choice in terms of agro-ecological sustainability and the best model of agricultural production from the perspective of economic efficiency.

Not only are capital-intensive farms less efficient in economic terms, but they also deepen the perverse mechanisms triggered by the crisis by cutting back on labour and relying on CAP subsidies. Furthermore, they often cede their land to farmers to use as pasture, receiving an informal rental payment for this and so increasing their incomes.

Regarding the legal nature of land ownership, the number of companies doubled between 2000 and 2010, going from 757 to 1,512, while the number of corporations managing farms tripled within the same period, from 49 to 126. While the latter is a modest figure, it is a part of a global trend. For a small island that does not have much fertile land, the phenomenon could potentially generate conflicts regarding access to agricultural land.

**Table 7. Total UAA by farm types in Sardinia**

Farm type	2010	2000	Variation	Variation %
Sole holder	1,006,231.60	893,109.09	113,122.51	12.7%
Wage labourer	71,041.27	124,159.95	- 53,118.68	- 42.8%
Other	74,547.34	2,688.77	71,858.57	?
Total	1,151,820.21	1,019,957.81	131,862.40	12.9%

Source: ISTAT, 2011

## II. Regional agricultural production and trade

In recent decades, Sardinia has been experiencing an evolution in farming systems and a reduction in all types of cultivation except for horticulture, which saw an increase of 10% (see Table 8).

There are three main reasons to justify this positive yet contradictory trend. First, horticulture is labour-intensive, therefore does not require high levels of capital in order to provide for good yields. Second, each season lasts for only three months, thus allowing four yields per year, also in a small surface. Third, it benefits from a dynamic domestic market, which is its only way to prosper since there are only limited CAP subsidies for horticulture.

**Table 8. Agricultural production in Sardinia**

Production	Farms				Concerned area			
	2010	2000	Variation	%	2010	2000	Variation	%
Cereals	10,769	18,996	-8,227	-43.3	104,453.64	146,009.63	-41,555.99	-28.5
Horticulture	5,372	13,017	-7,645	-58.7	14,749.71	13,460.71	1,289.00	9.6
Grapes	18,300	41,721	-23,421	-56.1	18,839.68	26,301.44	-7,461.76	-28.4
Olive trees	31,103	49,699	-18,596	-37.4	36,467.63	39,945.49	-3,477.86	-8.7
Citrus trees	4,938	13,306	-8,368	-62.9	4,089.18	5,797.80	-1,708.62	-29.5
Fruits	6,224	21,260	-15,036	-70.7	4,859.54	8,982.64	-4,123.10	-45.9
UAA	60,138	106,789	-46,651	-43.7	1,151,820.21	1,019,957.81	131,862.40	12.9

Source: ISTAT, 2011

The linkage between regional agricultural production and international trade gives strategic insights into the strengths and weaknesses of Sardinian agricultural and food systems against the complex global context created by the crises. It is vital to point out Sardinia's degree of food dependence, primarily because of its impact on food sovereignty and regional agricultural systems. The economic value of agriculture in Sardinia is summarised in Table 9.

Table 9. *Economic value of Sardinia's agriculture 1980–2011 (in thousands of Euros)*

	1980	1990	2000	2005	2010	2011
Agricultural cultivation	250,421	405,665	625,869	669,033	641,595	656,059
Livestock	236,775	471,907	670,381	686,117	683,622	700,887
Agricultural support activities	78,411	135,422	185,490	206,323	249,340	262,124
Agricultural goods and services	565,607	1,012,994	1,481,741	1,561,473	1,574,557	1,619,070
Silviculture goods and services	6,101	7,250	24,556	19,660	29,428	25,835
Total	1,137,315	2,033,238	2,988,037	3,142,606	3,151,542	3,263,975

Source: ISTAT, 2011

The value of **exports** from the primary production sector remained stable between 1998 and 2011, while **imports** increased by 22% during the same period. In 1998, the value of exports exceeded that of imports by slightly more than 3% and by 2.6% in 2011: in other words, an insignificant share, with a negative balance of more than €167 million.

A closer look at the last few years shows a breakdown of agricultural products and food products exports, in particular processed and preserved fruit and vegetables: in 2011, there was a six-fold negative balance between imports and exports.

Table 10. *Sardinia's commercial trade in value, product area and country 2006–2011*

COUNTRIES	IMP2006	IMP2007	IMP2008	IMP2009	IMP2009	IMP2010
WORLD	5,647,428	7,242,603	5,257,035	7,094,990	6,634,835	6,656,175
	EXP2006	EXP2007	EXP2008	EXP2009	EXP2010	EXP2011
	146,869	159,096	352,406	302,061	454,883	1,462,941
Year	2006	2007	2008	2009	2010	2011

Source: ISTAT, 2011

### III. Solar energy promotion and Italian law

The Ministry of Industry issued a decree on 5 August 2005 providing a legal framework for the feed-in tariff system, known as '*Conto Energia*'. In July 2011, a new incentive system for photovoltaic (PV) energy became law, coming into effect from 27 August of the same year.

The most important change for the feed-in tariff scheme, which was bitterly criticised by several farmers' organisations, was that systems above 12 kilowatts peak (kWp) would have to be registered

in order to obtain the incentives. The register allocates priority on the basis of the criteria specified in the decree, in the following order: systems installed in place of asbestos roofs; systems installed on energetically upgraded buildings; systems installed with components manufactured entirely in countries in the EU or European Economic Area (EEA); systems installed on contaminated sites owned by the armed forces or exhausted dumps and mines; systems installed with power of no greater than 200 kW serving productive activities; and systems installed (in descending order) on greenhouses, pergolas, canopies, cantilevered roofing and acoustic barriers.

The decree appeared to allow large companies to find ways to obtain the incentives, but with hasty mechanisms and with firms not being able to follow the deadlines imposed by the Ministry. For these reasons, in Narbolia the Municipality issued permits mainly on the basis of self-certification and regardless of detailed plans of the agricultural activities in question.

According to the Regional Government Resolution n. 27/16, 1 June 2011, in order for solar-powered greenhouses to be recognised as having an agricultural nature they must meet three specific requirements.

- The recognition of the **status of 'farmer'** as the entrepreneur
- **Adequate agricultural capacity**
- A **minimum illumination level** of 75% inside the greenhouse

In addition, as required by a joint Decree by the Ministries of Environment and Economic Development issued on 5 May 2010, in order to obtain incentives for solar energy, greenhouses should have a maximum of 50% coverage of solar panels.

Moreover, agricultural capacity, which must be established for plants with a capacity exceeding 20 kW, must be set out in a document including agronomic reports, agricultural incomes as at 31 December of the year preceding the submission of the application (in the case of existing activities); the gross agricultural income related to the duration of solar greenhouses (Bill of Revenue Agency no. 32/E, 6 June 2009); the income estimate to derive from photovoltaic (PV) energy production; the production potential of crops in greenhouses; marketing of agricultural and energy production; an investment plan illustrating prospective employment, costs and revenues, as well as demonstrating that the agricultural income will at least equal revenues deriving from energy production.

### 3. Narbolia's *Furtovoltaico*

#### **A. The Municipality of Narbolia: a key site of mega-solar greenhouse development**

According to the Municipality's website, 'Narbolia is a small town of about 1,800 inhabitants, situated at the foot of Montiferru, 57 m above sea level and 18 km from Oristano. Although not very large, its land surface of nearly 4,000 ha has an extremely varied landscape and environment, ranging from volcanic rocks of Monte Rassu, the flat region of Cadreas bordering the plain of Campidano, up to the sea where there is the famous pine forest of Is Arenas, as well as a beautiful beach. Narbolia has some of the most beautiful natural sites in Sardinia. The soil is fertile because it is both sheltered from cold winds and has sufficient irrigation, which enables the region to produce citrus fruits, grains and vegetables; the climate is also excellent for the cultivation of olive trees and vineyards. An area rich in history, it has many interesting archaeological sites' (authors' translation).<sup>1</sup>

The Municipality of Narbolia provides information about agricultural activities and its rich natural and environmental endowments but makes no mention of the mega-solar greenhouse plant for agricultural production located in the same area. This system is the largest in Italy and has a production target of 27 megawatts (mW): the 64 ha plant comprises 107,000 installed panels, 1,614 greenhouse sections of 200 m<sup>2</sup> each, supported by 33,000 concrete pillars knocked into the area's most abundantly irrigated soil.<sup>2</sup>

For this project, the company should receive over €7 million in incentives every year for 20 years, and another €3.5 million a year for the same period from selling energy to the national grid (ENEL). Agricultural land, previously held by individual farmers to grow crops and provide pasture, was valued at about 12,000–15,000 € per hectare. Enervitabio Ltd for paid 40,000 € per hectare, respecting the legal rights of neighbouring farms.<sup>3</sup>

Regarding land distribution in Narbolia and Milis Municipalities, the period between 2000 and 2010 is quite telling (see Table 11). In 2000 11.7% of the UAA in Narbolia was cultivated by farms ranging from 3h to 20 ha. Ten years later, these farms controlled 11.2% of UAA. On the other hand, farms of more than 100 ha controlled 34.3% of UAA in 2000, growing to 40.1% in 2010.

**Table 11.** *Milis and Narbolia Municipalities, farm size in ha*

	Milis		Narbolia	
	2000	2010	2000	2010
3-4.99	3	2.3	2	1.7
5-9.99	5.7	10.2	2.6	2.8
0-19.99	8.8	15.2	7.1	6.7
> 100	33.2	34.3	33	40.1

Source: ISTAT, 2011

The process of land concentration in holdings of more than 100 ha, has absorbed larger farms, as shown in Table 12..

**Table 12.** *Milis and Narbolia Municipalities, number of farms between 50 ha and 99.99 ha*

	Milis		Narbolia	
Year	2000	2010	2000	2010
Number of farms	141	577	655	477

Source: ISTAT, 2011

Farms of between 50 ha and 99.99 ha quadrupled in Milis, but declined by 27% in Narbolia. Precisely because of limited agricultural land in Milis and Narbolia, and the concentrated ownership of fertile land, even a very small reduction in land availability has far-reaching implications for the municipalities' entire agricultural and, ultimately, on their ability to produce food and to provide employment opportunities across the island.

Narbolia is not the only centre of interest for so-called renewable energy projects. The series of approved and registered plants listed in the GSE register to obtain incentives or subsidies (as of September 2011, but evolving) include 22 companies involved in PV energy production in Sardinia with a foreseen output of more than 1,000 kilowatts (kW).

The Sardinian judicial authorities are currently conducting enquiries and evaluations of a number of projects concerning solar greenhouses, which already cover hundreds of hectares of farmland.

A total of 39 requests from 22 companies for access to the 'manager for energy', the GSE, which is the source of subsidies for 'agricultural' companies, were accepted. According to the European directive, as implemented through national legal provisions by the Italian Minister of Agriculture, agricultural production must be guaranteed in greenhouses. Yet, in most of those that have been built so far, there seems to be no kind of cultivation. Similarly, employment opportunities, originally flagged as a positive spillover of such investments, have not materialised.<sup>4</sup>

The mechanism that allowed the Italian government and the GSE<sup>5</sup> to provide subsidies is called 'Fourth *Conto Energia*' and was reserved for plants that were supposed to become operational after 31 May 2011. The purpose was to 'gradually align the public incentive with technology costs, and to maintain stability and reliability in the market', as explained by the Ministerial Decree of 5 May 2011. The mechanism provides subsidies at a constant rate for 20 years, together with the payment for a portion of the energy produced, which has to be sold to the GSE.

The legal terms for the subsidies to be approved at the regional level were fixed by Decree no. 1116, 27 July 2011, signed by the Sardinian Regional Ministry of Agriculture, Oscar Cherchi. The decree appeared to be **the result of a regularisation procedure that allowed large companies to obtain access to the subsidies**, but in a rather ill-considered manner, and without sufficient time to meet the deadlines imposed by the national Ministry. The Municipality has therefore issued permits mainly on the basis of self-certification, without demanding a detailed agronomic plan on the agricultural activities.

## B. Enervitabio Ltd solar greenhouse project

### I. Facts and figures



Photo: Enervitabio Ltd Santa Reparata, solar greenhouses, Narbolia

Enervitabio Ltd-Ravenna, owned by Paolo Magnani, arrived in Sardinia in 2008, after the greenhouses works had been completed. The plant was sold to a holding company, Win Sun of Hong Kong, which is controlled by the Sun Win Luxembourg, a limited liability company, with capital of 30,000 € and a registered office in Luxembourg administrated by Mr Qu Fajun, who was born in China and lives in Belgium.<sup>6</sup>

In Sardinia, Enervitabio Ltd has built seven plants in seven municipalities, each named after the local patron saint, perhaps to curry favour with the local communities. These municipalities are St Vero Milis, Giave, Narbolia, Padria, Santadi, St Giovanni Suergiu and Galtelli. Enervitabio Ltd has built plants to produce a total of about 80 mW, allowing the company to obtain almost €22 million in subsidies a year for 20 years, according to the GSE databases.

Enervitabio St. Reparata Ltd, with its registered office in the Municipality of Narbolia, has developed a PV energy plant that lies approximately 1 km from Narbolia's centre, and 1.5 km from St Vero Milis'.

Accessible information and/or documents on permits issued by the public authorities include:

- Final Authorisation ('*Provvedimento Unico*') no. 1, 11 November 2009, issued by the Municipality of Narbolia.
- Authorisation ('*Autorizzazione*') no. 3, 18 November 2010, for the construction of three power lines of 15 kV issued by the Engineering Bureau of the Municipality of Narbolia.
- Formal Decision Permit ('*Determinazione*') n. 4, issued by the Technical Department of the Municipality of Narbolia, 12 January 2012.

### **Questionable procedures: how the project has been skirting the law**

Officially, in order to be recognised as agricultural activities solar greenhouses must meet specific requirements, already mentioned above:

1. The recognition of the status of 'professional farmer' for the entrepreneur. The Legislative Decree ('*decreto legislativo*') no. 99, 20 March 2004, states that this status can be granted on application by an agricultural entrepreneur managing a single farm.

2. For plants with a capacity exceeding 20kW, adequate agricultural capacity has to be demonstrated through a report including:

- annual income deriving from agriculture as of 31 December of the year preceding the submission of the application (in the case of existing activities);
- gross agricultural income deriving from solar greenhouses, related to the whole period of activity (Bill of Revenue Agency no. 32/E, 6 June 2009);
- the estimated income from PV energy production;
- the 'production potential' of crops in greenhouses;
- marketing plans for the agricultural production and energy produced;
- an investment plan illustrating prospective employment, costs and revenues of the project, as well as demonstrating that the agricultural income will at least equal revenues deriving from energy production.

3. A minimum illumination level of 75% inside the greenhouse.

In addition, according to the Regional Ministry of Agriculture Decree no. 1820, 20 July 2010, entrepreneurs who have obtained an authorisation by the Unified Agency for Productive Activities ("Sportello Unico per le Attività Produttive, S.U.A.P.") between 18th August 2009 and 1st April 2010 could make a request for validation before 2nd September 2010.

We argue that if the project had gone through the approval process at the Regional Government level, it would **not** have been authorised since it lacked:

- Legal proof of the proponent of the project being a 'unique farmer', since according to the Italian Business Register of the Commerce Chamber of Agriculture and Industry Magnani is the owner and/or manager of various farms across Italy, seven in Sardinia, five in Sicily, five in Apulia and one in Basilicata;

- The minimum degree of lighting required for solar greenhouse plants;
- Proof of economic management and entrepreneurial skills, as well as a business plan showing the prospective positive impacts of the project on employment and the local economy;
- A detailed plan on decommissioning, restoration of sites and disposal of materials;
- A declaration of commitment to the payment of a deposit to recuperate the site.

Managers of Enervitabio Ltd seemed aware of these irregularities since the company has never applied for the project to be validated.

Therefore, building permits for the solar greenhouses, as well as for energy production, have reportedly been issued without meeting the essential legal requirements, and without any reference to a credible comprehensive plan that demonstrates the prevalence of agricultural production, or a reclamation, disposal and restoration plan for the sites after 20 years.

Furthermore, irregularities of competence and legitimacy allegedly flawed the authorisation process. The Legislative Decree no. 387/2003 states that the Final Authorisation must be issued by the Regional Government, not by the local Municipality as happened in this case, and includes the obligation to take measures to recover the site after the activities have terminated.

## **C. Community responses and resistance to the project**

### **I. Growing awareness: the ‘S’Arrieddu for Narbolia’ Committee**

There have been strong criticisms concerning the solar greenhouse plant built by Enervitabio Ltd, coupled with alleged irregularities both in obtaining authorisation and in managing the firm’s activities.

We argue that the mega-solar greenhouse plant is affecting the municipalities’ agrarian systems by reducing the land available for agricultural purposes. The plant is expected to affect the broader food-production system and labour market across Sardinia. This places serious constraints on the right to produce food locally and hence on food sovereignty.

In addition, Narbolia’s case is an example of the wider trend of land concentration in the corporate sector, often backed by financial groups. We argue that such investments hardly benefit the local agricultural sector or provide relevant job opportunities or other kinds of local social and economic advantages.

These issues prompted community reactions and protests. Since 2012, local mobilisation and opposition have mainly been expressed via the local ‘S’Arrieddu for Narbolia’ Committee. S’Arrieddu is a part of the Municipality of Narbolia, where the greenhouse plant is located. The Committee has joined forces with the local environmental association ‘Italia Nostra’ and ‘Adiconsum Sardegna’. These groups have been intensively active in disseminating information and also bringing lawsuits concerning the irregularities outlined above.

‘S’Arrieddu for Narbolia’, as described by its militants, was founded with the aim of safeguarding the territory, taking into account its specificities, the history of its economic development, as well as ‘its vocation and plans for its future’.<sup>7</sup> This is why it opposes the vast solar greenhouse project, which will harm the local community’s social, natural and economic environment and may have wider impacts within the region.

The Committee’s battle thus goes beyond simple opposition to the building of such ‘monster’ and represents a long-term engagement for protecting the commons, which include land, energy and water. It

opposes any form of distress sale and theft of the country's prime resources, such as fertile agricultural land, because this intimately affects the dynamics of land property and access to land, particularly in relation to youth and smallholders, and thus to food sovereignty. It also advocates a participatory and democratic model of energy production in order to secure energy sovereignty. Finally, it promotes participatory democracy and inclusive mechanisms, which have been clearly violated with respect to this investment, since the population was neither adequately informed, nor involved in the decision-making processes. The Committee does not blindly reject PV and other renewable energies, but calls for an environmentally, socially and economically sound and careful, participatory and democratic planning of these activities.

## II. Strategies and actions of struggle and resistance<sup>8</sup>

In February 2012, when it became aware of the plant's existence, the 'S'Arrieddu for Narbolia' Committee requested information on the solar greenhouse project from the Mayor of Narbolia. In particular, it demanded access to documents and authorisations, and for a first City Assembly.

Enervitabio Ltd began the construction of solar greenhouses on 17 February 2012. The Committee therefore asked the Mayor to urgently call a special public session of the Municipal Council, in order to discuss the issue at the local level. Within a few days, the Mayor organised a public assembly allowing Enervitabio Ltd to present its plans to the local population. A slide-show presentation supported the views of engineers, agronomists and other experts, and was reinforced by a delegation of representatives of WinSun Group from Hong Kong, who had just taken over Enervitabio Ltd. The Committee raised critical issues about the projects with the company, and with the Mayor, saying: 'We want to knock down those greenhouses when they are built'. Fifteen days later, 'S'Arrieddu for Narbolia' obtained a copy of the plans for the plant, which apparently lacked key permits and annexures.

Two of the first promoters of the Committee, farmer Nello Schirru and his son Alexander, were arrested during a peaceful demonstration and subsequently tried and sentenced to three months' probation. They had tried to halt the cement mixer for the construction of 33,300 pillars of reinforced concrete (covering almost 3.5 ha), the foundations for the 1,614 greenhouse cells of 200 m<sup>2</sup> each.

Regional Counsellor Claudia Zuncheddu described its as an 'extremely serious intimidating action which [...] is embedded in a trend of repression towards all the movements which are born out of local necessities and criticalities and, as such, are not controlled either by political parties, or by institutionalised trade unions' (Zuncheddu, 2012).

On 7 March 2012, the 'S'Arrieddu for Narbolia' Committee sent the manager of the Technical Bureau of the Municipality of Narbolia, and other institutional bodies and agencies (including various Regional Councillors, the Ministers of Agriculture and Environment, GSE and the Public Prosecutor of Oristano) a request for an official annulment by means of internal review ('*auto-tutela*') of the permits issued to Enervitabio Ltd. On 14 March 2012, along with a new City Assembly called for by the Committee to inform the population of the appeal procedure which was underway, a note from the Ministry of the Environment announced that the design of solar greenhouses of Narbolia was among those subject to an Environmental Impact Assessment (EIA) and a Final Single Authorisation under regional competence.

On 26 March 2012, 'S'Arrieddu for Narbolia' presented a request to the Carabinieri of Cagliari and to the Public Prosecutor's Office of Oristano, copying all other institutions mentioned above, to intervene to halt works and seize the construction yard.



Meanwhile, construction was rapidly advancing, with employees also working over the holiday period. Some of the employees were migrant workers, especially Romanian and Moldavian, or came from other parts of Italy. The Committee convened on 16 April 2012, at the Courtroom of the Provincial Council of Oristano: invitations to representatives of regional institutional bodies and relevant subjects were declined en masse, however, and only very few political leaders, two mayors and no trade union spokesperson took part. Its aim was primarily to raise awareness about the project, as well as to illustrate to a wider audience, including the key regional personalities, the reasons for its opposition, based on the evidence of irregular procedures and non-compliance with legal requirements, presented above.

Finally, on 17 April 2012, the Committee, along with some independent farmers from Narbolia, filed a complaint concerning the Regional Administrative Tribunal (*'Tribunale Amministrativo Regionale'* (TAR), against the Municipality of Narbolia and Enervitabio Ltd for the authorisation to be annulled due to having been wrongly issued. The complaint also called for the immediate suspension of the works to stop the severe environmental damage that was taking place.

After having suspended the works, the TAR revoked the stoppage in response to an appeal by Enervitabio Ltd. Following the hearing, on 9 May 2012 the Tribunal decided not to grant precautionary suspension, since works were already advanced, postponing any decision on the merits of the case to the next hearing to be convened 'rapidly'.

On 2 March 2013, the 'S'Arrieddu for Narbolia' Committee organised a meeting attended by 12 regional committees and groups. Due to the local specificities of land policies in Sardinia, committees acting in defence of land rights and the agricultural use of land are rooted in the local social and political fabric. Each has its own structure and legal and political agenda. For these reasons, the gathering in Narbolia marked a rather unique moment in the history of land movements in Sardinia. Experiences were shared and joint actions were discussed.

'Land should be given to those who work for the good of the whole community and interventions that do not promote the abandonment of our country, the subsequent erosion of its capacity and the concentration and control by large financial groups, inhibiting our right to produce food and accentuating our food dependency'.

'We believe that it would be much more effective and democratic to use the huge incentives, which are going as usual to those who already have too much money, to distribute among the population. A fifth of the €140 million, which will be disbursed over the next 20 years to the benefit of already full pockets, not empty pockets, would have allowed municipalities within the district – the Union of Municipalities, for example – to build their own photovoltaic system that would produce the energy needed to meet the needs of the entire population and of all businesses and companies in the area. If photovoltaic panels were installed on the roofs of every home and industrial building, everyone would have benefited from it, without the risk of sliding towards a monopoly. With a more participatory democratic approach, the effects of such investments would have fostered local welfare and provided employment opportunities, certainly not a minor issue today'.

'S'Arrieddu for Narbolia' Committee

## 4. The way forward: prioritising the agricultural use of land

Evolving patterns in land use and land property highlight two concurrent trends both across Europe and specifically in Italy: shrinking access to land, especially for smallholders, and increasing land concentration, especially in the hands of firms and businesses that are increasingly interested in land resources.

We argue that agricultural land in Europe, as in many other countries across the globe, has become object of financial speculation as its value moves away from its current agricultural use. Financial capital speculates on land, mainly to grab the rental value, but also its environmental value, through allegedly sustainable practices such as carbon-sequestration mechanisms and renewable energy production, along with the value of natural resources associated with land, primarily water and biodiversity.

PV energy production to support small farmers through Italian government subsidies to install solar panels has become a pretext for obtaining hundreds of hectares of land, which are crucial for local, regional and national needs. In Sardinia, 39 requests for access to the GSE have been accepted, and more are being evaluated.

The case of Narbolia solar greenhouses illustrates that large industrial groups and foreign investors are taking advantage of government subsidies and national laws to increase their profits, regardless of the largely adverse impact on Sardinian agriculture. The negative environmental impact and the grab of arable land are the consequences of the right to produce being stolen from farmers and livestock keepers. As a matter of fact, according to Italian law, at any time land can be confiscated for the purpose of renewable energy production.

Hence the real issue is that of access to the land required for farming start-ups, especially those managed by young people, together with the capacity to support small-scale farm systems. Over the past 10 years, small-scale farming has suffered the combined effects of multi-level public policies, chiefly the CAP subsidies and facilities, all of which have been based on the assumption that reducing the number of farms would make agricultural activities more efficient.

Effective access to land for young people and smallholders does not necessarily have to be secured through ownership: the sale and purchase of land can co-exist with regulations that promote and protect the agricultural use of land, and not its possession.

As stated in Article 42 of the Italian Constitution, 'property is public or private. Economic assets may belong to the State, to public bodies or to private persons. Private property is recognised and guaranteed by the law, which prescribes the ways it is acquired, enjoyed and its limitations so as to ensure its social function and make it accessible to all'. Therefore, public policies may restrict private property 'so as to ensure its social function and make it accessible to all'.

With regard to agricultural use, Article 44 reads: 'for the purpose of ensuring the rational use of land and equitable social relationships, the law imposes obligations and constraints on private ownership of land; it sets limitations to the size of property according to the region and the agricultural area; encourages and imposes land reclamation, the conversion of latifundia and the reorganisation of farm units; and assists small and medium-sized properties'.

Such legal provisions leave room for ensuring improved access to land by small-scale farmers and the means to protect their livelihood. By contributing to food sovereignty, agriculture also contributes to solving the multiple crises afflicting Italy, and Europe more generally, from an economic, financial, environmental and social perspective. Farms that are dismantled cannot be recreated and the suffering caused will not be compensated. But it is nevertheless possible to strengthen existing small-scale farms

and create new ones in order to hinder the process of agricultural, economic and social desertification taking place in Italy.

Therefore, we call for the following policy changes and commitments, in order to return to the path of agricultural development and employment at the Italian and European level:

- **Support medium, small and very small farms**, which number more than 1 million in Italy and constitute the core of its food production. Having shown the capacity to adapt in order become more resilient and to cope with the current crises, we argue that they would react more quickly to such adversity with **new structural and legislative support policies** that would not involve increasing government expenditure.
- Give **strong priority to the agricultural use of land**, as a form of resistance to the dynamics of its financialisation and capitalisation, which encouraged companies to engage in land speculation, in order to capture its value and the resources associated with it.
- Recognise that the intertwining of European and national-level **agricultural, land and energy policies is the main mechanism through which land is grabbed** in the North.
- Advocate for a **'Land Directive' at the European level** that opens the way for a European agrarian reform, which should be grounded in the provisions of the Tenure Guidelines<sup>9</sup>, to facilitate access to land by youth aspiring to create new farms and existing small-scale farmers seeking to expand their farms. Until now, all policies have favoured large-scale agro-industry, which is capital-intensive and tends not to create employment opportunities. The EU ratified the Tenure Guidelines, which means that Italy and the other EU Member States are **responsible for their implementation and enforcement** through national laws. In addition, the EU will have to adopt a Directive which includes the Tenure Guidelines as part of its legal basis.

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## Endnotes

1. See <http://www.simoneriggio.com/Narbolia/>
2. See GSE databases, available at: <http://www.gse.it/it/Conto%20Energia/Risultati%20incentivazione/Pages/default.aspx/>. GSE is the Italian state-owned company that promotes and supports renewable energy.
3. See GSE databases and footnote 2.
4. See the archive of requests for authorisation answered by the Sardinian Regional Ministry of Agriculture.
5. The sole shareholder of GSE is the Ministry of Economy and Finance, which exercises its rights in consultation with the Ministry of Economic Development. GSE is the parent company of three subsidiaries: 'Acquirente Unico' (AU) 'Gestore dei Mercati Energetici' (GME) and 'Ricerca sul Sistema Energetico (RSE), which is active in research in the electricity and energy sectors and in projects of strategic interest. GSE manages support schemes for renewable energy sources at the central level, which take into account the different technologies of the plants and the level of maturity of the related markets. The granting of support by GSE requires a careful technical assessment of the plants in order to check their compliance with sector-specific legislation. In the past few years, GSE's technical responsibilities for qualification and verification of plants have been extended to the assessment of the architectural integration of solar photovoltaic (PV) plants into buildings and to energy efficiency.
6. Based on information on the cases brought to the Regional Administrative Tribunal (TAR) court of Sardinia and to the TAR with national competence, based in Lazio.
7. See <http://www.scirarindi.org/scirarindi/?q=node/6233>.
8. All the information, data and quotations in this section were gathered by Crocevia, which belongs to the resistance movement, in public meetings, hearings and other gatherings, as well as from pamphlets and documents published and disseminated to Committee members and the general public.
9. The Committee on World Food Security (CFS) of the Food and Agricultural Organization of the United Nations (FAO) has recently completed the intergovernmental negotiations on the 'Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the context of National Food Security', which have been approved by governments in the Extraordinary CFS Meeting of 11 May 2012, held at the FAO in Rome. Many elements can be upgraded to support the defence of the agricultural use of the land and to better deal with conflicts that arise between different stakeholders in Sardinia. Certain articles are highly relevant to land-grab cases concerning public authorities supporting the production of renewable energy, in particular: articles 4.3 and 4.10, on private and public rights and responsibilities related to land tenure; and articles 12.3–12.5 and 12.8–12.12, on land-related investments.



# Land Grabbing in France:

## The case of the Notre-Dame-des-Landes Airport

**Anton Pieper**

A highly disputed and much-resisted project to build an airport in rural France provides an excellent example of the recent phenomenon of land grabbing. The takeover of 2,000 hectares (ha) of agricultural land for this project demonstrates one of the ways in which large corporations are currently both seizing physical land and also the power over how it is used. This takeover, which is achieved through a revolving-door configuration between government and corporations, embodies the problem of arable lands being diverted to industrial and urban uses.

### The project of Notre-Dame-des-Landes Airport

Although reported only relatively recently in the national news, the controversies surrounding the plan to build the Grand Ouest airport north of the city of Nantes have been going on for more than 40 years. First designed in 1967, the project has been the subject of debate ever since. The issue took a new turn in 2008 with the granting of building permission, and in 2011, with the publicity surrounding farmers squatting on the land in protest.

The new, two-runway, Notre-Dame-des-Landes Airport, also known as the Aéroport du Grand Ouest (Great West) would be situated 30km northwest of Nantes, near the country's Atlantic coast.<sup>1</sup> The main stakeholders, including the world's biggest building corporation, Vinci,<sup>2</sup> the French government, and to some extent the aviation industry,<sup>3</sup> hope to make this Europe's western-most airport, taking over some of Heathrow's stopover capacity. It would then become a central transfer hub for international flights in northern France. Its final building permit was delivered in 2008 – signed by the then Prime Minister and the Minister of Environment – and the airport is planned to be operational by 2017/2018.<sup>4</sup> The airport involves capital investments totalling €580 million. The construction of side roads and other necessary infrastructure brings the total to €4 billion (Porquet, 2008).

The main arguments in favour of the airport are the usual economic claims that its construction will attract investors and tourists to the area, stimulating the local economy. Vinci promises in its promotional flyer 'Aéroport Grand Ouest in ten bullet points' to make the region a 'great European region' by making it more easily accessible.

### Vinci's way

Many facts cast doubt on the validity and appropriateness of this airport. First, the overall economic gain, using the monetary values assigned to such factors as time saved in travel, the environmental impact, and the attractiveness of the region, was grossly overestimated, as were the prospects for air-traffic growth in the Nantes region, given the current state of the economy and the increasing cost of fossil fuel. Furthermore, the total cost of the project, including its ancillary projects, such as roads and public transport, was significantly understated (La Zad, 2012a). All the arguments used by successive

national and local governments regarding passenger numbers, aircraft rotations, safety, noise pollution, employment and the new High Environmental Quality project, have been discredited by a number of independent assessments that contradict the official analysis (de Ruelle, 2012). For instance, Vinci's estimation of skyrocketing passenger flows is highly contested in view of the fact that smaller airports in France and the UK are currently being forced to close due to a lack of demand.

Worse still, the government has refused to consider the less invasive alternatives to this project, such as renovating the existing airport in Nantes, which in September 2012 received the airline companies' ERA Award 2011–2012 for best European airport.<sup>5</sup> This is all the more unfortunate considering that the region is known to have some of the most pristine biodiversity in France (ACEMAV–BIOTOPE, 2002).

Deeper investigation has revealed the government's bias towards Vinci through the revolving door and conflicts of interest. For instance, the Loire-Atlantic Regional Prefect for the 2007–2009 period, Bernard Hagelsteen, under whose mandate the brief to tender for projects for the new airport was drawn up in 2008, started working for Vinci in 2011. His wife, president of the government commission approving public construction projects, also received a very high civil distinction (de Ruelle, 2012).

Finally, in terms of serving the interests of the local elite, the relocation of the airport some 30km away from the city centre would create space near Nantes for the continued gentrification of the city. Indeed, some of the 'security and sound belt areas' of the current Nantes airport would become wealthy neighbourhoods (La Zad, 2012b), pushing lower and middle-class families further towards the outskirts of the city.

## Peoples' resistance

Local farmers and activists have been united in the resistance against this outdated airport project.<sup>6</sup> ADECA (*l'Association de Défense des Exploitants Concernés par l'Aéroport*), the local farmers' organisation against the airport, was founded in 1972. The citizens' initiative, ACIPA (*Association Citoyenne Intercommunale des Populations concernées par le projet d'Aéroport de Notre Dame des Landes*),<sup>7</sup> created in 2000, works closely with the various local actors contesting the project. Many of these have joined the struggle more recently, such as the Cédpa (*Collectif d'élus doutant de la pertinence de l'aéroport de Notre-Dame-des-Landes*)<sup>8</sup> and the protestors squatting illegally on the land. Since 2008, when Vinci was granted the final authorisation and started the land expropriations (which had been approved by the government in 2003), the resistance has been constantly growing. Long-standing protesters have now been joined by new arrivals, who are supporting the struggle by occupying abandoned houses on the affected land.

Renaming it *Zone à Défendre* (Zone to Defend), activists, farmers and local residents of the ZAD (originally meaning the *Zone d'Aménagement Différé*, or Deferred Development Zone) have been resisting the development of the airport by occupying land expropriated by the state on behalf of Vinci. The squatters call themselves '*zadistas*'. There is currently very little land 'available for squatting' – only around 300 ha by early 2013 – since some farmers have agreed to leave. In 2012, squatters occupied only a few hectares. There are also many houses still rented or owned by people who refuse to leave and who have not yet had their homes expropriated.

Together with those about to lose their homes and land, moving into abandoned houses or making their own huts and fortified tree camps, the *zadistas*, activists from all across France and many parts of the world, have been taking over sites purchased by the council to make way for the airport, and transforming them into living examples of the alternative world in which they want to live. In addition to

housing space, squatters have set up a bakery, a bicycle workshop, a collective kitchen, an internet café and a radio station. Very few farmers, mainly small to average dairy producers, have stopped running their farms. Although municipality of Notre-Dame-des-Landes and surrounding municipalities do not support the new airport, they are not in favour of the squatters.

The activists who are illegally occupying the zone and the locals resisting the pressure to sell their land criticise the increase in CO<sub>2</sub> emissions due to the increasing air traffic (Collectif SUDAV, 2011: 65). They also object to the fact that public money would be invested in increasing private profit, while the government is slashing social spending in order to reduce the national debt. Beyond these considerations, they are first and foremost promoting an agricultural model based on local small-scale farming. Their goal is to fight against land grabbing, privatisation, speculation and commercial profiteering for the benefit of a few. They reject any new concrete deserts and agro-industrial wastelands (Collectif SUDAV, 2011: 65).

In June 2011, Vinci began eviction procedures in order to have the legal means to remove those occupying the ZAD who have no rights or titles to the land. The evictions began in October 2012. By January 2013, 13 homes had been destroyed. Tenants, landowners and farmers have been forced to sell their land and been threatened with eviction. There has been a huge range of actions to resist the expulsion. For example, in April 2012 two farmers and a political representative went on hunger strike (La Via Campesina, 2012), which resulted in a small victory for the farmers; they won the right to stay on their land until all legal procedures have come to an end, which will probably be March 2013.

People who have been renting houses from the city council and now from Vinci are under pressure to move, but most of them are still there and do not wish to leave. Since October 2012, the French military police, whom the *zadistas* perceive as an occupying force, have been a constant presence at the ZAD. Operating on behalf of Vinci, they resort to violence on a daily basis. Hundreds of people have been injured, some seriously. There has been a systematic use of sting-ball grenades, which can cause injuries similar to gunshot wounds, and extensive use of tear gas, which can result in respiratory problems. Two people have been imprisoned.

Farmers and activists demand the withdrawal of the military police from the ZAD and an immediate halt to the airport project of Notre-Dame-des-Landes. With the increasing pressure and police violence, the resistance is marked by huge diversity and creativity, which, after some hesitation, resulted in broad media coverage and prompted many organisations and politicians to take a position regarding the airport (Ody and Dreyer, 2012). Their battle is a key step in the fight for the right to be self-reliant in food and against exploitation and a neoliberal development model that re-shapes rural areas.

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## Endnotes

1. More information about the project is available at: <http://aeroport-grandouest.fr/faq/>.
2. Vinci is a French concessions and construction company, formerly called Société Générale d'Enterprises. It employs over 179,000 people and in terms of revenue is the world's largest construction company.
3. A full list of those involved in the construction of the airport is available at: <http://acipa.free.fr/Plus/Documents/acipa/acipa.htm/>.
4. More information on the schedule is available at: <http://aeroport-grandouest.fr/blog/2010/04/07/calendrier-previsionnel/>.
5. More information about the award is available at: <http://www.eraa.org/about/awards-a-honours/599-previous-winners-airports/>.
6. A summary document is available at: <http://acipa.free.fr/Plus/Documents/acipa/acipa.htm/>.
7. Citizens' Intercommunal Association of Populations Affected by the Notre Dame des Landes Airport Project.
8. Collective of Councillors Doubting the Relevance of the Notre-Dame-des-Landes Airport. More information is available at: <http://aeroportnddl.fr/>.

# The politics of land and food in cities in the North:

reclaiming urban agriculture and the struggle  
Solidarisch Landwirtschaften! (SoliLa!) in Austria

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## 1. Introduction

What is the connection between urban land-squatting actions and a discussion of agricultural land conflicts?<sup>1</sup> What is the relevance of urban agriculture and struggles for access to land in urban areas? Are there any linkages between land struggles in Austria and other parts of the world? How can urban movements for land and food sovereignty be envisaged?

To explore these questions we look at a specific urban struggle for access to land and the particular situation of urban agriculture, including the potential for resistance and alliances. The case is an urban land-squatting action in Vienna, which started on 17 April 2012, the global day of peasant struggle, and which gave rise to a collective called SoliLa! The four authors are members of this collective. In this chapter we look at what happened during the squatting action and consider its implications in an urban, national and international context. Our case of an urban land squat is unique in the context of this overall study, and presents a chance to discuss the relationship between urban and rural movements and how to envisage alliances between them, while also questioning the rationale of such a dichotomy.

We start with an overview of the context, retracing some crucial moments of structural change in Austria and using the idea of 'imperial mode of living' (Brand and Wissen, 2012) to analyse some key dynamics. We then map the setting of Vienna in order to explore how urban planning influences agricultural usage, and how concepts of the right to the city and food sovereignty can be combined to imagine an alternative food system in the city. Several past and current movements in Vienna regarding land sovereignty also highlight the challenges facing urban food movements. It shows that, as an urban land-squat action, SoliLa! is connected to a nearly 'forgotten' tradition and so can be seen as an attempt to reclaim this past in order to create alternatives. Against this backdrop we look more closely at the case of SoliLa!, tracing the events of April 2012 and the issues that were raised concerning food systems and the dominant mode of production, distribution and consumption. We address three issues that seem especially important for an analysis of urban land struggles. The first is the question of access

\* SoliLa! stands for "Solidarisch Landwirtschaften!/Solidary Agriculture!" SoliLa! is a collective of people living in Vienna struggling for access to land in the city in order to start growing vegetables, driven by the desire to question the current mode of food production, distribution and consumption and to create alternatives. The group formed around a land squatting action that took place on the 17th of April 2012, the global day of peasant struggle. Kim Möhrs is a SoliLa! activist. Franziskus Forster is a SoliLa! and AgrarAttac activist who also studies Development Studies and Political Science at the University of Vienna with a focus on political ecology and critical agrarian/food studies. Sarah Kumnig is a SoliLa! and Reclaim the Fields activist, and a PhD student of Social Sciences at the University of Vienna, studied Social Anthropology with a focus on social movements. Lukas Rauth is a SoliLa! Activist who studied Development Studies at the University of Vienna and is now part of a collective-self organized café/restaurant.

to land and how the case of SoliLa! can be viewed as a struggle for land sovereignty that challenges the dominant mode and opens up a different way to view the facilitation of access to land. The second is the issue of education, since the squatted land was formerly used by the University of Natural Resources and Life Sciences (BOKU), which raises the question of an alternative emancipatory education geared towards food sovereignty. The third is the question of building alliances between struggles for food sovereignty and the right to the city, and the strategic implications of the SoliLa! experience.

## 2. The history of land struggles: making visible the forgotten moments of resistance

At first glance the history of land struggles in Austria seems rather straightforward. Moments of self-organised grassroots resistance – at least the recorded history – are rare. Yet the history of the peasantry is not just about struggles for land, but also about resistance to exploitation and domination (Rohrmoser and Krammer, 2012). In this section we describe some mostly overlooked examples of land struggles in Austria, starting with a short interpretation of the historical context. It is important to do this in order to understand today's agricultural structure, as an ahistorical perspective would effectively undermine the legitimate claims for a 'people's counter-enclosure' (Borras and Franco, 2012). This chapter does not seek to present a comprehensive history of land struggles in Austria.<sup>2</sup> Rather, it offers a brief overview with a few exemplary cases of land conflicts highlighted in text boxes. We are aware that this is a very limited overview and that there must be many other memories that history has not recorded or that were deliberately 'forgotten'.

### 2.1 A history of peasants' subordination

The late 18<sup>th</sup> and especially 19<sup>th</sup> century brought profound structural changes: an 'agrarian revolution' and transition to capitalism, with the commodification of land and labour as a consequence of the end of feudalism. Feudalism formally ended with the land reform of 1848 ('*Grundentlastung*') and a partial transfer of land to the peasants living on and working it (Rohrmoser and Krammer, 2012). Mainstream history often describes this reform as the 'liberation of the peasants'. But this obscures peasant struggles for a more radical land reform and masks the continuity of power relations, since the so-called liberation went hand in hand with the creation of 'free' waged labourers for a 'free' market within the ongoing processes of commodification.

The commodification of land is another crucial prerequisite for the transformation to the capitalist mode of production. In the Austrian context, Rohrmoser and Krammer (2012) point to the liberal inheritance law, formalised in 1868, as a crucial point concerning this commodification, treating land as a commodity. The processes described are crucial steps in creation of a rural or agrarian proletariat and the separation of producers from the means of production as a defining feature of capitalism (Bernstein, 2010). Within the process of land reform the ownership structures were gathered in a land title register. Thus, many tenure rights were formalised as part of the 'simplification of land-based social relations', leading to further enclosures (Scott, 1998). This, and later a new inheritance law that reintroduced the model of a single successor, deepened an emerging debt crisis that contributed to the formation of a landless class that was forced into agricultural wage labour. By eliminating one form of subordination, a new set of dependencies was created. Within this transformation, power was consolidated in favour of landed property. Another consequence was the process of peasant dispossession ('*Bauernlegung*') (Rohrmoser and Krammer, 2012). During the liberal phase, non-agrarian investors bought agricultural land during the emerging agricultural crisis. The consequences of this process can still be detected today (see Box 1).

### Box 1. The connection between land conflicts and the clergy

A key factor with respect to land struggles in Austria is the clergy and clerical institutions. The church reportedly owns up to 250,000 hectares (ha) of agricultural land (Jungnikl, 2012), making it one of Austria's largest landowners. According to local media the archdiocese of Vienna recently bought a considerable amount of land in Lower Austria for three times more than local farmers would usually pay. According to an agrarian newspaper it is the special tax exemptions afforded to clerical institutions that make such land grabs possible, raising crucial questions concerning the role of the state (B.W., 2012). It is important to look at the church's land speculation in the context of land conflicts and the concentration of land in Austria. With Rohrmoser and Krammer (2012), who show that in 1883 clerical institutions already possessed 230 large-scale landholdings, we see the continuity in the church's accumulation of agricultural land.

The revolutionary tendencies of 1848 were largely neutralised by political divisions between the working class and the peasantry, which was dominated by landed property and the bourgeoisie. All attempts by the peasants to organise were averted or subsumed by mostly conservative forces, especially from 1907 onwards with the conservative Christian-social alliance.<sup>3</sup> This tendency continues today; nearly all peasant interest groups and lobbies controlling agricultural policy, as well as the rather powerful Raiffeisen bank, are tightly bound to those forces.<sup>4</sup> This whole complex can be seen as a historical process of land concentration. In the early 20<sup>th</sup> century, those with more than 50 ha formed just 1% of all landowners and possessed 40% of all productive land (Rohrmoser and Krammer, 2012: 70).

## 2.2 Agrarian transformation in the 20<sup>th</sup> century

The 20<sup>th</sup> century brought a 'great transformation' in Austrian agriculture, i.e. from a capital-extensive to a capital-intensive ('productivist') food regime (Friedmann and McMichael, 1989), and the full integration of agriculture into the capitalist economy. This shift had important consequences in terms of the distribution of and access to land.

### 2.2.1 Early 20<sup>th</sup> century

The first half of the century was characterised by a lack of food and agricultural products leading to periodic food crises and famines.<sup>5</sup>

For Langthaler (2012) the agricultural policy of the 'Austrofascist era' marked the beginning of the transition. He characterises the era as 'conservative modernisation'. Nazi agricultural policy first pointed 'towards a highly productive as well as community-bound rural society as part of German industrial society, based upon state-of-the-art farm technology on the one hand and a critical mass of a "racially pure" peasantry on the other hand. Second, diverse Nazi projects of agro-modernisation affected the agrosystem not totally, but only *partially*' (Langthaler 2012: 20).

### 2.2.2 Post-World War II: the 'great transformation' of agriculture

After World War II the 'great transformation' of Austrian agriculture was signalled by an enormous boost in technological change, mechanisation and innovation, which led to a high increase in labour productivity.

### Box 2. Allentsteig

In Allentsteig, a municipality in Lower Austria, nearly 7,000 people were displaced and lost their homes when a military training area was established in 1938 during the National Socialist regime. Since 1957, the 22,700 ha area remains in the hands of the military. There are still small farmers, some of them successors of the displaced, cultivating parts of the land, working and living under precarious lease contracts (Springer, 2012). This location can be seen as another case of forgotten history, a history of lost experiences and dispossessed memories' (Bernold, 2008, authors' translation).

Table 1: Key figures of Austrian agriculture

	1951	1970	1990	1995	1999	2007
Share of GDP (in %)	16,4	6,9	3,3	2,4	1,9	1,6
Farm holdings (in 1000)	432,8	367,7	281,9	239,1	217,5	187
Share of primary occupation (in %)	69	59	38	34	37	38
Share of mountain farmers (in %)	39	37	35	38	39	37
Average farm size (ha UAA)	9,6	10,5	12,6	15,3	16,8	18,9
Share of agricultural exports (in %)	1,0	4,5	3,5	4,3	5,1	6,8
Labour force (in 1000)	1.079,6	523	271	219	198,4	175,2
Share of total labour force (in %)	32,3	17,4	7,7	6,6	5,8	4,7

Source: Groier and Hovorka, 2007: 14

The following developments are characteristic of the time from 1950 onwards: an enormous increase in productivity and capital intensity, decreasing importance of agriculture in the Austrian economy, strong reduction of the share of labour force in agriculture (as a precondition for the generalisation of wage relations), massive structural change, which has accelerated since 1990, and a deepening integration into world markets (Groier and Hovorka, 2007).

At the farm level there was a shift to intensification, rationalisation and specialisation of production, achieved through greater mechanisation and agro-chemical inputs. These dynamics resulted in a concentration of land. As Table 1 shows, between 1951 and 2007 the average farm size doubled (average farm size: 18.9 ha).<sup>6</sup> Austrian agriculture is – compared to other European countries (Eurostat, 2012: 29ff) – relatively small-scale but this does not disguise the accelerating structural change leading to greater land concentration. Between 1995 and 1999 most farms that closed operations were those of 2–5 ha (23%); 45% of all closed farms were below 5 ha. The larger farms were less likely to close (Groier, 2004). In 1951, over 1 million people were employed in agriculture, a figure that had dropped to 175,000 by 2007 (see Table 1).

The political representatives and the agrarian lobby refer to this process as a 'natural necessity' with the imperative of 'grow or die'.<sup>7</sup> The role model of the agricultural policy is the 'competitive and entrepreneurial farmer'. Hence, it is the individual farmer who is responsible for 'success' or 'failure'.<sup>8</sup>

### Box 3. Agricultural Associations in Tyrol

In Tyrol, one of Austria's nine provinces, from 1951 onwards 176 municipalities have been dispossessed in a complex process of regulation.<sup>a</sup> This means the ownership of 2,104 km<sup>2</sup> (20% of the total Tyrolian land) was transferred to 399 agricultural associations by official notifications, handed out by the powerful agricultural agency. In the process small-scale farmers and the general public lost their historical rights to the commons. This was made possible by the adjustment of a law ('*Flurverfassungsgesetz*'), enforced by the powerful alliance of the people's party (ÖVP) and the 'Peasants' League' ('*Bauernbund*'), as well as some influential local farmers. This conflict was obscured for more than 50 years and is still not settled. The very limited resistance efforts were oppressed and critical voices were silenced.

In 2008 a finding by the constitutional court was very clear in determining the communities as the owners of the common land but still there is no resolution for how to handle this complex situation of dispossession.<sup>b</sup> This example demonstrates the complexity of land-based social relations and the continuity of land struggles in Austria as well as the importance of history in this context.

<sup>a</sup> In this context the term 'regulation' means the complex administrative process of dispossession that lasted for decades. For more information, see Keller (2009); Schermer and Siegl (2008); Siegl (2010).

<sup>b</sup> For more detailed information see Keller (2009); Schermer and Siegl (2008); Siegl (2010).

## 2.3 An ecological perspective<sup>9</sup>

From an ecological perspective (Krausmann et al., 2003), agrarian development involves a transition from subsistence to industrial production, which can be characterised by fundamental changes in the socioeconomic metabolism and land use. Krausmann et al. (2003) show that from 1950 to 1995 there was a continuous decline in cropland and grassland areas, an increase of soil sealing, and a slow increase of forested areas. Furthermore there was a process of segregation of cropland cultivation and livestock husbandry. Agriculture changed from being an energy-delivering sector to an energy-consuming sector. Rather than energy efficiency, the important indicators become output per unit area and per agricultural worker, the production of luxury goods (e.g. a high proportion of meat in the diet) or industrial raw materials.

This resulted in the disintegration of local nutrient cycles, rising inputs of mineral fertiliser, and livestock fed by increasing amounts of cropland produce and imported protein foodstuffs. This shift was a consequence of the massive input of fossil energy into Austria's agricultural system. The transition to one-way throughput systems resulted in the intensification of transport. This also produced a dramatic change in cultural landscapes (Krausmann et al., 2003).

## 3. 'Imperial mode of living'

It is important to analyse agriculture not as something separate from but as embedded in processes of social, economic and political change. Given the declining economic importance of agriculture in Austria, it is necessary to focus not just on agricultural but also on other processes that influence land use. For the purpose of this study it is important to stress the deeply rooted fossil-fuel-dependent patterns of production and consumption. These patterns imply a disproportionate and exclusive claim on global resources, sinks and labour and the externalisation of the socio-ecological costs. They form the basis of what Brand and Wissen (2012) call the 'imperial mode of living':

We introduced the concept of ‘imperial mode of living’ in order to focus the dimension of the rootedness of capitalist-fossilist-industrialist-society-nature relations in everyday and institutional practices as well as in hegemonic or at least dominant perceptions of ‘attractive’ living. The mode of living needs to be understood in close relation to capital’s strategies, the deeply inscribed mode of production, and power-shaped settings of the norms of consumption. (Brand and Wissen, 2012: 17)

This has important consequences in relation to land questions. In Austria, as in many other countries in the Global North, we can see this rootedness in agriculture and industry, in patterns of mobility (especially cars and road systems), soil sealing, the spread of supermarkets and modes of consumption, patterns of energy use, housing etc.

In the Fordist period the imperial mode of living became a mass phenomenon, although not socially neutral.<sup>10</sup> Nonetheless the period marked an era of the generalisation of this mode of living with far reaching socio-ecological implications. We use this political understanding as a basis for our case study.

### 3.1 Soil sealing and ‘land import’

Austria is dominated by Alpine landscapes. This means a relatively high percentage of mountain farms: 60% of Austrian farmlands are referred to as unfavourable (disadvantaged) mountainous regions (*‘Berggebiete’*) in EU agricultural statistics. The remaining territory is under high pressure of competing land uses.

‘Land import’ refers to land outside the country that is used to produce goods consumed in Austria. In 2000 the amount of imported land surpassed Austria’s agricultural area by 2.8 times (Erb et al., 2002).

Austria loses 20 ha per day due to the ‘need’ to use land for roads, buildings, infrastructure and leisure purposes, which translates into a total loss of 75 km<sup>2</sup> per year (Umweltbundesamt, 2012: 2). This is twice as fast as in Germany. In the EU overall, 1,000 km<sup>2</sup> are lost per year. This implies a loss of agricultural land. In particular, settlement expansion and urban sprawl are often directly linked to the loss of highly fertile soil because settlements were originally established close to fertile land. Since 1951, Austria has lost one third of its arable land (Kienzl, 2012). This leads to the paradoxical situation that Austria has to import ever more products (‘land import’), while the most fertile soils in Austria are sealed.

#### Box 4. Resistance to Infrastructure Projects

There have been several expressions of resistance to infrastructure projects. For example, in 1984 the Hainburg floodplain close to Vienna was occupied to prevent the construction of a hydro-electric plant. In the 1980s and 1990s several construction sites were occupied during the expansion of the Pyhrn motorway (Tatblatt, 1989; Gutschik et al., 2007). In 2006 the Lobau floodplain close to Vienna was occupied to protest against the construction of a motorway.

One important cause of this loss of land is the already high and increasing urban sprawl in Austria. Urban sprawl is based on assumptions such as the cheap and long-term availability of fossil-fuel energy and the blurring of its disadvantages, the possibility of energy demand being covered by imports and that private cars guarantee mobility. These assumptions are becoming more problematic (Weber, 2012).

In Austria, population growth is mainly restricted to a few hot-spot areas. Most rural regions are seeing population decline and a loss of infrastructure. Between 1991 and 2001 all towns and cities were

affected by massive suburbanisation with a declining percentage of the population living in city centres (Umweltbundesamt, 2011).

The average settlement area increased by 160% between 1950 and 2007 from 200 m<sup>2</sup> to 520 m<sup>2</sup> per capita – whereas in the same period Austria's population grew by 20% to 8.3 million. The increase mainly occurred at the expense of arable land and pastures. Hot spots of urban sprawl and soil sealing are the Vienna agglomeration, Linz, Graz and the Inn valley in Tyrol. Urban sprawl and low urban densities are particularly visible in the regions around Vienna, where the sealed surface is on average above 300 m<sup>2</sup> per capita (Umweltbundesamt, 2011).

Regarding land grabs, it is important to emphasise the role of Austrian actors living outside the country (mostly in Eastern European countries). Most of these activities are hidden because of a lack of transparency and a lack of data.<sup>11</sup>

These facts need to be analysed in relation to the 'imperial mode of living'. Historically specific concepts of 'progress' and perceptions of 'attractive living' loom large here. The Fordist transformation in the division of labour and the resulting increases in productivity and wages led to an increasingly commodified reproduction of the labour force, i.e. the private car, 'cheap' food produced by agro-industries, the (suburban) single-family house, increased distance between producers and consumers and higher levels of transport and roads, as well as technological innovations (e.g. chemistry, communication, electronics) and the rootedness in development dependent on fossil fuels. Successive governments facilitated all of this, for example through infrastructural, agricultural and economic policies, as well as the credit system. In sum, this enabled a relatively stable development model with increased levels of commodified production and consumption (Brand and Wissen, 2012). All these examples have consequences for land use, as they imply the expansion of industrial agriculture, roads, single-family houses etc. If we take this into account it is possible to interpret the dynamics of soil sealing, increasing 'land imports' and land grabs as one interwoven process. They are manifestations and consequences of the 'imperial mode of living'. Cities are deeply bound to this mode of living. Harvey (1976: 314) highlights this as the '... fact that cities ... are founded on the exploitation of the many by the few. An urbanism founded on exploitation is a legacy of history. A genuinely humanizing urbanism has yet to be brought into being'. This 'humanizing urbanism' is also at stake in relation to urban agriculture.

Following this brief account of some of the contours of the Austrian context, the next section focuses on the special situation of Vienna.

## 4. Urban agriculture in Vienna

Vienna, the capital of Austria with 1.7 million inhabitants, is located north of the Alps. Vienna has a long history of agricultural use, as its expansion took in the surrounding villages and incorporated partially preserved agricultural land (Bobek and Lichtenberger, 1978). As we will see this process was contested by the local population. Currently around 15% of the city area is used for agricultural purposes. The city runs the largest farm, which covers over 2,000 ha, in addition to which it rents out 400 ha to farmers in the city.

Compared to the rest of Austria agriculture in Vienna is characterised by a high degree of vegetable production. The city is highly dependent on importing food since it is far from being self-sufficient. While the self-sufficiency rate varies from harvest to harvest, in 2010 it produced the following (as a percentage of needs): fruit 1%, grains 6.4%, vine 3.1% and vegetables 32.8% (Landwirtschaftskammer Wien, 2011).



Like the rest of Austria, agriculture in Vienna has seen the strong tendency for small farms to abandon agricultural activities. This process can be highlighted in the years between 1995 and 1999 (Table 2). While in 1995 there were 1,177 farms in Vienna, the number fell to 821 in 1999, a 30.2% decline (Groier, 2004). Closer examination of the data makes it clear that most of the farms that have disappeared are small-scale farms – 67.7% of less than 5 ha (Groier, 2004).

**Table 2.** *Farm closures in Vienna between 1995 and 1999, by size of landholding (in %)*

Below 1 ha	23
1 ha – below 2 ha	22.8
2 ha – below 5 ha	23.9
5 ha – below 10 ha	14
10 ha – below 20 ha	4.5
20 ha – below 50 ha	5.3
50 ha – below 100 ha	3.1
100 ha – below 200 ha	2.2
200 ha and above	1.1
Total	100

Source: Groier, 2004

Unfortunately there are no data on how the size of agricultural land changed during those years. A general tendency can be discerned from 1999 to 2010: the land under agricultural use shrank from 8,785 ha (Statistik Austria, 1999) to 7,414 ha, which means a loss of nearly 20% of the land under agricultural use. In 2010 there were still 558 active farms in Vienna (Statistik Austria, 2010).

From these two trends it becomes clear that one consequence of the loss of small-scale farms is the concentration of land, but this sheds no light on the massive loss of agricultural land over time. We address this issue below, but first we take a brief look at the governing political parties in Vienna and their stance on agriculture.

Since 2010 the two governing parties in Vienna are the Social Democratic Party (SDP)<sup>12</sup> and the Green Party. It is hard to find any statements concerning agriculture by the SDP apart from promoting city-funded community gardens that are shooting up all around town, which was a major demand from the coalition partner, the Green Party.<sup>13</sup>

The Green Party has long been trying to promote organic, GMO-free agriculture in Vienna, and being elected into a coalition government in 2010 it now has the power to push ahead on some of its demands. This has yet to bring about a major focus on agriculture in city politics or benefit small-scale agriculture.

## **4.1 Urban planning and the effects on agricultural land use**

In general, Novy et al. (2001) characterise recent changes in Vienna's urban planning as being more open to business (a clear shift towards entrepreneurialism, managerialism and business-friendly policies) and to a new urban elite, excluding the 'non-professional' public, and thus more socially selective. The two main objectives are to make Vienna more internationally competitive and the motivation of the relevant actors to realise this.

### Box 5. Political culture in Austria

The political culture in Austria is marked by what Rohrmoser and Krammer (2012) describe as a 'culture of silence', which is deeply embedded in history. This culture expresses itself in the widespread Austrian strategy of conflict avoidance and is reflected in the corporatist model, which leads to the exclusion of the wider public. But it is also reflected in attitudes like Nazism and xenophobia, which are not dealt with in a forthright manner, but are downplayed. This can be described as a major weakness of Austrian political culture, with an inability to address conflicts appropriately and productively. Conflicts are considered as something negative. This can also be seen in the state apparatus, which is strongly oriented towards conflict avoidance and its partial mediation. This political culture has very problematic implications for democracy.

#### 4.1.1. Urban governance in Vienna: changes and continuities

Before we turn to urban agricultural planning we must discuss the characteristics of urban governance and urban planning in general, since these have crucial implications for urban agriculture.

After 1945, Vienna was dominated by a corporatist form of social democratic governance. This was characterised by a combination of a top-down approach with specific clientelist practices. For a long time, planning was mainly seen as a technical problem, a task for problem-solving experts. The urban development plan was the instrument for this top-down model and centralised decision-making. This changed in the 1980s, when new forms of urban governance emerged in a context of a neoliberal political restructuring.

New organizational structures, planning agencies, and forms of public-private partnership and urban planning were implemented. This rearrangement of urban planning modified the traditional top-down approach, integrating new social actors in the new highly elitist form of governance. Thereby, strong patterns of exclusion and authoritarian decision-making characterized strategic planning and everyday policy-making. The arbitrary, opaque and elitist decision-making at the top is complemented by fragmented, selective and controlled experiments 'from below'. These so-called bottom-up approaches mainly served strategic exclusion or co-optation of weak and oppositional forces, and conflict avoidance. (Novy et al., 2001: 142)

Novy et al. (2001) emphasise the importance of the history of real estate in Vienna. After 1918, the social democrats established a local welfare state – widely known as 'Red Vienna'<sup>14</sup> – a central focus of which was the provision of houses owned by the local government, the main actor within this state bureaucratic model. The state remained the central actor till 1980 (although with an important shift from the local to the national state since 1945). After 1982 there was a constant process of re-commodification of housing, which led to a general rise of housing rents. This increased the profitability of the real-estate sector and led to the increasing importance of private capital. This has important implications for farmland, as potential rents increased and led to land speculation.

#### 4.1.2. Urban planning and urban agriculture

We now focus on the current role of urban planning in Vienna. There are different central planning regulations in the hands of the municipalities: the land-use and building-regulation plans and the Urban Development Master Plan (*Stadtentwicklungsplan*, or STEP). The land-use and building-regulation

plans allow for local parliaments to decide on how land should be used (housing, agriculture etc.), which means that these plans are essential in the implementation of local and supra-local development plans. Since these plans are not made at the same level as the STEP, this leads to conflicts and also selective implementation. As Hamedinger (2004:7) puts it:

Considering the decreasing room of financial manoeuvre of the municipalities, mostly a serious tension emerges between the utilization of land in order to increase the local capital stock and the utilization of land in order to take care of supra-local interests like 'sustainable development' (as for example counteracting urban sprawl). This conflict between local spatial planning and financial reality is a key issue in the everyday development of the city/municipalities and explains, why the guidelines of supra-local plans (like e.g. the STEP) and provincial development guidelines are one thing and real application of planning is another.

The STEP is published roughly every ten years by the city of Vienna, the first in 1985 and the last in 2005.

The latest edition (STEP 05) focuses on the concentration of the city, as Vienna is projected to grow from 1.7 million inhabitants in 2012 to roughly 2 million by 2030 (Statistik Austria, 2012). As city sprawl and the resulting construction of infrastructure is viewed as being too costly and ecologically inefficient, concentration on urban fallows is promoted as a fitting alternative, mainly on industrial wasteland, but if necessary also on agricultural land (Magistrat der Stadt Wien, 2005).

It is noteworthy that the first two STEPs (1984/94) include no information or planning concerning Vienna's agriculture. There are some vague commitments to preserve agricultural areas as they supposedly have a number of beneficial characteristics for the city and add charm and value to the districts where they are located. But there is no distinction or clarification about which agricultural plots should be preserved, and where these are located, and which can be used for the expansion of infrastructure or housing projects (Magistrat der Stadt Wien, 1994).

This changed with STEP 05 as during 2003 and 2004 Vienna's City administration, in cooperation with the Chamber of Agriculture for Vienna, compiled an Agrarian Development Plan (Agrarstruktureller Entwicklungsplan, AgSTEP), which was designed to feed into the STEP and give a clearer overview of the current situation of agriculture in Vienna, as well as what this means for urban development. The AgSTEP was called for by Vienna's city councillor for the environment, because of the lack of any specific planning for agricultural areas in the context of urban planning, which resulted in conflicts with urban farmers during the planning and implementation process. This new focus on agricultural areas was partly due to a recommendation by the Ludwig Boltzmann Institute, which conducted research on the contemporary situation of agriculture in Vienna (Magistrat der Stadt Wien, 2004).

The AgSTEP breaks Vienna's agricultural land down into six sub-areas, in which two categories are identified – the 'priority-region agriculture' and 'other agricultural areas' (Magistrat der Stadt Wien, 2004). The plots in the 'priority-region' are mostly made up of large-scale connected plots located on the outskirts of Vienna's settlement area, including all vineyards and some smaller areas with 'specific local significance'. These 4,800 ha are to be reserved for agricultural use and be taken into account in urban planning. The 'other agricultural areas' amount to 2,173 ha or 31% of the land being farmed in Vienna. This is basically the land that, if necessary, will be used for the concentration of the city – and some has already been included in building plans. These plots are located closer to the city centre than the 'priority-region', but most are situated in the periphery of the city. A common denominator of nearly all these plots is that they are much smaller in size and scattered throughout the urban landscape of housing and infrastructure (Magistrat der Stadt Wien, 2004).

Those two suggested areas were adopted by the municipal council in STEP 05, including a commitment to follow the proposals made in the AgSTEP (Magistrat der Stadt Wien, 2005). This decision must be understood as a preference<sup>15</sup> for 'modern' large-scale landholdings, which are supposedly more competitive within the current mode of production than small-scale farms, which are deemed dispensable if the city needs land for construction. This plays a major role in the case of Vienna since, as already mentioned, the city is the largest holder of agricultural land and rents out 400 ha to local farmers. In other words, if the city has different needs for these plots, the farmers might not get their contracts renewed.

As already pointed out, this is alarming as urban agricultural land usually is very fertile since settlements are historically concentrated in fertile regions (Stierand, 2008). Furthermore, in urban environments there is also a higher risk of contamination (e.g. through industrial usage).

## **4.2. Right to the city**

Forms of urban planning, as described above, are clearly framed by a 'politics of the possible' within capitalist society, oriented towards stabilising capitalist development. In this setting, urban agriculture faces greater pressure for competing uses than does rural agriculture. According to the dominant discourse, this condition is rooted in the 'scarcity' of land in and around cities, as well as the diverse and sometimes competing interests regarding the use of this limited space. This in turn influences the value of land, which is not measured in terms of agricultural use but of its most profitable use (Stierand, 2008). From this perspective, agricultural land, in times of growth, is merely a buffer that can be appropriated for current needs. Agriculture is the 'weaker' (i.e. less profitable) use that has to give way if deemed necessary (Stierand, 2008; Ziegler, 2010).

It is in this context in which the narrative of 'scarcity' is so convincing. Scarcity serves to explain the dominant social order and distribution. A growing body of literature questions this 'fundamental condition' and argues that scarcity is socially produced (Metha, 2010). As Metha (2010) argues: 'Scarcity is not a natural condition. Rather, the problem lies in how we see scarcity and the ways in which it is socially-generated through imbalances of power that deny people access to life-giving resources'.

Land scarcity in Vienna is an effect and not a cause of its problems. Scarcity is socially produced through everyday practices that are connected to the 'imperial mode of living'. Seen from this perspective, the current urban-planning process serves as a process of depoliticisation, in which highly political questions are reduced to technical ones to which 'experts' provide the 'solutions'. This can be described as the naturalisation of the status quo and as a process of 'colonising the future' (Hildyard: 2010), ignoring the root causes of the real problems, as well as producing scarcity.

It is crucial to politicise this process of producing 'social facts'. This means not simply accepting these facts as a given but exposing them as being rooted in everyday political decisions, which can therefore be altered. In the dominant logic, it is inevitable that scarcity emerges from a seemingly self-evident use of land for the most profitable purpose (i.e. exchange value, of which scarcity is a precondition). This must be the starting point for the struggle for the Right to the City has to start. The alternative vision of the Right to the City is not limited to the actual city – it is fundamentally different from the existing one. It starts from the assumption that 'urban society has a logic different from that of merchandise. It is another world. The urban is based on use value' (Lefebvre, 1996: 131). This notion of the 'right to the city' is a collective right that can be realised only through collective action and the claiming of rights according to people's needs. This means not just critiquing the status quo but also challenging what is assumed to be possible.

In the Austrian and Viennese context this clearly means overcoming the deep-rooted democratic deficit and the strategies of conflict avoidance. It means reclaiming the right to democracy and participation and refusing to be passive spectators of decisions made by small elites.

## 5. Urban food movements in Vienna<sup>16</sup>

Regarding access to land means looking beyond the formal practices of institutionalised politics. As James Scott (1998: 49) puts it:

We must keep in mind not only the capacity of state simplifications to transform the world but also the capacity of the society to modify, subvert, block, and even overturn the categories imposed upon it. Here it is useful to distinguish what might be called facts on paper from facts on the ground. (...) Land invasions, squatting, and poaching, if successful, represent the exercise of de facto property rights which are not represented on paper. (...) The gulf between land tenure facts on paper and facts on the ground is probably greatest at moments of social turmoil and revolt. But even in more tranquil times, there will always be a shadow land-tenure system lurking beside and beneath the official account in the land-records office. We must never assume that local practice conforms with state theory.

Thus we wish to uncover some 'facts on the ground' during Vienna's history of urban movements reclaiming and using land. We capture this history by looking at three distinct movements: the allotment garden movement, the settlers' movement and community gardens.

### 5.1 Allotment garden movement

Vienna's allotment garden movement started off as a 'poor people's movement' and developed in the interplay between bottom-up self-organisation and top-down state-managed programmes. It was appropriated by the Nazi regime and ended up as a leisure activity and recreational space.

Before 1914 there was hardly any allotment garden movement in Vienna, but the disastrous food-supply situation during World War I forced people in the city to start growing their own food. There were different strategies for acquiring access to land. Some people rented plots from the city administration while others cleared state-owned forests close to the city in order to start their gardens (Novy, 1981). The movement soon gained momentum and allotment garden associations were created. In 1916, when the umbrella organisation of allotment garden associations was founded, the gardens covered around 1.2 million m<sup>2</sup>.<sup>17</sup> Apart from renting land, the city administration also provided 'War Vegetable Gardens' as well as 'Emergency Gardens' during the Great Depression to secure the food supply in moments of crises (Ziegler, 2010).

#### Box 6. Kleingartenverein auf der Schmelz

One of the best-known allotment garden associations in Vienna is the *Kleingartenverein auf der Schmelz*. Located in the west of the city, the area has faced a history of competing interests. While it was still on the outskirts of Vienna, with fields and grasslands, the military started to use the land in the 19<sup>th</sup> century. Becoming a working-class neighbourhood the royal parade was moved to the district in 1864 for reasons of power representation. There were a couple of planning proposals for the area, such as a city museum and a university of fine arts, but none was ever realised. In the end, the people who established themselves in the area grew vegetables. With an extension of 165,000 m<sup>2</sup> it is the biggest allotment garden in a dense city area in central Europe (Krasny, 2012a).

Under the Nazi regime allotment gardens were appropriated for the National Socialist 'blood and soil' ideology, in which the gardens were portrayed as places where natural and healthy foods should be grown to strengthen the 'German nation'. With the implementation of the 'Aryan paragraph' it was prohibited for all 'non-Aryan' people to work the land (Krasny, 2012a).

From the 1960s the allotment gardens became seen as recreational and leisure areas. Ornamental plants replaced vegetable gardens and fruit trees. Another major change in the use of the allotment gardens started in 1992, when the city parliament passed a law allowing the construction of houses in the allotment gardens (Schindelar, 2008). Today there are around 40,000 allotment gardens in Austria covering an area of 1,000 ha.<sup>18</sup>

While they are formally organised in some 400 allotment garden associations, there is very little collective activity. If we draw a line between a property-oriented individualism and more democratic forms of collective organisation, the allotment gardens can be understood as a rather conservative form of urban land use in which people build fences around their individual plots and have little interaction with their neighbours (Guter, 2012).

### Box 7. Macondo

A special example of bottom-up self-organisation, which led to the creation of allotment gardens, is 'Macondo'. Located in one of the outer districts of Vienna and surrounded by former barracks, which were used to house refugees, the gardens of 'Macondo' were started in the early 1980s by refugees mainly from Chile. They cleaned up the waste on the fallow land in order to grow vegetables. Around 80 gardens were established, which were tolerated for almost 30 years. In 2009 the '*Bundesimmobiliengesellschaft*' (BIG)<sup>a</sup> forced the gardeners to decide either to sign expensive leases or to leave the gardens within two weeks, or face eviction. Most of the people could not afford the high prices and left the gardens. Apart from an art project there was very little resistance to the eviction of people who had made this land arable (Krasny, 2009, personal interview with a gardener in 2012).

<sup>a</sup> A state company under the federal ministry of economy, that holds and manages public real estate and bought the property in 2000.

## 5.2. Settlers' movement

The settlers' movement also has its roots in the dramatic housing and food-supply situation in 1919. Driven by poverty and hunger, people in Vienna cleared state-owned forests close to the city for firewood and garden plots and started to build huts. Soon the collective organisation started and a construction cooperative was created in order to build more houses and to pressure the city government. In 1920 the first big demonstration of some 50,000 settlers took place (Novy, 1981).

It is interesting that the settlers' movement disappeared almost completely from the official history despite its obvious success in having built around 7,000 houses in the cooperative settlements. Klaus Novy<sup>19</sup> frames this as a systematic expulsion and suppression of the alternatives in history, and as a means to prevent collective learning. According to him, the settlers' movement must be understood as a critical influence on and stimulus for the new housing politics of the reform socialism in the 'Red Vienna', although the original ideas of the settlers' movement concerning social, economic and cultural aspects went far further than was later realised by the institutions (Novy, 1981).

The heyday of the settlers' movement was from 1921 to 1923. An almost complete system of self-organised cooperatives was set up for the construction and coordination of the settlements, including the production of building materials. This made it possible for the movement largely to avoid cooperating with the city administration, although in response to their pressure on the authorities – such as their major demonstration – they received some subsidies (Novy, 1981).

In the settlements the cooperative owned the houses to prevent the emergence of private property. In order to receive a house, each settler had to contribute between 1,600 and 3,000 working hours. This was a major step towards including people with little financial means since until then every member of a construction cooperative had to make a personal contribution in form of money. Only after the houses were finished were they distributed according to need or by lot.

Apart from the houses, the self-run food-supply system, using fields and backyards to grow vegetables, played a crucial role in the settlements (Exner, 2012), as did the collective infrastructure: there was a community house, playgrounds for the children, spaces for consumer cooperatives and educational projects. Novy frames the settlers' movement with its non-capitalist collective organisation through cooperatives, as an emancipatory alternative to a conservative property-based individualism (Novy, 1981).

The importance of art for the settlers' movement is demonstrated in a settlement constructed just for artists, who in return painted the community house of the settlers' cooperative (Novy, 1981).

Notwithstanding the settlers' movement's efforts to create a more egalitarian and emancipated society, there were still hierarchies within the cooperatives. One example is the reproduction of patriarchal structures, which manifested themselves in valuing women's working hours as only 75% of men's (Krasny, 2012b).

During the strong years of the settlers' movement the city administration had begun to focus on the issue of housing, installing a settlers' office in 1921, and building apartments. From 1924 the authorities slowly appropriated the settlement idea and started to institutionalise the settlers' movement. Communal settlements were established without consulting the cooperatives and the architecture changed from settlements to super-blocks of apartment buildings. Although the settlers' movement tried to resist this transformation, they finally lost the battle against a state bureaucratic model, and top-down communal socialism replaced the cooperatives' bottom-up self-organisation. In 1930 the city administration started settlement projects on the outskirts of Vienna for unemployed people who were selected according to their educational level. A crucial aim was to prevent the cooperatives from gaining autonomy through subsistence food production in order to ensure that the new settlers would be an urban labour force. There was no funding for collective infrastructure (Novy, 1981).

### 5.3. Community gardens

Within the long tradition of urban gardening in Vienna, there has been a notable increase in community gardens in the recent past. Although it is not possible to give an exact number, since there are many informal community gardens, estimates list around 35.<sup>20</sup> The gardens are relatively small, which makes it almost impossible to grow enough vegetables for subsistence. Most of them rent their land from the city or the BIG, which shows that property relations are not questioned.

While people's specific motivations vary, there is a general tendency towards viewing community gardens as a space for leisure and social interaction. As Elke Krasny (2012b) points out, however, the cultivation of land in the city carries with it the potential for people to interact, organise and participate. Through the cultivation of vegetables in the city by former 'mere consumers', community gardens can be seen

as a space in which the dichotomy of producers and consumers is questioned. This can be a starting point to raise issues concerning the dominant system of food production, distribution and consumption.

Concerning the way community gardens are structured, there is a broad variety ranging from rather individualised land use to more collective and democratic organisations. While in most cases the gardens are made up of individual beds where gardeners work and harvest on their own, there are also gardens where the planning is done more collectively and the fruits are shared.

### Box 8. Guerrilla gardening

There is a broad spectrum of guerrilla-gardening initiatives in Vienna. People start vegetable and flower beds in parks, next to streets or in backyards, plant fruit trees or create gardens on fallow lands in the city. The actors and their motivations are just as diverse as the reactions from the authorities. Some groups focus on direct action to reclaim the city, others try to grow their own food and or to make the city more beautiful. While some are swiftly evicted and their gardens destroyed, others are tolerated for years and some are even encouraged by the city administration.<sup>a</sup> The best-known guerrilla garden in Vienna is the *Längenfeldgarten*, which was started in 2009.<sup>b</sup>

<sup>a</sup> In 2012, the administration of Vienna's sixth district sent a letter encouraging the residents to do 'guerrilla gardening' in order to make the district more beautiful.

<sup>b</sup> More information is available at: <http://ggardening.kukuma.org/category/langenfeld/> (accessed 30 January 2013).

In response to the increasing interest in community gardens, in 2011 the new city government started a subsidy programme. In each of Vienna's 23 districts one garden is supposed to receive up to €3,600 as a one-time start-up payment.<sup>21</sup> The condition is that the garden be organised in an association. Since very few people are organised in associations, the city administration cooperates almost exclusively with the '*Gartenpolylog*', an urban gardening network that starts up and coordinates garden projects in Vienna. According to the '*Gartenpolylog*' the number of people interested in participating in a community garden far exceeds the amount of available beds (one garden received 180 applicants for 20 beds), so most have long waiting-lists and the beds are distributed by lot.<sup>22</sup> This suggests that in the gardens coordinated by the '*Gartenpolylog*' it is not the users who organise to obtain access to land according to their own needs.

## 5.4 Urban gardens as contested territories

Urban gardens are contradictory spaces, contested territories in a material, symbolic and also an ideological way. As discussed, a wide range of actors with different motivations are using, creating or reclaiming urban gardens. Making a sharp division between alternative and conservative projects is problematic since these evolve over time and space. It is, however, possible to distinguish emancipatory tendencies from more conservative practices in terms of how they are organised. Thus we can contrast the two main approaches as individual private property versus a more democratic and anti-capitalist collective organisation. Here it is important not to romanticise collective organisation since collectives are also sites of power relations and always imply the inclusion of some people and the exclusion of others.

As we have seen from the examples of the guerrilla gardens, the settlers' movement or SoliLa! (discussed below), community gardens are places of struggle for autonomy and self-organisation that articulates resistance to a destructive, exploiting and excluding system and creates emancipating alternatives. At the same time, some community gardens, despite their limited size and the tendency



to become 'feel-good' areas, must be taken into account as spaces of 'hands-on urbanism'. Krasny (2012b) underlines that the cultivation of urban land can be understood as a means to regain agency and decision-making power over the making of the city. It would be short-sighted to present urban gardening as intrinsically counter-hegemonic since the gardens can equally serve as spaces of state regulation and control and as a means to discipline people. This can be seen in a study on community gardens in London, which shows how the 'employability' of the gardeners involved can be 'developed',<sup>23</sup> which fits the vision of the 'competitive city'. Another example of how corporate interests use urban gardens is a community garden started in 2012 by the multinational corporation 'Danone', with a kindergarten in Vienna.<sup>24</sup>

Throughout history, the role of the state was central in regulating and limiting access to land, suppressing some kind of gardening projects while promoting others. As we saw with the settlers' movement and the early allotment movement, planning and the selective institutionalisation of demands is a key means by which the city administration deals with dissent and regains control. Another important strategy is that of conflict avoidance, which can be observed in the context of community gardens. The subsidy programme for a limited number of community gardens and the distribution of the garden beds by lot can be understood as a strategy of pacification. Since there are many more people interested in participating than garden beds available, drawing lots makes it possible to exclude people without any institution being responsible for the decision.

One issue facing all urban gardening projects irrespective of how they are organised is their effect on their surroundings. Green urban spaces can play a key role in processes of gentrification, which might explain why some guerrilla gardening projects are tolerated or even encouraged by the city administration. The 'upgrading' of city districts can go hand in hand with the eviction of poorer residents, something urban gardening projects have to reflect upon (Guter, 2012). As Eizenberg (2011) points out in the case of community gardens in New York, this 'improvement' of city areas by grassroots movements can also be understood as a positive change. The creation of green spaces according to people's needs and wishes is part of the reinvention of the city, which we discuss in the context of the right to the city.

In sum, gardens are dynamic, textured and uneven spaces where competing motives and contradictory narratives cross, shape and re-shape each other. One historical meaning that must not be forgotten is the appropriation of the garden for the National Socialist 'blood and soil' ideology. We mentioned earlier how the garden was constituted as the place where natural and healthy foods should be grown to strengthen the 'German nation', and how it was prohibited for 'non-Aryan' people to work the soil (Krasny, 2012a). With that in mind, Krasny (2012a) argues that the reclaiming of gardens in Austria and Germany has a historically more complex, but maybe also a deeper meaning, a means of radically practising anti-racism. So, the urban community garden can be understood as a contested territory and is always a dynamic political space. It is in the everyday practices where changes happen and the political is negotiated.

## 6. SoliLa! – reclaiming urban agriculture

### 6.1 Case description

SoliLa! (*Solidarisch Landwirtschaften!* Solidary Agriculture!) is a group of people in Vienna trying to find a piece of land in the city to start growing vegetables, driven by the desire to question the current methods of food production, distribution and consumption and to create alternatives. The group formed around a squatting action that took place on 17 April 2012, the global day of peasant struggle.

The land was in Floridsdorf, one of the biggest districts in the north of the city, of around 3.5 ha and formerly rented by the University of Natural Resources and Life Sciences, the Universität für Bodenkultur (BOKU). It is owned by the BIG, a state company under the federal ministry of economy, which holds and manages public real estate. Over the years it has been used by different groups: the university for research (including GMO fruit trees), small-scale student gardens, a shepherd, beekeepers and a small group of gardeners ('*Großstadtgemüse*' or GSG).

Since the end of 2011 most of the plot had lain fallow because the BOKU wanted to cancel its lease and return the land to the BIG. According to the rectorate, the reasons were 'increasing cost efficiency' and a cheaper contract for land outside Vienna. The only activities that continued at this point were the GMO tests and the formerly legal GSG project. This project, which used a small part of the plot for vegetable growing, lost its formal tenure in the process of returning the land. Still, some members of GSG continued to work parts of it, tolerated by most of the BOKU employees but not officially by the rectorate.

SoliLa! is a heterogeneous group of people, some positioning themselves as 'prospective peasants'<sup>25</sup> in the context of the Reclaim the Fields (RtF) constellation.<sup>26</sup> But for the purposes of this chapter, and in recognition of the widely contested definition of 'peasants' in the literature, we use the less controversial term 'farmer'. The group, consisting of mainly young people, including students and gardeners, was looking for land to start a community-supported agriculture (CSA)<sup>27</sup> project in Vienna. They found out about the BOKU's plans of to get rid of the land and tried to rent it, which proved impossible since neither the BIG nor the BOKU claimed to be responsible for it. This might be partially explained by the city government plans for a housing project in the near future, since 25% of the land had already been designated for construction.

In this context the group decided to squat the land, with the aim of preserving this piece of fertile agricultural land, to take a step towards food sovereignty and to revive forgotten practices concerning access to land in Austria.

As the mobilisation was carried out rather openly, announcing the plan to squat, as well as the day and time of the gathering in advance, the call to support and join the action<sup>28</sup> was answered by some 100 people, who arrived with bikes and tools on 17 April. After a short assembly the group obtained access to the land in a collective and non-violent manner. As there were no attempts to stop the action by the police and BOKU officials who were present, people immediately started tilling the land, planting the prepared seedlings, setting up the basic infrastructure that had been gathered beforehand (e.g. a compost toilet, a collective kitchen and tents), preparing press releases, spreading information about the action, etc. During the following ten days of collectively working the land and putting the vision of solidary urban agriculture into practice, the SoliLa! group was formed.

The motivations of the group were in part heterogeneous but everyone shared a common vision:

- Food sovereignty, meaning a more self-organised, democratic and autonomous mode of production, distribution and consumption of food, and greater opportunities to obtain local, organic and seasonal food, bearing in mind the socio-ecological implications of the 'imperial mode of living' (Brand and Wissen, 2012).
- A space where discrimination and forms of social oppression, exclusion and domination on the basis of e.g. gender, race, class, age, or sexual orientation would not be tolerated, through an ongoing process of self-reflection on the way the squat was organised as well as how all participants were embedded within these forms of discrimination.
- Build a strongly interrelated network and alliances between different groups and people.

- Share skills, ideas, resources, etc.
- Strengthen a process towards an emancipatory project outside the hegemonic logic of commodification.
- Work towards the creation of spaces that allow for more self-determined and autonomous ways of living in terms of education, work, food, etc.
- Land sovereignty and raising the issue of conflicts over access to land and claiming land for those who (want to) work it.
- Oppose the policy of urban concentration at the cost of agricultural land, and the policy of vacancy, which according to some estimates means 60,000–80,000 unused apartments in Vienna (IG Kultur, 2010).

From the outset, one key demand was the maintenance of the agricultural use of the land in a collective manner. SoliLa! did not claim exclusive use of the land and welcomed other initiatives and people getting involved. It quickly became evident that this squatting action enjoyed a lot of support from different political groups as well as from farmers, political organisations like the Austrian branch of Via Campesina, parts of the general public and also surprisingly positive media attention.<sup>29</sup> The action met with broad acceptance, support and participation from people living in the neighbourhood. Many people joined the struggle, came to work the fields, donated food, signed and spread a call for support, or simply came to discuss and share ideas. Following this, a main argument made by the rectorate against the squat was the open access to the land, which they argued affected 'security' issues and the problem of liability in case of any accidents.

Whether the GMO research that was still running in two special pollen-resistant greenhouses was the underlying concern, and whether this was based more on security or political issues, is open to interpretation. Of course, one basic reason to oppose the squat was to prevent this form of action from achieving any success in Austria.

After ten days, on the official grounds of 'security', the rectorate ordered an eviction, which was effected by a private security company in the morning of 26 April. It is unusual for private companies to force eviction orders in Vienna. The eviction affected nearly all the activities on the plot. Personal belongings that were not removed in time were dumped in trash containers brought for this purpose. Even the formerly legal and later tolerated GSG was brutally raided, not only using chainsaws to destroy all the infrastructure, but also ploughing up the cultivated fields in order to destroy all the plants. This can be viewed as a highly questionable method of opposing activities on behalf of the University, but also in terms of their own students since the rectorate described the eviction as a non-violent, peaceful act without any incidents, according to an email sent to all the BOKU students and employees.

### 6.1.1 Background of the squatting action

One pivotal issue that accompanied the group before, during and after the action is the question of 'how to produce' as well as 'who produces'. Existing stereotypes and norms (especially concerning gender) inherent in society in general and the food system in particular had to be confronted.

Starting from the perspective of food sovereignty, it was clear that the squatting needed to empower the local community and get them involved in the process of squatting and farming activities. Furthermore, the idea was to involve different collectives and groups from Vienna who were working on similar issues, such as farmers' and food cooperatives – the former supporting the project with know-how, infrastructure (like tools) or basic necessities (like seeds), the latter representing potential consumers

of the to-be-grown vegetables. The intention was also to involve other political initiatives, as for example a free shop ("gift" economy) as well as the local bike scene (like Critical Mass), among others. The idea was not only to produce food for the benefit of the squatting group, but also to embed the action in the local context, involving as many people as possible and creating an inclusive space that functioned in a different way to the dominant forms of production and social interaction. By putting into practice a model that involves all people longing for a new way to produce, distribute and consume food, SoliLa! tried to present an alternative to the 'imperial mode of living': an inclusive and democratic system of food production that is better suited to a 'post-fossilist' society.

The strategy of squatting must be understood against the backdrop of access to land in Vienna, as a number of groups have been struggling for access to agricultural land. There are other examples of CSA initiatives that have trouble acquiring land or retaining rented land. One such example is a farm called *Ochsenherz*, which has been cultivating land 30 km outside Vienna since 2002. In 2011 it started producing as a CSA and currently provides vegetables for around 220 people. A part of the roughly 5 ha it cultivates is rented and the owner has plans to use this land for construction. Since the beginning of the CSA, *Ochsenherz* has been seeking other land to rent, so far without success. A similar situation faces another group called *Wilde Rauke*, which has been trying to start a CSA project in one of Vienna's outer districts, close to Jedlersdorf, where the SoliLa! action took place. The idea received widespread interest and there were at least 50 people keen to join once a plot is acquired. So far the search for a suitable piece of land has been disappointing and after a year of looking and a missed season, a tiny part of the group is starting the coming season on three small allotment plots.

The general situation of access to land has to be viewed through the preceding analysis of pressures on agricultural land in urban areas. Fertile land is constantly diminishing and it becomes increasingly difficult for people to start farming or to maintain their farming activities. Market forces are the main reason for the difficulty in obtaining access to land. At the same time, the practice of squatting land has nearly disappeared in Vienna since the days of the settlers' movement. But the strategy of squatting buildings has a long history in the city,<sup>30</sup> with a recent peak being the student movement, called '*uni-brennt*',<sup>31</sup> starting in 2009. It can be described as an important link to SoliLa!, not only because several actions took place parallel to the SoliLa action, but especially because it is a major moment in students' politicisation, which persists in the collective memory.

## **6.1.2 Negotiations as a means to weaken social movements?**

Shortly after the harsh eviction SoliLa! was invited to a round table at the city hall, to start a process of negotiation. This must be seen in the light of the pressure the squatters placed on the BOKU directly after the eviction. The same day a group of activists protested inside the rectorate and expressed their anger in a non-violent manner and a few days later there was a day of action and solidarity. The case also attracted a lot of media attention.

The institutions represented in the negotiations (BIG, BOKU, the Green Party and the city administration) appeared to be willing to sign a contract enabling the SoliLa! group to use parts of the land. While the proclaimed aim of the BIG and the BOKU for the negotiations was to set up a precarious contract to permit a short-time use, the plan to redesignate the land as viable for construction and the realisation of a building project was never in question. During the whole negotiation process the BOKU was eager to keep the activists calm and threatened that any further actions, as well as media coverage concerning the GMO-testing, would lead to an end of negotiations.

In the end, the contract was never drawn up and the negotiations were suspended by the representatives of the BIG and the BOKU, who gave no official reason. Such events show how public institutions can use the terrain of negotiations with social movements to weaken them in a process of co-optation, depoliticisation and division. By threatening to call off the negotiations the rectorate effectively split the activists into those who saw a chance to get access to the land and did not want to jeopardise this, and others who wanted to put more pressure on the negotiating parties in order not to lose the power to decide how the land should be used. With this split and internal disagreement the movement was disempowered and control over the pace of the negotiations remained firmly in the hands of the institutions, ultimately resulting in their unilateral termination and a lost farming season for SoliLa!.

### **6.1.3. Movements and constellations**

SoliLa! is not an isolated case. It is deeply rooted in, and thus better understood as part of, a longer history of struggles, centred around food sovereignty and access to land as well as space in general. Many people involved with the squat are part of a wider movement for food sovereignty and have been active in initiatives at the local or international level working towards an alternative food system in spirit of the Nyeleni Declaration. This is partially because the Nyeleni-Europe Forum took place in Krems, Austria, in August 2011, which gave a boost to initiatives and activities on food sovereignty in the region.

Some of the squatters also consider themselves among the 'stars'<sup>32</sup> of the Reclaim the Fields (RtF) constellation, a transnational network fighting to recover control over food production and their way of life. Within the RtF-Constellation the issue of access to land, via squatting or other means, is pivotal as many of its members do not have the means (i.e. money or credit) to gain access to land. So the sharing of experiences of land squatting and strategies from different local contexts was an important prerequisite for the squatters at Jedlersdorf to be able to conceive of squatting as a strategy to gain access to land. This was reinforced by the local historical perspective of the settlers' movement and their success in acquiring land through squatting on an impressive scale in a self-organised manner.

Since the process in which SoliLa! is embedded is still ongoing, the eviction and failed negotiations do not necessarily signal the end of its history, but could be seen as a new beginning.

Following this overview we now focus on three issues that seem to be of significance concerning land struggles and which can be illustrated by the SoliLa! case: (a) access to land; (b) education; and (c) the right to the city.

## **6.2. SoliLa! – a case of land sovereignty**

All the struggles against enclosures, over land use and the cases of resistance we have discussed so far are in some way connected to the issue of access to land. This is why we want to take a closer look at the case of SoliLa! and how it can be understood in terms of the concept of land sovereignty (Borras and Franco, 2012).

From the outset, it was a key concern for SoliLa! to raise the issue of access to land and to open up the discussion with a broader public. As shown above, it is increasingly difficult to obtain access to land. Competing interests are placing pressure on land, leading to its allocation according to the most profitable use. Thus soil sealing and the speculation by real-estate companies are pushing up the price of agricultural land. Since in Vienna it is almost impossible to get a reasonable lease, so purchase seems the only way to obtain access to land, the squatting action of SoliLa! can be viewed as an effort to recall

the historical strategy of squatting as a means to gain access to land, a history that has nearly been forgotten. Looking back on a history of resistance, SoliLa! can be understood as form of direct action in order to facilitate a process of collective learning and open discussions on issues that the prevailing historical discourse has suppressed.

### Box 9. Strasshof

The practice of land squatting took place after World War II. After a protest assembly in Strasshof, Lower Austria on 1 June 1947, around 40 peasant farmers 'attached' 40 ha of fallow land within the property of a big landowner called Odstrčil. This act of reclaiming the land and redistribution was even approved by the local government because of the cultivation law ('*Anbaugesetz*') in place at that time. Also in Waidhofen an der Ybbs, in Lower Austria, 13 farmworkers' families tried to cultivate some fallow land in a collective and self-organised fashion, claiming land for those who work it (Genner, 1979).

Using the concept of land sovereignty as a way to facilitate access to land, it was crucial for the squatters to emphasise the rights of the people farming the land and the need to involve them in any action concerning that land. Thus, in preparing the action, the squatters tried to include all the stakeholders using the plot (a community garden, a collective student garden, the beekeepers) in the planning process leading up to the squatting – the only exception being the BOKU rectorate since they claimed already to have returned the land to the BIG. The local community involvement and their ideas for the plot were also key issues for the squatters.

In opposition to the threat of being enclosed and to the construction plans that would include sealing the surface, changing the use of the land and restricting access to it, the creation of alternatives on the land can be understood as a process and practice of 'commoning'. Within the concept of land sovereignty, 'commoning' is not seen as a romanticised form of land use. Rather it refers to a way of organising access to and use of land in a collective manner in which the rules and rights are defined through a process in which the diverse interests and needs within the group are democratically negotiated. The commons remain contradictory, but still there is emancipatory potential in reinventing the commons, which includes alternative social relations and alternative relations with nature. That is why SoliLa! never claimed the land for itself, but maintained it as an open space for people from the local community to use. During the squatting many neighbours took up the invitation to the land to discuss the ongoing process, to start a vegetable garden of their own or just to chat.

All of this shows that the vision of land use is embedded within social power relations that go far beyond the realm of agriculture. By questioning the decision-making process on access to land, SoliLa! also posed questions concerning social interaction, history, processes of production, distribution and consumption, and the dichotomies between urban and rural and between society and nature in order to envisage alternatives. The eviction, ordered by the BOKU rectorate, has to be seen as an effort to curtail this process, which illustrates what a threat the squat must have been to the rectorate and highlights how powerful a practice of land sovereignty can be in questioning the 'imperial mode of living'.

### 6.3. Whose education? The connection between SoliLa! and emancipatory education

The fact that SoliLa! formed on a piece of land that was formerly used by the BOKU raises issues about the education system and the societal aspects of education in general. As mentioned, since the rise of the *'unibrennt'* movement in 2009, issues of education and especially university politics have been emphasised in social movements and by the general public. Since then, key aspects like claiming a more democratic organisation of universities and a critique of their increasingly neoliberal orientation and neglect of socio-political ramifications, were, and still are, debated from a new perspective. This is embedded in a broad wave of student mobilisations, which can be perceived at the global scale.

#### Box 10. 'occupy the farm'

An interesting link is the 'occupy the farm' movement in Berkeley, California. At the same time as the SoliLa! action took place, in Berkeley 'a coalition of local residents, farmers, students, researchers and activists (planted) over 15,000 seedlings at the Gill Tract, the last remaining 10 acres of Class I agricultural soil in the urbanized East Bay area. The Gill Tract is public land administered by the University of California, which plans to sell it to private developers'.<sup>a</sup> There are several parallels between SoliLa! and this simultaneous example of direct action and resistance, concerning developments like urban sprawl, a deficit of socio-political obligations within the university but also the ability to 'envision a future of food sovereignty, in which our East Bay communities make use of available land – occupying it where necessary – for sustainable agriculture to meet local needs';<sup>b</sup> as the 'occupy the farm' movement puts it.

<sup>a</sup> Source: <http://occupyberkeley.org/2012/04/24/occupy-the-farm-planting-15000-seedlings-at-the-gill-tract/> (accessed 14 January 2013).

<sup>b</sup> Source: <http://www.takebackthetract.com/index.php/the-farm/> (14 January 2013).

One central unifying point of resistance connecting various of these movements is the demand for more democratic forms of education and, as Ribolits (2009) puts it, an education system free from economic values, claiming that education is not bound to the dominant dogma of human capital that equates human beings with commodities.

In order to transform the education system, there is a need to create counter-hegemonic alliances based on self-organisation and democratic action. An example for this approach to education 'from below' is the 'Solidarity University of Vienna' (KriSU), which formed during the *'unibrennt'* movement as an initiative to create autonomous spaces for 'another type of academic practice, one that is not oriented toward competition, economic growth as an end in itself, and training for the labour market'.<sup>33</sup> KriSU and SoliLa! formed an alliance to further develop alternative practices of education and research. Such practices can enable emancipatory collective learning, which is suppressed in most contemporary universities.

The bias of universities and their research becomes clear in relation to the ongoing GMO testing on the squatted plot. SoliLa! juxtaposed this research with a different vision of how agricultural knowledge should be produced and disseminated, with a clear stance against GMOs and the hegemonic economic logic of commodification they represent. SoliLa! can thus be seen as a step towards re-democratising an education system free from the economic principle of competition. Politicising education and research means raising questions about their purpose, who benefits and who loses, who defines and decides

upon this, and who are the main actors. Democratising research and education is also an important precondition for democratising the food system.<sup>34</sup>

## **6.4. Food sovereignty means the right to the city!**

People who live in towns and cities are thought of only as consumers. Food sovereignty and food democracy mean much more than just choosing the 'right' product in a supermarket. The case of SoliLa! shows that there are larger and more meaningful possibilities for people living in cities to act. This points to thinking of ourselves not as passive consumers of the 'outside' world but as active producers of the world in which we live, which is a core tenet of the food sovereignty movement today. This has important implications for discussions about and actions for food sovereignty. In times of multiple and global crises, food sovereignty represents a very important response on the part of social movements. Urban and peri-urban food production has an important role to play, but depend on access to land.

Since the agro-industrialisation process there has been an increasing 'distancing' and disconnection in the food system. This takes many forms (Clapp, 2012). One form is the distancing between cities and the places where food is produced. These processes enable a huge concentration of power, while at the same time most people lose any local and democratic forms of control over the food system. Shortening supply chains and localising the food system are strategies to rebuild and reclaim the food system. It would be naïve to see 'localism' as a goal in itself. The local is often a site of inequality and hegemonic domination. Therefore, it is important to question 'unreflexive localism' and to build local alliances that address equality and social justice (DuPuis and Goodman, 2005). This means also reflecting on locally embodied contradictions: enhancing the quality of life (environmental, social) in some places often leads to the deterioration in living conditions elsewhere.

As we have shown, the 'imperial mode of living' plays an important role in the process of 'distancing'. Cheap energy, a complex transport infrastructure, agro-industrialisation, and trade agreements and the expansion of super- and hypermarkets make it possible to buy food from 'nowhere' via the corporate food regime (McMichael, 2009; Campbell, 2009) – if you can afford it. At the same time more land is sealed because of urban sprawl. The separation of consumers and producers deepens through this process.

As argued earlier, the 'imperial mode of living' is one of the key causes of the current multiple crises of capitalism. Through this perspective we can see the structural causes of these crises and the need to focus on changing agricultural, trade and economic policy, for example, as well as to struggle against land grabbing, agro-industrialisation etc. But the 'imperial mode of living' also clarifies that this is deeply rooted – although not socially neutral – in the everyday life of people in the Global North (Brand and Wissen, 2012). It is important to recognise because this hegemonic configuration is stabilised through the consensus of the masses. This rootedness is stabilised through dominant perceptions of 'attractive living'. If achieving food sovereignty entails overcoming the 'imperial mode of living', then we have to take this into account. Seen through this lens makes it impossible to see the world as divided between 'above' and 'below'. An emancipatory transformation presupposes a focus on the different forms of relations of domination and the struggle to overcome them. Needless to say, this is a complex but nonetheless critical project. It is also a struggle for alternative modes of living, which are 'attractive', or as some social movements call it, are part of 'buen vivir', or living well (Acosta, 2009).

Here it is important to add:

An emancipatory politics has to take care not to be moralistic about environmental issues. Of course, we need to consume less meat, cars/auto-mobility and electrical gadgets. But



this cannot amount to a simple moral claim that ignores social structures and the power relations on which they are based. Alternative and attractive forms of living, producing and exchanging; new social divisions of labour; and alternative identities are necessary, as well as possible, and in many cases revolve around concrete struggles for the protection of the natural commons. (Brand et al., 2009: 14)

Food sovereignty is not just about eating locally and eating well. It is about transforming the system. It is about asking who controls the food system and fighting to democratise it, and to build alternative livelihoods based on local needs (rather than capitalism's 'accumulation for accumulation's sake'). As examples from all over the world show, resistance and civil disobedience are important strategies in this transformation. Given that cities are historically specific forms to organise and regulate society's relationship with nature, then urban struggles are socio-ecological struggles. Seen in this light (of urban political ecology), it is important to stress that there is nothing inherently unnatural about cities. Rather, the question is about what kind of city and urban landscape, since there are different urban and environmental processes that negatively affect some social groups while benefiting others. 'In other words, urban political ecology is about formulating political projects that are radically democratic in terms of the organization of the processes through which the environments that we (humans and non-humans) inhabit become produced' (Heynen et al., 2006: 2).

Urban social movements around the globe are struggling for the right to the city. SoliLa! suggests an alliance between activists for food sovereignty with those who struggle for the 'right to the city'. There are some clear similarities and convergences. Issues such as who has the right to produce the city, to whom the city belongs, and what kind of city we want are closely related to food sovereignty, as becomes clear if these issues are posed in relation to food. For example if we look at how land is used and who has the power to define how land is 'developed' then it becomes obvious that food sovereignty and the right to the city have something in common. It is an urgent task to build alliances on this common ground.

As David Harvey puts it:

The question of what kind of city we want cannot be divorced from the question of what kind of people we want to be, what kinds of social relations we seek, what relations to nature we cherish, what style of life we desire, what aesthetic values we hold. The right to the city is, therefore, far more than a right of individual or group access to the resources that the city embodies: it is a right to change and reinvent the city more after our hearts' desire. It is, moreover, a collective rather than an individual right, since reinventing the city inevitably depends upon the exercise of a collective power over the processes of urbanization. The freedom to make and remake ourselves and our cities is, I want to argue, one of the most precious yet most neglected of our human rights. (Harvey, 2012: 4)

SoliLa! struggles for the right to the city as well as for food sovereignty based on the conviction that alternative forms of agriculture have an essential meaning in relation to the right to the city.

## 7. Conclusions

Finally, we ask what lessons can be drawn from the SoliLa! case. During the research and writing process we were aware that we had explored and raised new and unfamiliar questions. This is largely because we discussed questions in a specific urban context that are usually applied to rural settings. But we are convinced that there is something important to be said about urban struggles for food and

land sovereignty. The debate on land sovereignty and an alternative food system is as much an urban as it is a rural debate – something which is often overlooked. We hope to shed some light on aspects that might be inspiring for other social movements and further actions.

If we think about the issues raised so far, there seem to be different but deeply connected processes at work. On the one hand is a rural exodus and increasing migration to towns and cities. This is related to the loss of infrastructure and worsening living conditions in rural areas, as well as the decline in the number of farmers. On the other hand we see growing cities and their increasing concentration and massive urban sprawl. This also contributes to the decline in the number of farmers, the concentration as well as loss of agricultural land, soil sealing and a lack of access to land.

What lessons can be drawn from the SoliLa! case? Obviously, the issue is complex and ranged from historical learning processes to urban planning, housing, education, access to land and the right to the city, to name just a few. Across these different dimensions are different possibilities for alliances and convergences. SoliLa! was very active in building alliances as these are a key resource for urban land struggles.

A general lesson to be drawn is the question of how to think about the urban and the rural. Very often the debate is framed as urban *versus* rural. Of course there are differences, as well as similarities. In the SoliLa! case the question was framed in a different manner: the problem is not urbanisation as such (there is nothing inherently unnatural about cities), but of how to imagine and create different, emancipatory towns and cities. This framing creates the possibility to act and struggle for a process of radical democratisation of the production of the city. In this case study we emphasised not seeing cities as isolated entities but as networks of socio-ecological processes that are local and global at the same time. The processes that support urban life such as water, food and energy are always connected with processes elsewhere. The problems and their root causes become clearer and can be challenged more easily when the connections are exposed. As the effects of an increasing number of global problems manifest themselves in cities, local struggles can connect to similar struggles in other areas of the world. This can be strategically used in local actions. We hope that this case study might open up debate for this kind of strategic thinking. Here, again, the question is not to find a single appropriate scale for action, as the question is rather how to connect at different scales in an effective way to work for common goals.

In this context SoliLa! questioned the dominant decision-making processes on access to land and opened up the debate about alternative forms of organising production, distribution and consumption of food in Vienna. It also showed how this was connected to different forms of social relationships beyond the dichotomies of urban and rural and of society and nature. This can be read as a practice of challenging the dominant 'politics of the possible'. Nearly all the issues raised are deeply framed by processes of commodification. As Lefebvre insisted, 'limiting the world of commodities' is essential to any project of radical democracy, urban or rural, because this would 'give content to the projects of democratic planning, prioritizing the social needs that are formulated, controlled and managed by those who have a stake in them' (Lefebvre, 2009 [1966]: 148). This vision has to be contrasted with more depoliticised visions that limit demands for inclusion within the existing system. Seen from this perspective makes clear the necessity of a radical transformation. SoliLa! aimed to transform dominant narratives and attack hegemonic images. One issue here is the dominant narrative of scarcity and its connection to the 'imperial mode of living'. Seen through this lens, the problem of access to land is not one of absolute scarcity and 'lack of supply', but rather of socially generated scarcity. For example, when we focus on the dominant mode of living, we need to question the fundamental assumptions on which it is built: limitless and exclusive access to land and other resources, sinks and labour power elsewhere.

This makes clear that socially generated scarcity arises from imbalances of power that deny access to land. The reality is – and has always been – that those with the most bargaining power obtain access to resources and make decisions about the use of land. Here again, it is important to focus on increasing inequality in rural and in urban regions. In short, we want to argue that the ‘imperial mode of living’ generates specific scarcities that are not ‘natural’ but are rooted in power relations, which means that they can be and need to be changed. At the same time, the ‘imperial mode of living’ is manifested in the built environment, leading to specific scarcities of land. SoliLa! challenged this seemingly natural condition in promoting alternatives and opening up a debate about how to produce the city according to people’s needs.

If we want to make struggles for food sovereignty more relevant to urban populations (who are mostly regarded as passive consumers), the SoliLa! case shows that there is an evolving process of specific significance: in recent years new types of consumer–producer cooperation in food networks have emerged in which consumers play an active role. Through alternative food networks consumers actively take on the role of co-producers. There is a huge range of new networks ranging from food cooperatives to CSA and urban gardening projects. These also create the space to politicise questions of access to land. These processes are connected to an active revaluing of agriculture (in urban and in rural contexts) that cannot be overestimated. Food sovereignty has the potential to become ever more relevant for urban populations as they seek alternative forms of a better life. At the same time as they transform themselves they produce alternatives in everyday life. This is a slow process but can be connected to radical change. SoliLa! shows a specific form of how these processes can be connected by raising further questions about access to land. This clearly shows that even slight changes at the individual level can be connected to radical change, by challenging and transforming dominant modes of living, and how this issue can be raised and politicised within a specific vision and form of urban agriculture.

Another dimension here is to resist the suppression of historical alternatives by taking direct action. SoliLa! can be understood as an attempt to recall the strategy of squatting land in Austria. As history shows, it was possible for social movements to gain impressive access to land. SoliLa! facilitated learning from historical processes, which opens up possibilities to envisage different forms of towns and cities.

Another important aspect is the politics of scale, whereby the local and the global, the regional and the national are deeply intertwined. That means that the global or the local are not pre-determined but are produced, reproduced, modified and challenged in a multiplicity of actions at various levels. This is always a contested process. Social movements are able to produce and use a range of scales, but not as they please. The politics of scale is made by dominant as well as by subaltern actors. Although SoliLa! primarily acts at the local level (in a district in Vienna), it actively produced, used and acted on other scales to change power relations. For example at a transnational level, activists of SoliLa! were connected to the constellation of ‘Reclaim the Fields’, which was important in terms of ‘know-how-transfer’ and learning processes. Another dimension was the choice of the date of the squatting action: 17 April being the Global Day of Peasant Struggle. This can also be seen as a specific symbolic politics of scale, as all around the world there were actions in favour of food sovereignty on this date. The importance of transnational diffusion cannot be overestimated here. Another example was the Nyeleni-Network in Austria, which facilitated mobilisation. Also the quite positive local Viennese and Austrian-wide media attention was significant. In effect, the strategy of SoliLa! can be described as a ‘glocal’ or ‘multiscalar’ strategy, which is not solely bound to the local level and can be seen as a ‘glocalised protest’. This simultaneous agency at different scales is a significant strength. These processes cannot be separated from each other.

Different actors have different possibilities for acting on different scales since power relations are embedded within them. Seen from a different perspective, of course, also the BOKU, the city government and the BIG used this potential, in this case to foreclose scales, i.e. in terms of decision-making and to maintain control. This shows that not everybody has the possibility to produce, act on and use or erase different scales, which has important implications for alliances and resistance in terms of class, gender and race. These options and barriers have to be taken into account in thinking about new alliances. For example knowing about what is going to be decided where and when and how is a precondition for appropriate action.

There were different scales at work, which should be considered when analysing land struggles. It is possible that the politics of scale are different in the rural and urban contexts. It is an important question to think about what this could mean in terms of urban–rural alliances and the possibilities of resistance. This is an issue on which further discussion and experience sharing is necessary. Maybe thinking about food sovereignty in urban contexts and connecting it to struggles for the right to the city could facilitate a productive debate with experiences of rural struggles about these questions.

As a current example of land struggles, SoliLa! was unable to gain access to land. It is likely that in the coming years the number of land struggles in Austria will increase. Seen from this angle, SoliLa! was an important beginning. It is clear that urban agriculture will play a central role in the future. SoliLa! has suggested some first steps and may be inspiring for other projects.

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## Endnotes

1. We use the term squatting rather than occupation, as we see ourselves within a political tradition squatting on land, buildings, etc. in order to create spaces that present an alternative to the hegemonic capitalist logic. In this sense, we understand squatting as a process in which people appropriate the means to produce/live that they have not previously enjoyed. For us, squatting is part of an emancipatory practice and does not carry the colonial and military connotations of 'occupation'.
2. For a more detailed overview of the history of peasant struggles, agriculture and land reform in Austria see Rohrmoser and Krammer (2012) and Linsberger (2010).
3. Rohrmoser and Krammer (2012) note a crucial lack of historical reflection on attempts of by the peasants to organise themselves.
4. One important exemption is the ÖBV/Via Campesina Austria, a small, but very active and progressive peasant organisation. See: [www.viacampesina.at/](http://www.viacampesina.at/).
5. For a detailed study of this period see Linsberger (2010), Rohrmoser and Krammer (2012) and Mattl (1981).
6. Average figures conceal inequalities, but the lack of data means we have to rely on these figures.
7. For an overview of the phases of agricultural policy in Austria see Hovorka and Hoppichler (2006).
8. The organic agriculture movement started in the 1970s. Compared to other European countries, Austria's share of organic agriculture is very high: 12% of all holdings are organic farms (17.2% of the overall agricultural area) (EUROSTAT, 2012: 126), although there are tendencies for organic agriculture to become more conventional. For further discussion see Lindenthal et al. (2008). For a discussion of changing consumer-producer relationships in Austria since the 1970s see Schermer (2012).
9. Krausmann et al. (2003) refer to this perspective as 'socio-ecological', based on the approach of 'socio-economic metabolism' (Fischer-Kowalski and Haberl, 1998). But the conception of society seems to be very thin, i.e. a very general distinction between 'agrarian' and 'industrial' society'. Nonetheless, they raise interesting points regarding long-term changes in land use, although in manner abstracted from real-life inequalities and power relations, in which there seems to be no agency. Therefore we call it an 'ecological perspective', which serves to focus on long-term changes. This should be seen in relation to societal changes described in this chapter.
10. Of course, gender, class and ethnic inequalities did not disappear. On the contrary, these dimensions intersect with each other and are key to analysing different aspects of the imperial mode of living.
11. The case of the Raiffeisen Bank was researched by van Gelder and Kuepper (2012).
12. The Social Democratic Party has been in power since the end of World War II and is by far the dominant party in Vienna. The Green Party has not been in power very long and it remains to be seen what impact it will have on city politics and planning processes.
13. For more information, see: <http://www.wien.spoe.at/umwelt/internationales-interesse-wiens-nachbarschaftsgaerten>, <http://wien.gruene.at/2011/04/11/gemeinschaftsgarten> (accessed 13 January 2013).
14. 'Red Vienna' refers to the time between 1918 and 1934 when the city government was run by the Social Democratic Party and was 'known for reforms concerning healthcare and education as well as social housing projects. More than 65,000 apartments were built mainly for low-income people and financed through a special 'housing tax' on homeowners (Novy, 1981).
15. This choice was based on decisions made by the city government and – according to the corporatist model – and by the Chamber of Agriculture of Vienna.
16. In this section we will focus on three urban food movements that are relevant for a discussion on land use in Vienna. We do not discuss other important movements, like the 1911 food riots or the contemporary food cooperatives.
17. Source: [http://www.kleingartner.at/wir/geschichte/gesch\\_1911.htm](http://www.kleingartner.at/wir/geschichte/gesch_1911.htm) (accessed 30 January 2013).
18. <http://www.kleingartner.at/wir.htm>
19. Klaus Novy (1944–1991) was professor of urban economics and a key figure in 'Red Vienna', the housing cooperative movement and the settlers' movement.
20. Source: <http://www.gartenpolylog.org/de/3/wien> (accessed 13 January 2013).
21. Source: <http://www.wien.spoe.at/umwelt/stadt-wien-foerdert-gemeinschafts-und-nachbarschaftsgaerten> (accessed 13 January 2013).
22. Source: <http://www.wien.gv.at/tv/detail.aspx?mid=219014&title=Gemeinschaftsgärten-werden-immer-beliebter> (accessed 31 January 2013).
23. Source: <http://www.skillsdevelopment.org/PDF/Urban-agriculture-research-full-report.pdf> (accessed 31 January 2013).
24. Source: <http://www.vienna.at/urban-gardening-im-prater-schulkinder-gestalten-hochbeete/3280327> (accessed 13 January 2013).
25. This term is used by the Reclaim The Fields constellation, describing the situation of people taking action to regain control over food production, having no access to land or the means to afford it. See: <http://www.reclaimthefields.org/who-we-are> (accessed 30 January 2013).



26. The term 'constellation' is taken from the 'Who we are' text of Reclaim the Fields (see <http://reclaimthefields.org/who-we-are>). For further explanation, see the first RtF-Bulletin, available at <http://reclaimthefields.org/content/bulletins>.
27. CSA is an alternative mode of organising farms by eliminating intermediaries, linking consumers and producers more directly to counter this dichotomy and to guarantee the economic basis of agriculture in common, among many other reasons. CSA allows for (partial) independence of the market, which increases the room for manoeuvre to organise production, distribution and consumption more according to the needs of the community, with a view to social justice and sustainability. SoliLa! echoes this mode of organising as *Solidarische Landwirtschaft* ('Solidary Agriculture'), as it is usually referred to in German-speaking countries. See for example: <http://www.solidarische-landwirtschaft.org/>.
28. See e.g. <http://17april.blogspot.eu/2012/03/22/land-denen-die-es-bewirtschaften/> (accessed 10 January 2013).
29. See, for example: <http://oe1.orf.at/programm/301574/>; <http://derstandard.at/1334531056374/Feldbesetzung-in-Wien-Wir-bleiben-um-zu-gaertnern/>; <http://derstandard.at/1334796288491/Wien-Floridsdorf-Boku-liess-besetztes-Feld-von-privaten-Sicherheitskraeften-raeumen/>; <http://fm4.orf.at/stories/1697501/>; <http://www.vienna.at/zu-besuch-bei-den-feldbesetzern-von-floridsdorf/3231700/>; and <http://diepresse.com/home/bildung/universitaet/752794/Boku-laesst-von-Studenten-besetztes-Feld-raeumen-> (all accessed 30 January 2013).
30. A broad selection of squatting projects in Vienna featured in an exhibition in the 'Wien Museum' in 2012. See: <http://www.wienmuseum.at/de/ansicht/ausstellung/besatztkampf-um-freiraeume-seit-den-70ern.html> (accessed 30 January 2013).
31. Source: <http://unibrennt.at> (accessed 13 January 2013).
32. The terminology in this paragraph is mostly taken from the 'Who we are' text of Reclaim the Fields (available at: <http://reclaimthefields.org/who-we-are>). For an explanation of the 'constellation' and 'star' terminology, see the first RtF-Bulletin, available at: <http://reclaimthefields.org/content/bulletins/>.
33. Source: <http://krisu.noblogs.org/post/category/petition/> (15 January 2013).
34. One attempt to work towards democratising research and education is 'Democratising Agricultural Research for Food Sovereignty in West Africa', published by the International Institute for Environment and Development (IIED). The title illustrates that the content and especially the guidelines mentioned in the study are not universally applicable but must be examined in each context (Pimbert et al., 2010).

# The Return of the White Horse:

## Land Grabbing in Hungary

Robert Fidrich

### Preface: The Legend of the White Horse

Hungary's land and the soil are of great national value. This is even reflected in history books and popular legends. One such legend – the Legend of the White Horse<sup>12</sup> – describes how following a centuries-long migration from Asia, the ancient Hungarian tribes entered the Carpathian basin in around 895 AD after receiving news about the wonderful fertile soils and rich rivers of this area. The conquering Hungarians sent a gift of a beautiful white horse to the Moravian chieftain, Svatopluk I, requesting only a cup of water from the Danube, a handful of soil and some grass from the meadows. After receiving these, the Hungarian tribes entered the Carpathian basin and told Svatopluk that from now on the land belonged to them. Svatopluk allegedly disavowed this 'contract' and then, after losing a battle, drowned in the Danube as he fled the Hungarians.<sup>3</sup>

### Introduction

The agricultural and political developments in Hungary over the last two decades show that the White Horse has returned, albeit under a different guise. The actors are not ancient conquering tribes but 'investors' from the old European Union (EU) Member States attracted by the low cost of land in Hungary, and the prospect of capturing lucrative agricultural subsidies following Hungary's accession to the EU. Despite Hungary's moratorium on foreign land ownership, examples in this chapter show how outside actors have been able to 'grab' and control large areas of land, in particular through the use of so-called 'pocket contracts' and the manipulation of tenders to lease land. The role of the Hungarian state in this process has been ambivalent. On the one hand, it has sought to regulate the worst excesses of these land grabs, criminalising various practices. On the other hand, a state-capital alliance is actively facilitating and profiting from these dubious land deals. These competing tendencies in Hungarian agrarian politics raise both challenges and opportunities for Hungary's farmers and civil society groups.

This chapter is divided into four main sections. The first introduces Hungary's agrarian context and the main driving forces of land grabbing. In the second section, the two main types of land grabbing in Hungary – 'pocket contracts' and the lease of formerly state-owned land are detailed in various case studies. The third discusses the role of the Hungarian state in land grabbing, followed by a fourth section that identifies opportunities for farmer and civil society mobilisation and resistance to land grabbing. The chapter ends with recommendations on how to stop land grabbing in Hungary.

## 1. Hungary's agrarian context

Hungarian agriculture and rural society have undergone several transformations since the end of the Soviet Union. Although agricultural land use remains relatively high and smallholder agriculture

continues to dominate (see Box 1), Hungary's small farmers are challenged by the growing land concentration, the privatisation of the Hungarian food system and the withdrawal of public investment from the countryside. Many of these trends have accelerated since Hungary's accession to the EU. This section gives a brief overview of the main features of Hungary's agrarian context.

## 1.1 Changing agrarian structures

In Soviet times, Hungarian agriculture was dominated by cooperatives and state-owned agricultural conglomerates. The collectivisation of Hungarian agriculture was a coercive state-led exercise, in which farmers were forced to 'offer' their land to the new cooperatives.

After the end of the Soviet Union their original land was restored to the cooperative members. This resulted in the creation of many small, non-competitive plots, many of which would later become the target of various forms of 'land grabbing'.

During the 1990s and after 2000, farming livelihoods and rural society were hit by a number of sweeping reforms. The privatisation of the food-processing industry and supermarket chains, the opening up of the food market to foreign products and the elimination of tariffs all eroded Hungary's local food systems and cultures.

### Box 1. Basic facts about Hungarian agriculture

Hungary comprises 9.3 million hectares (ha). The cultivable area is 7,768 million ha (including forests, reed-beds and fish-ponds). The agricultural area amounted to 5.79 million ha in 2008 – 62% of the total land area, which is high among EU countries. Around half of the arable land is used to grow cereals. The share of agriculture in the GDP fell from 13.7% in 1989 to 2.5% in 2009. Employment in agriculture also decreased from 8.3% in 1996 to 4.6% in 2009, while the share of agribusiness in GDP is quite high, around 12%–13% in 2008.

Sources: 'A magyar mezőgazdaság és élelmiszeripar számokban' (2005, 2009, 2010).

This process has accelerated since Hungary's accession to the EU, when highly subsidised agricultural products flooded the market. This resulted in many farmers going out of business, especially since in the first six years after accession the majority of small farmers were not eligible to apply for EU agricultural subsidies. Since small farmers constitute the vast majority of Hungary's farming population, this meant that 93% of farmers were excluded from the subsidy regime. No wonder that some experts concluded that '90% of agriculture subsidies went to only 100 persons'.<sup>4</sup> In 2009 for instance, 8.6% of farms received 72% of the agricultural subsidies.

The plight of Hungary's farmers has been worsened by the withdrawal of government support to rural areas, resulting in the closing down of many rural services including railway lines, schools, post offices and hospitals. All these factors precipitated the destruction of Hungarian farmers and rural society, paving the way for those who were keen to grab land and increase land concentration.

## 1.2 Land use: concentrated and fragmented

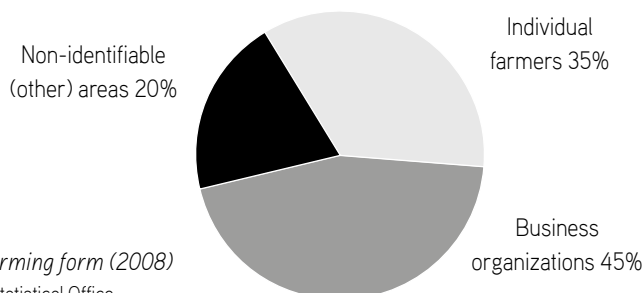
Land use in Hungary is at the same time both extremely concentrated and fragmented. A large number of small farms must compete with a small number of huge farms.

Land use has been disconnected from land ownership. Although the Land Act forbids legal entities (e.g. corporations, foundations and limited liability companies) from buying land, they can rent thousands of hectares to create huge farms.

Figure 1. *Land use by sectors in Hungary*

Land user	Total area (ha)	Relative size (ha)
Private individuals	3,294,260	9.38
Cooperatives	340,052	307.46
Business Companies	2,715,843	302.53
Other	287,647	102.06

Source: FVM, 2009

Figure 2. *Land use by farming form (2008)*

Source: Hungarian Central Statistical Office

### 1.3 Moratorium on foreign land ownership

Land ownership in Hungary is regulated by the 1994/LV Act on soil and land, according to which *land can only be owned by domestic private persons* up to a maximum of 300 ha or 6,000 golden crown (AK) value.<sup>5</sup> *Foreign persons or companies are not allowed to own land.* A moratorium on land purchases by foreigners was instituted in 2011. Domestic legal entities are also prevented from obtaining land, with notable exceptions including the state, local authorities, public foundations, and forest or pasture ownership associations.

Land can be leased up to a maximum of ten years (except in the case of forests and orchards and land leased by the state and local authorities). National and foreign private persons and legal persons can lease a maximum of 300 ha (or 6,000 AK value). Companies and corporations are allowed to lease up to 2,500 ha (or 50,000 AK value). The state and local authorities can rent bigger tracts of land.

Hungary's moratorium on foreign land ownership contradicts the EU's single market, in which any obstacle to the free flow of capital and commodities is to be eliminated.

Technically, the new accession countries are obliged to harmonise their legal systems and open their land markets to any EU citizens or EU-based companies. However, since land prices were 10–20 times lower in Hungary than elsewhere in the EU, land was considered to be exempt from legal harmonisation. Most new accession countries were allowed seven years to open up their land market to foreigners. The Hungarian land moratorium of 2011 has been extended by a further three years, so until 2014 foreigners cannot legally purchase land in Hungary.<sup>6</sup>

### 1.4 The driving forces of land grabbing in Hungary

Land grabbing is not a new phenomenon in Hungary. Land has traditionally been sought because of the excellent quality of the soil and the abundant water resources it contains.<sup>7</sup>

Land concentration increased in the early 1990s when the state issued compensation notes in order to compensate citizens for unjust harms caused by the Communist regime. These notes could be used for the privatisation of state-owned assets, shares and also for purchasing land. However, as there was no real demand for the compensation notes that were issued *en masse*, their value decreased fast. However, certain lawyers and real-estate companies, who perceived the likely appreciation in its value, seized this opportunity to start buying up land. In many cases, they struck a deal with people who had received the compensation notes and were eligible to attend the land actions to bid for the land, and then purchased the land from them.

Hungary's accession to the EU has brought with it increasing commercial pressure on land. In particular, the **low price of land in Hungary** compared to the old EU Member States has been a driving force behind a new wave of land grabbing (see Figure 3). In the mid-1990s, the price of a hectare of land in Hungary was around 30,000 HUF, while in Austria it was around 3 million HUF. Although the price of land has been increasing over the last few years (7.7% increase in 2010), in view of population growth, resource constraints, and concerns about climate change and peak oil, it is still five to ten times lower than in Western European countries (e.g. arable land in the Netherlands is 20 times higher, in Denmark 15 times higher, in Spain eight times higher, and in France three times higher than in Hungary).<sup>8</sup> For farmers and companies in the existing EU countries, purchasing or leasing land in Hungary is therefore an attractive prospect.<sup>9</sup>

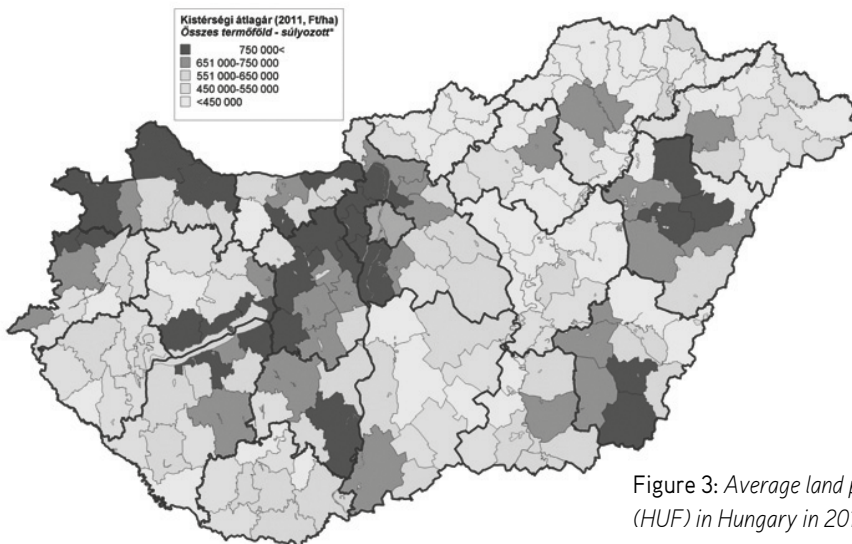


Figure 3: Average land prices (HUF) in Hungary in 2011

Source: OTP Termőföld Értéktérkép 2012 - OTP Bank, 2012 available at [https://www.otpbank.hu/OTP\\_JZB/file/Ertekterkep\\_Termofold\\_201205.pdf](https://www.otpbank.hu/OTP_JZB/file/Ertekterkep_Termofold_201205.pdf)

The expected lifting of the Hungarian moratorium is another driving force behind land appropriations, following which prices are expected to rise.

Another main driving force of land grabbing in Hungary is the EU agricultural subsidies. Land users can obtain quite significant land-use related subsidies (e.g. Single Area Payments Scheme – SAPS), the collection of which can represent quite a profitable business, especially when the land has been acquired or leased at an extremely low price. Case studies show that this is one of the main factors in the recent scandals surrounding the lease of state lands in Hungary. The EU bio-fuels targets and the bio-mass subsidies are another factor.

There are also signs that Hungarian companies are involved in the global land-grabbing phenomenon. One of the owners of the largest Hungarian bank, OTP Bank, Sándor Csányi, is also one of the biggest landlords in Hungary. His company, *Bonafarm*, has been implicated in a land-grabbing case in Zambia. *Bonafarm* was one of the foreign investors that submitted bids to the Zambia Development Agency (ZDA) for development of the Nansanga Farm Bloc.<sup>10 11</sup> According to the media, at least 9,000 farmers living in the 18,000 ha area would have to be resettled by the Zambian government.<sup>1213</sup> Finally the negotiations with the government broke down, and *Bonafarm* decided to give up on the project. One of the reported reasons for this failure was that the leader of the Patriotic Front, which won the general elections in Zambia in autumn 2011, was not supportive of foreign investors. *Bonafarm* is now preparing for large-scale land deals in Romania. Media reports suggest that the negotiations have already started.<sup>14</sup>

## 2. 'Pocket contracts'

'Pocket contracts' are one of the main types of land grabbing in Hungary. The term originally referred to land deals that omitted the date of the purchase, and the contract is kept 'in the pocket' until the land moratorium is lifted. Only then the date will be filled in and the contract can be legalised and submitted to the land-registry authorities. The term is now used to describe all kinds of contracts that aim to find 'solutions' to the legal restrictions regulating land deals.

Despite the legal restrictions, research by the Győr-Moson Sopron County Agricultural Chamber indicate that around 1 million ha of land has been obtained by foreign persons or companies via 'pocket contracts' over the last two decades.<sup>15</sup> Austrian farmers have obtained most of the land acquired in this way, but German, Dutch, Danish, British and other farmers and companies are also involved. Since all these illegal land grabs are backed by legal land use,<sup>16</sup> around 300–500 million HUF (or €1.1–1.8 million) in national and EU agricultural subsidies have been given to these foreign land grabbers since Hungary's accession to the EU.<sup>17</sup>

It is hard to estimate the real extent of pocket contracts because of their illegal nature. The Hungarian government estimates that around 1–1.5 million ha land is in the hands of foreigners. The Austrian ambassador disputes this figure. According to him, Austrian farmers have obtained 'only' 160,000 ha of Hungarian land.<sup>18</sup> There are, however, villages close to the Austrian borders where locals report that 80% of the land has been bought up by foreigners.<sup>19</sup>

### 2.1 'Pocket contracts': selected case studies

There is ample evidence of the destructive impact of these 'pocket contracts', but we highlight three examples. The first is a sprawling property in Somogy county. Owned by the Italian Benetton family (the family behind the global textile brand of the same name), it is described by locals as Hungary's version of the notorious 'Alcatraz' prison. The second involves the accumulation of land by the wife of an Austrian investor through land 'donations' that were challenged as fictitious by local residents. The third details the business dealings of the *Grupo Milton* – a Hungarian company with Spanish ties – and the failure of its much hyped 'investment' projects.

#### A. The Hungarian 'Alcatraz'

One of the big names linked to 'pocket contracts' in Hungary is the Italian Benetton family. Its activities made headline news when the right-wing party *Jobbik* organised a demonstration in front of the Benetton farm in April 2012.<sup>20</sup> According to news reports, the former cooperative property in Görgeteg,

## Box 2. Typology of Pocket Contracts

The Győr-Moson Sopron County Agricultural Chamber has identified 16 different types of ‘pocket contract’ over the last decade. Although some have since been excluded due to changes in the Land Tenure Act, it is worth listing them:

- 1) Sales contracts from which dates are missing. Dates will be attached after the moratorium on the land sale is lifted.
- 2) Completed sales contracts that are not submitted to the Land Registry. Contracts have a provision stipulating that they will be rewritten after the ban on the sale is lifted. In the first two types, the contracts cite an inflated price that is beyond the reach of the vast majority of local land users to ensure that no reinstatement can occur.
- 3) Contract is confined to pre-emption, or contract is a lease agreement that ‘may not be abrogated’, and it includes pre-emption.
- 4) Contracts that have been submitted to the Land Registry include a provision that says that the land transfer should only occur after the last (symbolic) instalment is paid. That last instalment would be paid only after the ban on the sale is lifted.
- 5) Options contracts: the buyer can access the property once the ban on the sale is lifted by issuing a unilateral statement.
- 6) Before the current land law entered into force, there was a short period when companies could buy land. If foreigners bought a stake in the assets of such a company, they became the owners of a tract of Hungarian land.
- 7) A contract in which the buyer is a foreign national but the contract does not mention their nationality and address. This is a primitive type of fraud but in many cases the Land Registry officials fail to notice it.
- 8) A joint venture is formed. The foreign partner contributes cash and the Hungarian partner contributes land. In time the foreign partner often buys out the Hungarian partner.
- 9) A company is formed for the ownership of woods or pasture.
- 10) Land is mortgaged to serve as collateral for a simulated loan deal. The foreign partner is named as beneficiary of the deal.
- 11) A foreigner is named as the heir of the land in a last will.
- 12) Instead of a sales contract, a deed of gift is written.
- 13) Instead of a sales contract, a contract is written on the exchange of two pieces of property.
- 14) A contract is written transferring the rights to derive benefits from the land for 99 years or for an indefinite period of time.
- 15) Occasionally Hungarian front men (‘straw men’) are used. A Hungarian citizen is the ostensible owner but the foreigner provides the purchase price. The obligations are not specified. Often the straw man is allowed to become owner of 1–2% of the assets of the foreign-owned company. Then the Hungarian straw man, acting as a co-owner, may use the right of pre-emption.
- 15) An internal auditing report is submitted to the Hungarian tax authority stating that a non-Hungarian citizen of the EU has been engaged in agricultural activity in Hungary for at least three years. The tax authority (unfortunately) approved such statements in many cases. After obtaining such approval, the foreigner concerned may own the Hungarian land.
- 16) Occasionally an illegal land deal is assisted by the Hungarian state. A non-Hungarian citizen of the EU receives the requisite documents from the Hungarian authorities without having carried out agricultural activities in Hungary over a period of three years. Sometimes such a permit is issued not for a specific tract of land but for an unspecified area.

Source: Roszik, P. (2011) ‘A fenntartható birtokpolitika megvalósíthatóságának akadályai – közte a zsebszerződések’.

Somogy county, was purchased first by a German, falling into the hands of an Austrian owner before it became the property of Carlo Benetton.

The French newspaper *Le Monde* picked up on the case:

With its brand new white gate, the spread looks like it belongs to TV's mythical Ewing clan. Only the doorbell, manufactured in Florence, reveals that this former hunting lodge in south-western Hungary, previously owned by the Counts of Széchenyi, is now the property of Carlo Benetton, a scion of the Italian textile dynasty. The owner of vast estates in Argentina, here, Benetton exploits 7,000 hectares of corn, wheat and poplar trees. 'Folks call the castle "Dallas",' says, with a grin, Harri Fitos, a civil servant in the adjoining village of Görgeteg, located south of Lake Balaton. As for the village of 1,200 residents, hemmed in by fences to protect the Benetton fields from game, some have nick-named it 'Alcatraz', after the former US prison. The unemployment rate here is 50%, with little hope of finding a job – except for working security on the estate.<sup>21</sup>

## B. 'Donation fever' in the Őrség

At Bajánsenye in the Őrség region, a strange 'donation fever' broke out. One after another, villagers donated their land to a Hungarian woman, who collected property for her Austrian common-law husband. Later she also purchased land, acquiring 63 ha in this way. A local farmer, Mrs Györke contested these 'donations' arguing they were transactions designed to circumvent the pre-emption rights of local farmers.<sup>22</sup> The Supreme Court ruled in her favour so she was able to reclaim 49 ha. This is, however, only a drop in the ocean. In Bajánsenye, 80% of the 1,200 ha is already in the hands of foreigners, with three Austrian-affiliated ventures cultivating the lands.<sup>23</sup>

## C. Grupo Milton and the 'Spanish method'

Two of the top five property frauds listed by HVG.hu, the online version of the leading economic weekly magazine *HVG*, were the Balatonring and the Páty 'Gold Village' projects of *Grupo Milton* – a company that prepared businesses dealings for the Spanish real-estate firm *Sedesa*.<sup>24</sup> To conduct the fraud, the company used what is known as the 'Spanish method' in Hungary. This means that the company lobbyist, who knows the local area very well, builds excellent links with representatives from both sides of the political spectrum in order to 'grab' land belonging to the local authority, accompanied by grand promises to undertake mega-investment schemes. Later the local authority changes the status of the arable land to *area for residential or industrial use* creating billions of HUF profit for the investor (and for some members of the local council).<sup>25</sup>

### Box 3. Profile Grupo Milton

*Grupo Milton* promotes itself in Hungary as the holder of 87 Spanish-based firms, with a turnover of €580 million in 2008. The head of the company, Bence János Kovács, is said to be the tenth richest person in Hungary with a fortune of 54 billion HUF. The website index.hu reports that he left the country more than 20 years ago when he was 18 years of age, making his fortune in Spain investing in real estate. In the early 1990s Bence János Kovács worked as a journalist and as a film-maker in the early 2000s in Hungary. He was convicted on charges of fraud and other crimes in 1995.

Source: [http://index.hu/gazdasag/magyar/2010/02/22/kemeny\\_porno\\_rom-mania\\_balatonring/](http://index.hu/gazdasag/magyar/2010/02/22/kemeny_porno_rom-mania_balatonring/).



## (i) Balaton-ring

The *Grupo Milton* holding rose to prominence in Hungary following a number of spectacular investment projects. One was as the new sponsor – together with the Spanish partner *Sedesa* – of the Hungarian MotoGP racer, former 125cc World Champion Gábor Talmácsy, and the investor behind the new planned MotoGP racecourse, Balatonring, in Sávolly, south of Lake Balaton.

The 196 ha in Sávolly where *Grupo Milton* wanted to build the ring was acquired by Béla Kiss and Béla Kiss Jr. in 2007–2008, according to the documents obtained by the investigative journalism watchdog *atlatszo.hu*. Public registry documents showed that until 2009 Béla Kiss was the CEO of the real-estate company *Evern Invest Hungary*, whose owner was Vicente Cotino, a real-estate mogul and chair of the *Sedesa* group.<sup>26</sup>

The foundation stone of the Balatonring project was laid in November 2008. As proof of the excellent links *Grupo Milton* enjoyed with the political establishment, the then National Development Minister, Gornod Bajnai and the Minister for the Economy, István Gyenesei, were in attendance, along with various other political figures. At this event, it was announced that 30% of the construction costs would be paid by the state-owned *Magyar Turizmus Zrt*, while the remaining 70% would be financed by the *Sedesa* group.

By 2009 and 2010 many alarming facts came to light about the dealings of *Grupo Milton*. It was revealed that the government decided to award €74.7 million in state aid as well as a loan of €55 million from the Hungarian Development Bank to *Sávolly Motorcentrum Kft*, a project operated and owned by Worldwide Circuit Managment SL, in which the *Sedesa* group is involved.

In February 2010 documents leaked from the Ministry of Finance showed that officials found the investment very 'risky, uneconomic and unlawful'<sup>27</sup>, and even Péter Oszkó, Minister of Finance, admitted that the leaked documents contained true information<sup>28</sup>. In March 2010, *Transparency International Hungary*, the *Hungarian Civil Liberties Union* and *K-Monitor Anticorruption Watchdog Institute* – major Hungarian anti-corruption NGOs – turned to then Prime Minister Gordon Bajnai to express their concerns about the project's financing from public sources, asking him to freeze the contracting procedure and the disbursement immediately.<sup>29</sup>

In March 2010 – after further scandals about *Grupo Milton* and *Sedesa* were revealed and following the disclosure of the KPMG feasibility study<sup>30</sup> – the leader of the state-owned company *Magyar Turizmus Zrt*, who played key role in this case, resigned. Finally, the Hungarian Development Bank announced that it would refuse to sign the contract with *Sávolly Motorcentrum Kft.*, thereby cancelling the whole project.<sup>31</sup>

## (ii) Páty

Another project of *Grupo Milton* that raised public concern was the so-called 'golf village project' in Páty, a village around 30km west of Budapest, not far from the M1 motorway. In 2002, the local council of Páty gave the green light to plans for a golf course submitted by *Jabinor Kft*, a real-estate firm. Two individuals purchased the 120 ha of arable land bordering the neighbouring village of Telki. One was Rita Polet, wife of the Belgian businessman Christian Polet. In the registry documents, the right to a mortgage was registered by *Jabinor Kft* (whose official headquarters are listed as being in the same flat as Polet's firm). *Jabinor Kft* 'donated' 300 million HUF to the local council of Páty in 2006. Officially, the sum was used to build a kindergarten.<sup>32</sup>

Yet according to sources provided by *Index.hu*, this was the same amount as the cost of reclassifying the land use from arable to residential or industrial use. In 2005, after voting on an amendment proposal of Gábor Laboda, a socialist member of parliament, the Agglomeration Law was modified so that the

area in question was listed as a development area, eligible for a special sport-zone status. Laboda was declared an honorary citizen of the villages three years later.<sup>33</sup>

*Grupo Milton* also joined the project, purchasing real-estate projects in Pécs and land in Tárnok, Székesfehérvár and Páty for a total of 5 billion HUF. The former golf course project in Páty was suddenly ten times bigger. In 2009 the new plans and designs drawn up by the Spanish architect company were presented. According to these, the new goals of the project were to expand Páty and build a new residential area with 300 villas, 600 twin houses, 1,400 flats, two hotels, a swimming pool, a conference centre, a school and a giant shopping mall (plaza) around a big golf course.

The new plans shocked the local citizens, who formed an opposition movement. The local council of Telki unanimously rejected the modification of the urban plan for Páty. Despite growing opposition by the local movement 'Páty is not for sale', the local council of Páty approved several proposals favouring the project. In March 2010, the opposition movement demonstrated in front of the Spanish embassy in Budapest. They approached the 'ombudsman for future generations'<sup>34</sup>, who stated the decrees of the local council contravened the law on several points. At the end of March 2010 the local council denounced the ombudsman's statement. In response the ombudsman turned to the Constitutional Court to ask for the decrees of the local council to be cancelled.

Finally, after various scandals and widespread opposition to the *Grupo Milton* and its projects the local council of Páty revoked the urban plan that would provide the basis of the project. The official reason was that *Grupo Milton* had been unable to acquire the land before the deadlines set for the project.<sup>35</sup>

Thus another project of *Grupo Milton* failed. Since then *Grupo Milton* has almost completely disappeared, with none of its projects implemented.

## **2.3. Taking action against 'pocket contracts'**

The controversy surrounding 'pocket contracts' has not gone unnoticed and a number of steps have been taken to tackle them:

### **A. Investigation of a 'pocket contract' case**

In 2010, the newly elected Fidesz government announced that it would seek to investigate the issue, with a special committee set up in 2011. A few months later, the Győr-Moson-Sopron county police opened an enquiry into a 'pocket contract' case in November 2012. It is suspected that an Austrian investor obtained land with the assistance of a Hungarian 'straw man'. A criminal investigation was started because of a falsified legal document. A piece of land value at 140 million HUF was purchased by a Hungarian family farmer. This aroused the suspicion of the police since the farmer could not have had this kind of money. In addition, Hungarian farmers are not cultivating this piece of land.<sup>36</sup> This is allegedly the first case of a police investigation into of a 'pocket contract'.

### **B. 'Pocket contracts' in the new Criminal Code**

The Criminal Code approved in June 2012 contains a paragraph about 'pocket contracts'. Paragraph 349 deals with the illegal acquisition of land. Those who sign invalid contracts involving either (a) the acquisition of land or (b) the creation of beneficial ownership or usage rights circumventing legal prohibitions or restrictions, can receive jail sentences of between one and five years. Lawyers or notaries involved in setting up such contracts can also be sentenced.<sup>37</sup> The new Criminal Code enters into force in July 2013. Until then, the government has offered an amnesty to anyone who discloses information about 'pocket contracts'.<sup>38</sup>

### **C. Recommendations from farmers and civil society regarding ‘pocket contracts’**

A conference on land tenure policy and ‘pocket contracts’, organised by the Magyarországért Kulturális Egyesület (‘For Hungary’ Cultural Association) and the Győr-Moson-Sopron County Agriculture Chamber, was held at the West Hungary University Mosonmagyaróvár Department on 16 June 2012. The conference made the following recommendations regarding ‘pocket contracts’:<sup>39</sup>

- 1) One cannot rely on voluntary ‘admission’ by people who have acted illegally. They may intentionally lie, saying they followed the regulations while knowing this is not true, or they may be unwittingly involved in an illegal deal, unaware that they have done anything wrong.
- 2) The inclusion of ‘pocket agreements’ in the new Criminal Code is very welcome, as is the amnesty for voluntary admissions, but is not enough to resolve the situation. We propose that the Criminal Code define and list the known types of contracts and documents that are subject to legal review, while not narrowing the legal effect to the listed cases.
- 3) Beyond the Criminal Code, the state should implement a coordinated strategy to regulate ‘pocket contracts’.
- 4) We recommend the following actions:
  - 4.1) Set up a Land Agency with strong authority and local chapters to investigate each reported ‘pocket contract’ on a case by case basis;
  - 4.2) Replace the vendor in case of a contract cancelled by the state;
  - 4.3) In the case of a cancelled contract, the legal status of the land should be established by the state;
  - 4.4) In the process of cancellation, the interests of the state should be represented by a lawyer, declaring the illegal nature of certain types of contract in a public hearing if necessary;
  - 4.5) The police should make investigations if this is required;
  - 4.6) Improve the real estate registry so that dubious entries can be queried and reported (...);
  - 4.8) The National Tax Agency should investigate all assets held by well-known local ‘straw men’ (...);
  - 4.19) The persons involved in a ‘pocket contract’ should be – at least temporarily – excluded from the land market.

## **3. Land grabbing and the Hungarian state**

The role of the Hungarian state in land grabbing is complex. On the one hand, the state – or progressive factions receptive to the interests of small farmers and civil society concerns – are leading the charge in investigating suspicious land deals and taking measures to curb them, such as with the uptake of ‘pocket contracts’ in the new Criminal Code. On the other hand, the state also facilitates many large-scale land deals. A state–capital alliance characterised by elite enrichment, corruption, and cronyism threatens to stymie any attempts to tackle land grabbing in Hungary. The transfer of thousands of hectares of formerly state-owned lands into the hands of small group of people between 2002 and 2010 is indicative of this alliance. It is in a sense a kind of ‘pocket contract’ enforced by the state involving the large-scale selling off or long-term lease of formerly state-owned land to big business at the expense of local small-scale farmers.

The two case studies below capture this duality. The first shows how land grabbing touches the very highest levels of Hungary's political class, with the family of Prime Minister Viktor Orbán profiting from a land lease tender in Fejér County. The second describes the battle by the then under-secretary of the Rural Development Ministry, József Ángyán – a key political ally of small farmers and the food sovereignty movement in Hungary – to prevent manipulation of a land-leasing tender in Southern Borsod. His failure to do so and his subsequent resignation demonstrate the difficulties in regulating and rolling back land grabs in Hungary. In both cases, it is local small-scale and family farmers who have lost out the most.

## **A. Fejér County: elite enrichment leaves local farmers empty handed**

The biggest scandal surrounding the land-leasing tenders took place in Fejér County where Felcsút, the native village of Viktor Orbán, Hungary's current prime minister, can be found. While friends and family of Orbán and other politicians received the bulk of the land, local farmers in places like Kajászó could not even rent a single square metre.<sup>40</sup>

According to the analysis made by József Ángyán<sup>41</sup>, two interest groups received almost 60% of the state lands during the tenders (a total of 3,156 ha – in both cases well above the 1,200 ha limit published in the tender call). The biggest winner was the interest group of the four families belonging to the *Csákvári Mg. Zrt*, who received 1,829 ha (34% of the recently announced area up for lease in the county). Even the 81-year-old mother of the company CEO was awarded 245 ha. After it was revealed that the mother lives in a retirement home in Budapest, there was a massive public outcry among the local farmers who had received no land lease. Finally, the National Land Management Authority (NFA) had to revoke the decision to lease 186 ha of arable land in the village Magyaralmás to the elderly woman, but the issue of leasing 60 ha of orchards in Csákvár to her remains outstanding.<sup>42</sup>

The second biggest winner of the Fejér tender process was the family of Lőrinc Mészáros, mayor of Felcsút (see Box 5), with 1,327 ha or 25% of the recently announced area up for lease in the county. Nine other interest circles received 90% of the land in the county (4,558 ha altogether). One of those obtaining more than 100 ha was János Flier and his family (377 ha). According to the local farmers, János Flier is co-owner of the land together with Anikó Lévai, the wife of the prime minister. Flier is Lévai's constant business partner: they have been buying, selling and exchanging land for many years.<sup>43</sup>

These nine interest circles were already receiving 199 million HUF in agricultural subsidies, including 143 million HUF in SAPS (area-based) subsidies in 2011. Calculating on the basis of 56,911 HUF/ha in subsidies, these groups were already cultivating at least 2,502 ha in 2011. They received 4,558 ha in 2012, thereby almost doubling their landholdings.<sup>44</sup>

The recent leasing fee for the state-owned lands is 1,250 HUF/AK (golden crown value).<sup>45</sup> The bigger winners received high-quality lands worth 21-24 AK/ha. Even in the case of these excellent lands one can calculate around 26,000-30,000 HUF/ha leasing fee. Taking into account that the area-based SAPS subsidies were 63,234 HUF/ha in 2012,<sup>46</sup> leasing state-owned land can be considered very good business. No wonder that suddenly so many 'new farmers' with close ties to the prime minister or other politicians submitted applications to the land-lease tenders. At the end of the tendering process, there were only nine villages out of the 28 where local farmers received at least part of the land (26.4% of the total area).

### Box 5. Felcsút mayor consolidates land and power

Alcsútdoboz is a village in Fejér County, about 50 km west of Budapest. It is situated next to Prime Minister Viktor Orbán's native village, Felcsút. Alcsútdoboz's historic farm, 'Hatvanpuszta', once belonged to Archduke Joseph and is now rented by Lőrinc Mészáros, mayor of Felcsút. The proprietor is CZG Kft, a company that belongs to Győző Orbán, father of the present prime minister and a well-known mine owner in western Hungary. The farm is surrounded by lands rented by the mayor's company, Búzakalász 66 Kft. All of these lands are public property, tendered out for farm leases. Two other plots of land next to Mészáros's belong to Anikó Lévai, Viktor Orbán's wife.

Although we saw construction works and local rumours say the mayor of Felcsút is planning to open a hotel there, Mészáros claims the buildings are used as warehouses and that the construction works we filmed are only conservation works. Locals, however, told us that Mészáros plans to open a hotel on the site to provide accommodation for filming crews working in the Korda Filmstudios. Korda Filmstudios is located in Etyek, a village near Alcsútdoboz, and belongs to entrepreneur Sándor Demján, who is ranked the fourth richest Hungarian.

In addition to leasing large areas of formerly state-owned land, Mészáros was also nominated for the presidency of Ferenc Puskás Football Academy by Viktor Orbán. This six-year-old football academy is building its own stadium in the village of Felcsút, using public funds. Mészáros is also the president of the landowner's community of Alcsútdoboz and Felcsút. This may be why local farmers claim he has acted as a 'straw man' in applying to lease national properties.

All this has meant that local farmers have been unable to even rent a single square metre of land while Mészáros's company and family members control 1,377 ha in the area.

Source: Adapted from Átlátszó (2012) 'Orban family is becoming landlord while local farmers get no land lease'. Available at: <http://atlatszo.hu/2012/05/15/orban-family-is-becoming-landlord-while-local-farmers-get-no-land-lease/>.

## B. The Mariano case: a broken promise to support family farmers in Southern Borsod

*Mariano Kft.* is a company founded in 1994 by the Italian investor Battisti Mariano and his Hungarian common-law wife Andrea Varga.<sup>47</sup> The company signed a 20-year contract with the Bükk National Park Directorate to lease about 4,300 ha in Southern Borsod.

According to recent government investigations, there are multiple irregularities in both the contract and the land use. First, at the time a maximum of ten-year leases were permitted. The 20-year lease was thus illegal. Second, the leasing fee was far below the market price, with the company paying nothing for the largest part of the land.<sup>48</sup> Lastly, the National Park also signed a contract with Andrea Varga and her brother, Kornél Varga, covering much of the same area, circumventing the changes in the 1994 Land Tenure Act.<sup>49</sup>

For the ecological management of this environmentally sensitive area, the company received 800 million HUF in the last four years from the European Agricultural Fund for Rural Development (EAFRD) agri-ecological scheme.<sup>50</sup> However, according to an expert witness, the ecological management tasks were not undertaken in 2006; the protected area was in very poor condition.<sup>51</sup> This has been corroborated in a report from the North-Hungarian Environmental, Nature Conservation and Water Management Inspectorate, which states that there has been a permanent neglect of ecological management duties.<sup>52</sup>

The Bükk National Park Directorate – after a call by the public prosecutor – initiated a court case to invalidate the illegal contract. After several years of legal process, the Supreme Court ruled the contract invalid in 2011.<sup>53</sup>

Other cases brought by the Bükk National Park Directorate against *Mariano Kft.* are still in progress. The Agriculture and Rural Development Agency (MVH) has already started an investigation into the payment of subsidies. If these are found to be illegitimate, the company will have to repay them. The nature conservation authorities will also take action should the charges of environmental damage and neglect of duties be proven.<sup>54</sup>

After the Supreme Court ruled the contract invalid, the state announced a tender to lease the 4,300 ha in Southern Borsod to local farmers. This formed part of the Fidesz Party's election promise in 2010 to advance the interests of Hungary's small farmers (see Box 4.)

The Bükk National Park Directorate, after receiving a written order from the Ministry for Rural Development, contacted the regional farmers' association in order to elaborate the conditions for a leasing tender of 4,300 ha of state land. After long and thorough negotiations with the Borsod Mezőség Farmers' Association, the tender of this land, to be divided into 52 units in the Borsod Mezőség Landscape Protection Area, was announced in September 2011.

Taking into account that originally there was a 200 ha limit per interest circle, this could have provided opportunities to a wider range of farmers, granting approximately 50–60 families with access to land.

Many farmers worked hard and submitted their applications on time. But after the deadline, the minister suspended the director of the national park, giving no reason, and cancelled the tender process on 3 October 2011, ten hours after the deadline. The local farmers did not understand what happened. Initially, they hoped the government wanted to provide further guarantees for the strengthening of the local farmer families.

However, József Ángyán, then under-secretary of the Ministry of Rural Development, noticed several irregularities and anomalies surrounding the Southern Borsod land-leasing tender process and also in other cases. He discovered that some forces within the Ministry were tailoring the conditions and rules to favour political cronies and large landowners. Not wishing to be part of a land grab by old and new landlords (or 'oligarchs') at the expense of local small-scale and family farmers, he resigned.

A new tender with modified conditions and a new deadline of 30 January 2012 was announced in December 2011. The first successful applicants were announced on 29 March 2012. The local farmers were disappointed.<sup>55</sup> So far, only 36% of the land units have been granted to people living in the same municipality. Three interest groups received 51% of the land (more than 400 ha each) and a further 31.5% has been given to four other interest groups (between 100 and 300 ha).<sup>56 57</sup>

#### Box 4. Fidesz: party of the peasants?

The Fidesz Party led by Prime Minister Viktor Orbán was elected in 2010 with a pledge to stand up for the rights of Hungary's small farmers. Following the scandals surrounding various land-leasing processes like the Mariano case, the government promised to offer the lands of expired lease contracts to local small and family farmers and young farmers. József Ángyán, founder of the environmental institute of Szent István University, Hungary's main agricultural university, is widely credited with championing this strategy and playing a key role and in bringing Fidesz to power by securing the support of rural Hungarians. He was offered the position of under-secretary in the Ministry of Agriculture and his vision for food sovereignty was translated into the new Rural Development Strategy approved by the parliament in 2011.

## 4. Resistance and opportunities: competing tendencies in Hungary's agrarian politics

This duality of the Hungarian state with regard to land grabbing reflects the tensions in Hungary's political system, in which competing political tendencies vie for prominence. Ángyán's resignation from the government can in some senses be read as a blow for the progressive bloc in the parliament, giving the oligarchs and landlords the upper hand.

However, the scandals surrounding the 'pocket contracts' and land-lease tenders have also ignited a new wave of mobilisation in civil society and among farmers. Far from disappearing from the scene, Dr Ángyán has organised several public forums in the countryside and more than 30 new farmers' unions/councils have been formed. Farmers' organisations such as Gazdatanácsok Országos Szövetsége (National Alliance of Farmers' Councils)<sup>58</sup> and Gazdálkodó Családok Szövetsége (Alliance of Family Farmers)<sup>59</sup> have recently become more active.

Efforts to resist land grabbing can be witnessed in both the land occupation carried out by local farmers in the village of Kajászó and civil society pressure against the proposed new Land Tenure Act.

### A. Land occupation in Kajászó

Kajászó was one of the villages where local farmers received no land during the 2012 land-lease tenders. Instead, a construction entrepreneur, Árpád Kiss, from the village of Kápolnásnyék, was awarded 280 ha, despite having no prior experience of farming. According to local residents, the fact that Kiss was a neighbour to one of the under-secretaries of the Rural Development Ministry played an important part in the decision.<sup>60</sup>

Inspired by José Bové's visit two weeks earlier, farmers from the village of Kajászó symbolically occupied and cultivated a piece of state-owned land in October, protesting against the decision to lease it to a non-resident. As *Népszabadság*, the leading Hungarian newspaper reported, a farmers' assembly was organised before the action, during which they demanded the repeal of the shameless land-lease decisions, which they viewed as illegitimate. The farmers also sent a letter setting out their demands to the NFA and to Sándor Fazekas, the minister in charge.<sup>61 62</sup> Since they received no real answers from the minister, a month later, in the spirit of civil disobedience, the desperate local farmers ploughed 70 ha and encircled it with a stripe, marking it as an 'occupied area'. The farmers began the action after it was revealed that the value of the 284 ha awarded to Árpád Kiss was 2,194 AK (golden crown), higher than the 6,000 limit of the land-lease tender. Hence the farmers decided to occupy and cultivate the 70 ha exceeding the limit that was declared to be illegally leased to Kiss.<sup>63</sup>

### B. Opening the land market: the new Land Tenure Act

In autumn 2012, the Hungarian parliament began discussing a new Land Tenure Act in order to regulate the land market after the moratorium on foreign land ownership expires in 2014. Although the official government communication emphasises that this is about ending giant farms, providing opportunities to small-scale and family farms, and preventing the purchase of land by foreigners, a careful analysis shows that the proposed legislation provides clear privileges for huge farms and companies. It does this by creating a new 'caste system', making it legally impossible for small-scale and family farmers to buy land above a certain limit (50 ha for small farmers, 300 ha for family farms), while providing unlimited (more than 1,200 ha) access to land for large farm owners and companies.

According to a statement issued by 71 civil society organisations (CSOs), the planned liberalisation of the land market would accelerate land grabbing in Hungary and lead to increased land concentration. The groups declared the draft unacceptable and urged significant changes.<sup>64</sup> Following a public outcry, the government was forced to postpone the vote on the draft act. By November 2012 more than 200 amendments had been submitted, with civil society and farmers' groups actively campaigning on the issue. The final vote on the act is expected in February 2013.

## Conclusions

The cases presented in this chapter show that the cautionary tale of the White Horse still resonates in present-day Hungary. With Hungary's accession to the EU, land and natural resources are increasingly being commodified and controlled by large-scale capital. Access to land for Hungary's small and family farmers is a precondition for the realisation of food sovereignty and the survival of rural society. The unfair distribution of agricultural subsidies, the opening up of the land market as proposed by the new Land Tenure Act, and the signing of 'pocket contracts' and other duplicitous deals all threaten this vision of land as a common heritage.

Against this background, the following recommendations are made to counter land grabbing in Hungary and secure access to land for the country's small farmers:

In the short to medium term:

- 1) All types of 'pocket contract' should be investigated by the government and invalidated before the expiry of the land moratorium. The remaining potential loopholes that enable 'pocket contracts' should be closed.
- 2) All details of tenders involving the lease of state-owned land should be disclosed and made easily accessible to the general public. The lease of such land should support small local farmers rather than those who have close ties to senior politicians.
- 3) The proposed Land Tenure Act should be modified in order to serve the interests of local, small-scale farmers rather than of large-scale capital and agribusiness.
- 4) The EU agricultural subsidy system should be changed to ensure that public money does not drive the grabbing and concentration of land. Public money should not be used to fund an agricultural system that generates negative external costs to society.
- 5) The bio-fuel targets should be dropped and public subsidies for bio-fuels and energy-biomass production withdrawn. The EU targets and subsidies for renewable energy should be subject to wider review in order to prevent land grabbing and the negative effects resulting from indirect land-use change.
- 6) The Accession Treaty between the EU and new Member States should be renegotiated. The obligation for the latter to open up their land markets should be dropped.

More generally:

- 7) Land should not be a commodity. The recognition of land as a common heritage of the nation in the constitution of Hungary (the 'Basic Law'), along with the duty of the state and the people of Hungary to protect it, should be truly implemented.



- 8) Local communities should control land and other natural resources. The precondition for rural regeneration is for rural people to regain sovereignty. The institution of community land tenure that was a common practice in Hungary a few centuries ago should be reintroduced. Local communities should collect all the fees/income deriving from the sustainable use and management of land and other natural resources.
- 9) All land tenure policies should facilitate access to land for local people whose livelihood is based on farming.
- 10) In order to enhance sustainable land use, an integrated system should be developed and introduced. Such a system could be the '*National and International Land Use Cap System*' proposed by MTVSZ and Friends The Earth Hungary. This is a similar system to the Energy Quota System promoted by the Resource Cap Coalition,<sup>65</sup> but the main focus is on land use.

## Endnotes

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# Scramble for land in Romania: an iron fist in a velvet glove

By Judith Bouniol\*

## Introduction

Across Romania, natural resources have become the object of greed and massive investments. Regardless of the resource exploited, peasants' lands are being grabbed and transformed, with effects that are far-reaching and often irrevocable. Lands are being grabbed for many purposes – agricultural, mining, energy, tourism, water resources, speculation – and entail not only control of the resources but also the power to decide on their use. This process is weakening rural economies and preventing the development of a dynamic rural sector.

The impact of massive land investments throughout rural Romania is destroying long-term rural development. Land grabbing is understood as using large-scale capital to capture control of physical resources as well the power to decide how and for what purposes they will be used. It is closely linked to and reinforces the phenomenon of rural exodus. It is also part of land markets as well as the liberalisation of the agro-food industries. Rural areas are gradually being transformed into landscapes for the industrial production of agricultural raw materials, to the detriment of human-scale agriculture, which is still important in Romania in creating jobs and good quality food. The growing phenomenon of land grabbing is pushing up the price of land, putting it beyond the reach of smaller local farmers. It further poses a serious concern for the entire society, as lands, natural resources, wealth and information are gradually concentrated in a few hands. This concentration of power goes against Romanian political, economic and food sovereignty. In this sense, the impact of land grabbing goes way beyond the territory included in the land deals.

Land grabbing is complex. In Romania, people are not forced to leave their land. The rural population, elderly and vulnerable, is generally enthusiastic when massive investments arrive and agree to lease their land; agro-industrial corporations settle legally, through lease or purchase of land. However, the apparent legality is like a velvet glove disguising the aggressiveness of the iron fist driving the phenomenon. It is difficult to know how much of Romania's land is affected. Although there are no official statistics, it has been reported that around 700,000 to 800,000 hectares (ha), or 6% of Romanian farmland, could already be in the hands of transnational corporations (TNCs). This is probably an underestimate, given the diversity of capital and investment schemes. Furthermore, the issue cannot be viewed only in quantitative terms. It is more relevant to observe the patterns of firms' settlement in rural communities and their qualitative impacts, since these are what directly affect the population.

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In that sense, land grabbing is not directly dependent on the origin of the capital. Whether Romanian or foreign, corporations monopolising the land develop activities that, in addition to concentrating land ownership, are harmful to the local environment and to the economic wellbeing and socio-cultural development of rural communities. Moreover, they conspire with the government authorities to steer legislation and development programmes in their favour, exploiting the vulnerability of the population and institutional weaknesses.

Land grabbing in Romania is increasingly conditioned by national and European political and legislative frameworks that focus on productivist agriculture and the liberalisation of the food trade – providing the apparatus for large-scale land investments. Indeed, Romanian government policy is openly directed towards the development of productivist agro-export agriculture and the Treaty of Accession to the European Union (EU) requires Romania's land market to be open to foreign buyers. Land grabbing is also nurtured through the massive subsidies directed towards large-scale agriculture by the government and the EU. Given the lack of support for peasant agriculture and coherent rural development, the socioeconomic context of rural areas is attractive for large investments. Rural exodus is intense, and when an agro-investor finds a vulnerable and uninformed population, the latter is generally receptive to the idea of renting out land in return for additional income.

This chapter analyses land grabbing from the perspective of Romania's dualistic agrarian structure, permissive political and normative frameworks and socioeconomic conditions in the rural areas. Four case studies are used to illustrate some of the implications of this phenomenon for rural communities.

## **1. The convergence of enabling factors for land grabbing**

### **A dualistic agrarian structure between concentrated and fragmented land**

After the World War II, Ceaușescu's communist Romania collectivised land and labour. Between 1945 and 1949, State Farms (IAS) and Agricultural Production Cooperatives (CAP) were created through agrarian reforms. In Wallachia and Moldavia IAS were the main agricultural units while CAPs dominated the rest of the country, especially the plains of Banat and Transylvania. In 1989, state farms and cooperatives accounted for 90% of the used agricultural area (UAA). The national agricultural system was based on large-scale production units: the average size of IAS was around 5,000 ha. The communist period promoted urban and rural industrialisation. To achieve the production targets, rural workers were needed for the urban industries, fuelling a rural exodus. In the late 1980s, Romania was divided between urban areas inhabited by industrial workers, and rural areas, where large farm units employed people who had been dispossessed of their lands.

Following Romania's revolution of December 1989, which put an end to communism, decollectivisation led to the fragmentation and privatisation of land. Cooperatives and state farms were dismantled very quickly. Cooperatives, representing two-thirds of arable land in 1989, were dismantled by the Land Trusts law in February 1991. The land was divided into many small plots that were distributed to former owners and members of CAP. State farms were dismantled by law nr.15/1990, and became commercial companies. In their early years, these companies were formally private but enjoyed only limited managerial autonomy since the state owned 70% of their capital.

Thus, since the revolution, the agrarian structure has been organised around small-scale exploitation and individual plots on the one hand, and large units of production operated by 'state-owned private corporations' on the other. The former – individual farms or family associations across more than 20 million plots of land – accounts for 65% of the UAA. Romania's agriculture is thus polarised between

family farms and large-scale agro-industry. Today, 99.2% of farms have no legal status as they are individual or family subsistence plots. In 2010, the average size of such farms was 3.5 ha while the average size of exploitations with legal status was 191 ha (Agricultural General Census December 2010–January 2011).<sup>1</sup> At both ends of the scale, the smallest farms are less than a hectare while the largest cover tens of thousands of hectares. Between 2002 and 2010, the former dropped by 14% while the latter rose by 35% (ibid.).

Massive agro-industrial investments have been legalised since the 1990s, and since the land market was not yet opened to the rest of Europe, the first land grabbers were Romanian. Many IAS and CAP have been acquired by former (high-)ranking officials who were able to take advantage of the land-privatisation process to become landlords.

## Political and normative frameworks

**National legislation.** Romanian law appears to restrict the purchase of land by foreign companies and to date, European companies cannot directly acquire farmland. But the law has several loopholes. First, European companies can merge with a Romanian partner and thus invest their capital in land. In addition, Article 31 of Law nr. 359/2004 stipulates that if one partner decides to cease operations and withdraws from the commercial registry, the remaining partners inherit the portfolio. Should a Romanian company associated with a foreign firm decide to terminate its activities, the entire property would then be transferred to the foreign firm. It is also possible to create a Romanian company. As long as these firms, regardless of the source of the capital, are registered in the Romanian commercial registry there are no restrictions on their purchase of agricultural and forest land. As from 2014, when Romania must open up its land market according to its EU Accession Agreement, European companies will be able to compete on the same conditions as nationals.

Finally, when a firm, Romanian or foreign, leases land, it also benefits from favourable legislation. Foreign individuals and companies are allowed to lease land under law 247/2005, but compensation is not strictly regulated and is based on a bilateral negotiation between the owner and the tenant. In practice, the parties are unequal. Since the tenant prepares the contract this confers stronger bargaining power. In addition, many owners of land are older and unfamiliar with administrative procedures, often signing contracts without reading them (Batagoiu, 2013). Legislation on leasing agricultural land further protects the tenants by allowing them to request a proportionate reduction of the rent if any crops are destroyed before harvest.

**Political Support.** The government is openly oriented towards the development of agro-industry. In its programme, clearly stating its wishes to move towards agro-industrial export agriculture. Accordingly, Romanian agriculture must 'increase its competitiveness in order to compete with European and international markets', and the government must take 'measures for merging and reducing the number of agricultural exploitations'.<sup>2</sup> Such policies are encouraging the exodus from farming and are conducive to land concentration and grabbing.

Banks are likewise supporting the agro-industrial sector, and turning their backs on peasant farms. An influential Romanian think-tank, CERPE, stated that the low productivity of Romanian agriculture was the result of the predominant share of small-scale subsistence farms (AGERPRES, 4 June 2012). The report also argues that 'the big food chain stores are tools to accelerate the fusion and the efficiency of agricultural activities – and should be among the objectives of the Europe 2020 Strategy'. The head of the foundation, also the Chief Economist of the Romanian National Bank (BNR), further declared

its intentions to get 'small subsistence farming out of Romanian agriculture'. He wants to establish 'punitive' taxes that would force small farmers to merge or sell their plots.<sup>3</sup>

**EU subsidies.** The European framework mainly benefits large-scale agri-businesses. From 2000 to 2006 Romania benefited from the Special Accession Programme for Agriculture and Rural Development (SAPARD) fund, designed to help new members to prepare their rural economy for EU accession. Romania then received €150 million of non-repayable subsidies to finance farmers' modernisation projects, most of which was directed towards larger production units. The first beneficiaries of SAPARD subsidies and Common Agricultural Policy (CAP) or European Agricultural Fund for Rural Development (EAFRD) funds for 'modernization and scale-up' have been Romanians taking over old state farms and cooperatives.

Since entry into the EU, Romanian farmers have benefited from CAP direct subsidies. In 2012, the direct subsidy per hectare paid by the EU was €120, while the Romanian state subsidy was €35.<sup>4</sup> It should be noted here that in Romania the subsidy covers the cost of renting land. Access to land by agri-business is thus to some extent funded by public money. Moreover, the CAP direct subsidies were very unevenly distributed. Less than 1% of farms of over 500 ha received half of the subsidies, the remaining 99% sharing the other half (Lucian, 2009). Besides this, Romanian farmers can also receive funds from EAFRD. Between 2007 and 2012, the EU and the Romanian state, under the agri-business-friendly measure 121 'Modernisation of Agricultural Holdings', measure 123 'Increasing the added value of the agricultural and forestry products' and measure 125 'Infrastructure related to the development and adaption of agriculture and forestry', spent more than € 2.9 billion.<sup>5</sup> EAFRD funds also support mostly large-scale agriculture – another incentive for land grabbing.

## Favourable rural socioeconomic dynamics

Romanian soils, *chernozem*, are among the most fertile in Europe. The Wallachia, Banat and Dobrogea regions are particularly conducive to intensive agriculture, with grasslands, high quality soils and irrigation systems – a valuable target for agricultural investors. This interest is fuelled by the relatively low price of land. A hectare of agricultural land costs on average €2,000. In some areas, the agricultural non-buildable hectare is sold for €120 while in some strategic parts the price can reach €3,000 (Batagoiu, 2013). Compared to countries where the average price is €5,000 (France), €8,900 (Germany) or €35,000 (Netherlands), Romanian prices are attractive. These prices are the result of the 'potential availability' of land. As peasants are cultivating less land, and such farmers are easily influenced, investors can find large areas to rent or buy. Leasing is also very affordable, with the cost per hectare per year ranging from €80 to €100 or 300 kg and 700 kg of wheat.

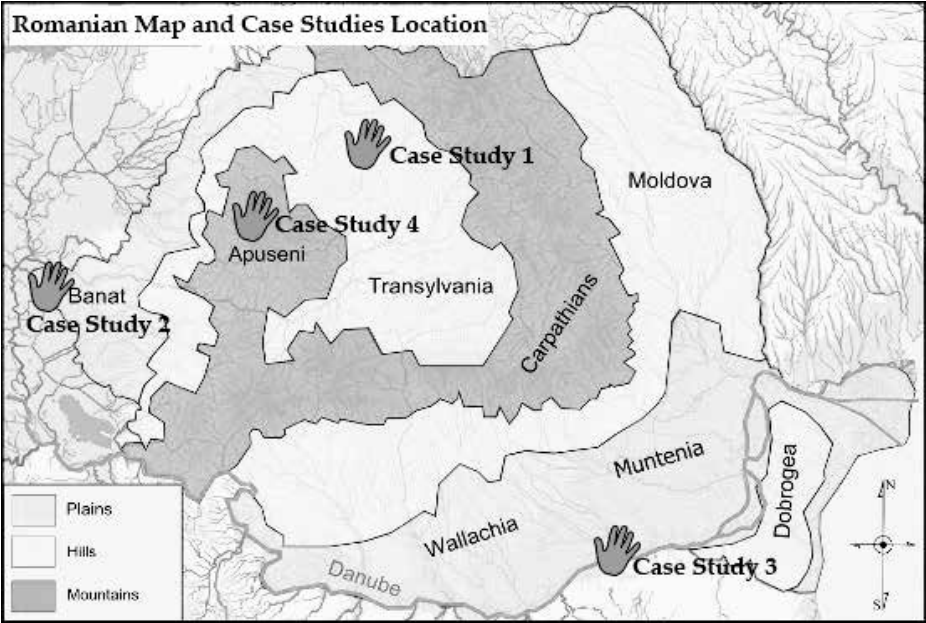
As mentioned earlier, the lack of support for small-scale farming in favour of large-scale agri-business had already led to a decline in peasant agriculture, easing the task for the land grabbers. Small farms are economically fragile – and farmers face many constraints on making any profit out of their activities even if they can meet their own food needs. The reasons are numerous; among them, it should be stressed that European standards for obtaining subsidies are very difficult to achieve, especially as access to finance is a major problem. The EAFRD funds are granted only if the applicant puts up half of the finance for the project. In general, farmers do not have sufficient funds of their own, nor do they have access to bank loans to pay their share in the costs of modernisation. Given that banks are reluctant to lend money, the investment capacity of peasant farmers is still further reduced. It is often impossible to acquire equipment to improve efficiency or to achieve up-to-code standards. This contributes to weakening small agriculture structures and to the 14% decline in the number of farms since 2002 referred

to earlier. Over the last decade, the number of agricultural workers dropped by 38% for exploitations without legal status (Agricultural General Census December 2010–January 2011.).

Finally, there is a strong de facto rural exodus as young people are not going into farming. The population employed in agriculture is relatively old – in 2009, 36% was over 55 years of age according to the National Institute of Statistics (2010). While there are few young farmers starting out, there is a trend towards a resumption of farming among those aged 58 years and above. It is indeed for them a source of additional income as well as simple way to remain autonomous (Ghid, 2009). The economically active population migrates to Romania's towns or to other European countries, irrespective of the working conditions. The average urban wage is €135 compared to €95 in the countryside (Pocol, 2009) These inequalities are also reflected in retirement pensions and access to public services. If education and health services are well developed in the cities, they remain rudimentary in rural areas. Since the 1980s, the proportion of the rural population has fallen from 80% to less than 45%, (Rey, 2006), within the broader context of Romania having lost 12% of its population in the last ten years (Agricultural General Census December 2010–January 2011). The rural population is ageing, rural areas are losing their labour force and traditional cultures tend to be neglected: all of this points to a weakening of Romania's rural areas to resist land grabbing.

### Land grabs in Romania at a glance

In a nutshell, Romania's attractive natural endowments and suitable lands or associated resources for agricultural activities make the country attractive for land grabs. Capturing control over land, decision-making power concerning its use and the economic benefits from its exploitation, the first land grabbers in the 1990s were Romanian firms, often intertwined with the authorities. Since the early 2000s, foreign corporations joined in the takeover, supported once again by the authorities. They enforce a corporate model of large-scale agro-industrial export agriculture that pushes Romania's rural areas further away from a democratic development path. The ongoing and accelerating land grabbing in Romania is further stimulated by the liberalisation in 2014 of national land market to European actors.





This chapter offers four case studies, presenting the diversity of the phenomenon's aspects and impacts. The first involves a Romanian agro-food company, *Transavia*. Aiming to cultivate around 12,000 ha of cereals, it is leasing land around Cluj. Because of their precarious financial situation, lack of awareness and the fact that they are elderly, local people enthusiastically welcomed the firm's arrival. Its investment is, however, based on improper lease terms that will dispossess people of their land in the long term. The second case study is about a company with Italian capital, *Emiliana West Rom*. Located in a former state farm in Timis, the company has cultivated more than 10,000 ha since 2011. Beyond the monopoly over the land, *Emiliana West Rom* affects the natural and cultural heritage, including water. The third case study is an agricultural company, *Agro Chirnogi* whose main shareholders are Lebanese. It controls over 20,000 ha in the southeast of the country, despite having been charged with several infringements in the grain trade. Its activities are developed through close relations with the public authorities, local and national. Finally, the fourth case study concerns the Roşia Montană gold-mining project. *Roşia Montană Gold Corporation* is mainly Canadian. The project involves the destruction of four mountains and a village, including the construction of a massive retention dam for used water. Faced with local opposition, the firm has adopted aggressive propaganda strategies, and is supported and encouraged by the local, regional and national authorities.

## 2. *Transavia* is grabbing land in Transylvania

Given the prevalence of small-scale agriculture in Transylvania, in the northwest is not the first target of agro-industrial investments, but remains an area of interest, especially around Cluj, its most attractive city. Far from the media spotlight and public attention, land investments are conducted in a discreet way. Taking advantage of the ageing and vulnerable rural population, *Transavia* issues contracts that abuse these people by dispossessing them of their land. *SC Transavia Grup SRL* is currently beginning cultivation of over 12,000 ha of maize and wheat in Aiton and Tureni villages, part of Cluj district. In Tureni, contracts are being signed and farming has begun in Aiton. *Transavia*'s monopoly of the land does not benefit the local population, impedes long-term development and does not help the area to become more dynamic. Its activities are also endangering the natural environment.

### *Transavia*'s strategies

The first poultry agro-industrial company in Romania, *Transavia* generates an annual revenue of more than €150 million. Seventy-five per cent of the 50,000 tons of meat and 30 million eggs are destined for the domestic market, although the corporation aims to expand into the European market and is eyeing export opportunities to Saudi Arabia.



*Transavia*, following the dominant liberal economic rationale, attempts to control the entire production chain. The company grows horizontally. For instance, in 2007 it bought up 85% of *Avicola Brasov*, its main national competitor;<sup>6</sup> in 2008 it fully absorbed

#### ANNOUNCEMENT

Citizens owning land are asked to report to Tureni's medical clinic to sign a leasing contract with SC TRANSAVIA SRL.

Offer: 800 kg of cereals or €100 per hectare per year and payment of property taxes.

Necessary documents: copies of ID, land purchase or legacy act, land title and agricultural registry.

Opening Hours: Monday to Friday, 9:30 – 13:00

*CerealCom Alba*. Given the volatility of cereal prices, the firm has also integrated vertically and, since 2011, it invested more than €10 million to rent the necessary 12,000 ha of land to build a grain silo in Cluj District. The firm also planned a €17 million investment in a new factory, some of it funded through SAPARD, which in 2005 and 2006 awarded *Transavia* a €1 million subsidy to modernise a cereal processing plant.<sup>7</sup>

The decision to cultivate land in Aiton and Tureni, villages listed as 'located in a difficult geographical area, with an aging population and a precarious economy' (Rey, 2006) is based on the assumption that the local residents will put up no resistance. Aiton's 800 inhabitants have an average age of 70. The population willingly accepts the arrival of this new activity. The few young adults in the village are rarely informed of the firm's activities and do not necessarily feel concerned by these transactions. The company has overwhelming bargaining power compared to the three others agricultural companies operating in the area: *SC Basis SRL* and *SC Supliment SRL* each cultivate 130 ha of cereals while *SC Provac SRL* has 40 head of dairy cattle. Another criterion for choosing this area is the availability of land, as the plots outside the villages are no longer cultivated.

The company designed its operations very carefully. The advertisement for the land lease was pasted on the doors of every local grocery store, since these shops are frequented daily. The message is simple. The first sentence is almost an order. It says nothing about *Transavia's* intended activities nor does it state the terms of the land contracts. It shows only the advantages of leasing land. If they wish to respond to this announcement, owners go to the local clinic. Contracts are signed with an employee from *Transavia* in a small room on the ground floor. He is dressed in the same way as the local inhabitants. An older man, he used to work for the town hall in the 1980s. He is a well-known local, and is himself leasing 7 ha to *Transavia*. He has been chosen as the perfect intermediary to ensure that the locals favour the investment.

In the short term, the public and local politicians welcome the company simply because it meets the needs of the present inhabitants of these municipalities. Unworked land provides no benefit to the owners. Renting out a few hectares is of financial or material interest: everyone is pleased with the idea of receiving €100 or 800 kg of grain per hectare each year to feed their few livestock. *Transavia's* strategy relies upon enticing villagers on the basis of satisfying immediate needs with no regard for the long-term costs. Indeed, a more in-depth and long-term analysis reveals the regrettable consequences of *Transavia's* arrival in Aiton and Tureni villages.

## Wresting away people's control over their land

By signing the lease ('*contract de arenda*'), the owners commit to lease their land for €100 a year or 800 kg of cereals (equivalent to 67kg a month). *Transavia* offered this price to the uninformed population, who accepted it. Yet, beyond regular kitchen garden upkeep, it does not provide enough for investments such as house refurbishment, connection to the water grid or the purchase of more efficient tools.

The contract states that if the owners wish to cancel the lease before the end of the ten-year contract, they must pay 3,000 lei (€690) to *Transavia* for every year outstanding. For instance, if the owners decide to recover the land after eight years, they will have to pay €1,400 per hectare for the remaining two years, even though they had received only €800 a year for the previous eight years. The difference between the rental income and the cost of breaking the contract makes it impossible for owners to recover their land. If the owners' children wish to take over the land for a (non)agricultural project, they will face additional financial hardship. The terms of the *Transavia* contract thus dispossess owners of their land.

By monopolising all uncultivated land, *Transavia* deprives other farmers of the chance to extend and develop their activities. From now on, shepherds, who used to graze their herds freely, have access only to the 951 ha of remaining public land, which has been regrouped so as not to interfere with *Transavia*. The 3,000 head of livestock has to share this area from early spring to late autumn – less than 3 ha per animal. This area is insufficient and, according both to the local mayor and a shepherd, prevents the future development of pastoral activities.

Furthermore, the intensive agriculture practised by *Transavia* creates little direct employment and attracts no workers. Aiton's fields require only the work of a dozen employees, for tractor driving, surveillance and technical maintenance of equipment. It does not favour the flourishing of indirect jobs such as services, small shops, etc.

Finally, these maize and wheat monocultures will damage the environment. Replying to the question concerning pollution, the majority of people interviewed answered: 'Agriculture does not pollute. How can agriculture pollute?' Many people say they see no environmental risk in *Transavia's* activities. The population is not aware of the environmental dangers associated with some agricultural practices. This lack of interest in environmental risk has historical and cultural causes – although ignorance is also being maintained by systematic disinformation. In addition to the general lack of media coverage of the pollution caused by agriculture, there is no information regarding the ecological consequences of *Transavia's* operations.

A striking example is to be found in *Transavia's* irrigation system. While the water used by the residents for their daily needs is currently collected from groundwater through individual wells, they are not aware that the company uses products affecting the quality of water. They also learned about the application of chicken manure as fertiliser only when they saw it in the fields. *Transavia*, originally a poultry firm, uses chicken manure as a 'natural' fertiliser. But this spreads polluting elements. Indeed, used excessively and too rich in nitrogen and other products ingested by the poultry during breeding, the manure leads to ecosystem imbalance. Seeping through the soil, some components reach the groundwater. Inhabitants already complain that the water wells smell bad. *Transavia's* practices pose both environmental and health hazards.

Wheat and maize are tilled over thousands of hectares. This monoculture weakens biodiversity for several reasons. It destroys existing ecosystems, such as grasslands. Lands that were so rich in flora and fauna are now reduced to plots for pasture. Over-grazing is consuming their ecological richness. Deep ploughing, by destroying soil structure, increases the risk of erosion.

*Transavia's* operations have economic and environmental consequences that will not create greater dynamism in Cluj District. In the long term, these constraints will weaken existing agricultural enterprises, the main sources of existing jobs, as well as the opportunities for other economic initiatives. Besides dispossessing them of access to and control of their land, the company is also keeping the local population in ignorance.

### 3. Water grabbing in western Romania

Foreign investors have been targeting the western Banat region for several years. Following the revolution, and especially since the 2000s, many foreign corporations invested in large-scale land appropriations. The region, particularly Timiș district, is viewed as ideal for intensive agriculture and livestock production as the presence of *Smithfield* (USA), *Aton Transilvania* (Germany), *Ingleby* (Denmark) and *Crop* (Denmark) demonstrate. The area is suited to the cultivation of cereal due to its vast plains, the quality

of its soil and an irrigation system constructed during communist times. The region is economically dynamic and has several industries. In addition, its proximity to the rest of Europe – near the Hungarian border and a few hours away from Italy – coupled with a relatively good transport network, allow for fast international trade. As a result, intensive agriculture and livestock production is widespread.

This is why *Emiliana West Rom*, a Romanian firm fuelled by Italian capital from *Unigra*, has invested in Dudeștii Vechi, a village of 4,000 inhabitants. It cultivates nearly 11,000 ha of cereals – maize, wheat, sunflower, rape-seed, rye and barley. It also raises 1,200 Limousin beef cattle. In 2010, it had 99 employees. Dudeștii Vechi village, which welcomed *Emiliana West Rom* ten years ago, is now suffering the consequences. Locals saw their farming activities being undermined and had to bear the impact of *Emiliana's* intensive practices. The company's monopoly of land and agricultural activities is by no means favourable to local dynamism; local inhabitants feel strongly that they have been dispossessed of their land and control over their natural resources.



## Large-scale capital-intensive agriculture

Although it is not easy to trace the conditions of *Emiliana's* arrival, it mainly acquired land from a former state farm for between €100 and €150 per hectare. In 2012, it declared 10,500 ha in applying for direct subsidies.<sup>8</sup> It would then benefit from €1.3 million of EU and €365,000 of Romanian government subsidies. Its size far exceeds any other agricultural companies in the area. The Danish *Crop*, which rented land two years ago, now cultivates 2,000 ha of cereal, based in the buildings of the former Station for the Modernisation of Agriculture. The five largest local farms have about 100–200 ha each.

*Emiliana West Rom* uses advanced production technologies. The whole operating system is computerised and the agricultural machines are programmed. It is improving its yield using GPS analysis for detailed maps of land and soil types, aiming at 'agro-pedo' improvement measures (Kozak, 2011), that is to say changes in the physical structure and biological composition of the soil to facilitate the vertical infiltration of water and to correct soil acidity. Concurrently, the company also improves the irrigation system for a surface area of more than 6,500 ha. The project involves the renovation of channels, the upgrading of pumping stations and the installation of new irrigation systems.

## Monopolising land and opportunities

The locals seem lukewarm about the benefits created by firm. Part of the population remains indifferent or welcomes the income generated from renting out land. But others step back and reflect on the consequences of *Emiliana's* intensive agriculture. While some mentioned regrets about having sold their land, others spoke of the difficulty of expanding their farms or expressed their annoyance about the misuse of water and the destruction of the cultural heritage. Those who sold their land to *Emiliana Rom West* in the early 2000s now regret it because prices have increased ten-fold since then, so they could have made more money. Former owners or their children also now realise they could have benefited from EU subsidies for their plots. *Emiliana's* land monopoly is in this sense also a monopoly of opportunities and European subsidies.

Dudeștii Vechi lands have passed into the hands of foreigners. Apart from garden plots, *Emiliana West Rom* or *Crops* now manage the vast majority of the land, and very little is still available. When an owner decides to sell land and informs the town hall, the information is transmitted directly to *Emiliana West Rom*. Being given first refusal, it can purchase the land before other farmers even know it is for sale.

The loss of people's control over land use is even more obvious in the southwest area of the village, where the firm grows cereal crops at the expense of the area's cultural and natural heritage. By merging the land, the firm has destroyed archaeological remains and agricultural roads that were hundreds of years old, still used by farmers to get to Dudeștii Vechi market. To reach the village, it is now necessary to make a 14 km detour through Sannicolau Mare. The demolition of existing infrastructure weakens peasant agriculture, undermines the historical and archaeological research as well as its cultural development. In the same area, the Italian firm destroyed 2 ha of forest to expand crops – this was the village's only forest so its disappearance has impoverished local biodiversity.

### A water-grabbing dimension

Beyond its monopoly of the land, *Emiliana's* large-scale irrigation methods, using the Aranca River that runs through the village, is seriously affect people's access to water. In 2009, drought threatened the inhabitants of Timiș district. Grain crops in Dudeștii Vechi village were also at risk. *Emiliana West Rom's* maize fields, occupying 2,600 ha east of the village, was irrigated with water pumped from 'Plot Aranca Station', located upstream from the village. It was the only access point for both. *Emiliana West Rom* then blocked the water supply at the station to secure its needs, as maize requires a lot of water. The dam at the pumping station is a simple mud mount with a pipe through which water flows towards Dudeștii Vechi. This pipe is equipped with a valve controlled by the company, which can also destroy the mud mount during periods without irrigation and rebuild it when it wishes to pump water.



*Pumping station - Plot Aranca* Photo: Judith Bouniol - Dudeștii Vechi - April 2012

The 2009 summer period saw the channel supplying the village dry up. The people suffered greatly, especially for domestic water. The stagnant water also smelt foul and caused the death of fish in the river. The villagers could not fish, a popular activity during this season. Residents have filed complaints with the town hall, which have been forwarded to the *Garda de mediu* (the national agency specialised in finding and punishing infringements of environmental law). Two officials came to report the situation. At the headquarters of the National Agency for Land Improvement (*Agenția Națională de Îmbunătățiri Funciare*, ANIF) there was a 'confusion' in the contracts for the use of water among the various agricultural firms (Radu and Bordely, 2009). More than a one-off abuse, what is at stake is the control of public water resources by a private corporation.

While the situation remained unclear, residents of Dudeștii Vechi suffered the consequences of these irresponsible agricultural practices. As Luca, a local resident, observed: 'Agriculture has become nature's foe here. They use deep ploughs, pesticides, herbicides and fertilisers in large quantities. The ground is brutally exploited. They destroyed trees. And also many archaeological sites. I speak of dozens of hectares. They modified the roads that connected Dudeștii Vechi with the others surroundings villages. Centuries-old roads probably. Land belongs to foreigners and not any more to inhabitants. Unfortunately. I support neither intensive agriculture, nor those foreign investors. That's my opinion'.

#### 4. *Agro Chirnogi's takeover undermines rural development*

In southeast Romania, Lebanese companies have been investing in agri-business since the revolution. Through *Maria Trading* and *Agro Chirnogi*, both affiliated to *Maria Group*, they have developed industrial agriculture and livestock plants. *Agro Chirnogi* produces cereals in numerous districts, including Calarași. Covering more than 20,000 ha, *Maria Group's* agricultural activities are facilitated by close political connections, providing a clear case of 'control grabbing' over land and the decision-making processes concerning its use. At the local level, inhabitants are suspicious of the firm, but have little choice.

As in the previous case study, the Calarași district and the small town of Chirnogi provide what are perceived as ideal conditions for intensive agriculture. The country's biggest agri-business corporations are found in this area – taking advantage of the highly fertile ground and the proximity of the Danube for river transport. Chirnogi is characterised by having a large amount of good quality soil and an ageing population struggling to find work. Subsistence agriculture is gradually vanishing. There are few sources of employment – two factories contracting a few hundred people and three land cooperatives that offer hardly any jobs. The district's proximity to the capital city intensified the rural exodus. Since 2002, the district has lost 12% of its inhabitants,<sup>9</sup> and 60% of the 7,000 Chirnogi's rural dwellers are said to be over 60 years old. The resulting availability of land allows *Agro Chirnogi* to fully spread its activities.

##### **Patronage: *Agro Chirnogi's* way of conducting business**

Along with *Maria Trading*, *Agro Chirnogi* is part of *Maria Group*, a holding with Lebanese capital exploiting more than 20,000 ha in the region. Established in 2002 in the Calarași district near the Danube River, the two firms are running 11,000 ha around the Chirnogi village, approximately 70% of its land. This substantially outstrips the three local cooperatives, each holding between 800 and 1,200ha according to the town hall.



Locals report censorship on what happened between the revolution and 2002, when plots from the former state farm were granted to *Agro Chirnogi*. The firm grows grains – wheat, maize, rapeseed, barley, sunflower and alfalfa – using modern production systems. The products are mainly intended for export to countries such as Lebanon, Syria and Egypt. This large-scale agriculture is associated once again with large-scale capital. In 2012, *Agro Chirnogi* applied for direct subsidies for approximately 11,400 ha. It would have benefited from €1.3 million (€107/ha) from the EU and €400,000 (€32/ha) from the Romanian government. The same year, *Maria* also applied for direct subsidies for 10,000 hectares, and would have benefited from €1.2 million from the EU and €355,000 from the Romanian government. But above all, those agricultural activities have depended on the Lebanese business connections with Romanian political circles. At all levels, the heads of *Maria Group* are intertwined with the authorities, as shown below.

First, Lebanese agricultural companies benefit from endorsing bilateral political and economic policies. A cooperation agreement aimed at promoting development, diversifying trade and strengthening economic relations was signed between Romania and Lebanon and ratified in May 1996.<sup>10</sup> In 2003, the then Romanian prime minister from the Social Democratic Party (SDP), Adrian Nastase, went to meet with the Lebanese president and the prime minister in order to improve the trade between the two countries.<sup>11</sup> The two main shareholders of *Maria Group*, Jihad El Khalil and Youness Laoun, are known to be close to members of the Romanian government. *Agro Chirnogi* financed the election of Adrian Nastase<sup>12</sup> – and conveniently gained access to land from state farms in Chirnogi (Calarași district) and Prundu (Giurgiu district) when Adrian Nastase was in power (2000–2004). Lebanese businessmen are further related to the SDP through Oana Niculescu Mizil Stefanescu, former president of the party for the Calarași district (Topala, 2012). In addition, at the local level, *Agro Chirnogi* is known to have financed the campaign of the former mayor, Vasile Checui.<sup>13</sup> The corporation is also funding ‘Viitoru Chirnogi’, the local soccer team (Nitu, 2012).

El Khalid and Laoun have been accused by the Romanian agency investigating the Organized Crime and Terrorism (DIICOT) of being the cornerstone in a group practising tax evasion, smuggling and money laundering (DIICOT press release, 17 August 2012). In 2010 and 2011, the group exported grain, concealing its true provenance. Whereas grain came from Turkey or Lebanon, it was reported as having been produced in Romania and exported to a third group of countries in order to obtain illegal tax reductions from the Romanian state. The quantities of cereals exported were actually larger than those reported to customs, and the fraudulent scheme is estimated to have cost €30 million to government revenues (ibid.). Furthermore, the top managers of *Maria Group* are suspected of being close to Omar Hayssam, who was sentenced in 2007 for involvement in the kidnapping of three Romanian journalists in Iraq in 2005. Yet, in June 2006, he allegedly fled the country using the boat Mahmoud al-IV lea, registered in Syria and administrated by *Maria Trading*.<sup>14</sup>

### *Agro Chirnogi’s adverse incorporation*

Locally, *Agro Chirnogi* has adverse impacts on the daily life and socioeconomic dynamism of the village. Inhabitants are unanimous: the firm presents a nuisance for those living close to the grain silo. The silo emits a constant noise and the fans throw out maize dust. ‘Six months of the year we cannot breathe the air, we cannot open the windows of our home and our garden plots are covered with dust’. In addition, agricultural machines and grain trucks travel non-stop through the village.

The agro-holding employs between 600 and 700 people, 25% of whom are mainly local seasonal workers. They are contracted for a few months during the summer and are unemployed for the rest of the year. Agricultural workers are not told whether they will be hired the following season and so have no job or income security. Employees mention a trade union, but consider it to be ineffective due to the corruption within the company. The most striking observation is that people, employees or not, are fatalistic and wary of *Agro Chirnogi*. They feel powerless to improve the situation, because ‘here, they [the firm] are the leaders; they decide the future of our village’. Warnings such as ‘above all, do not say from where you got this information’ or ‘be careful if you are to meet with them’ are common. Some employees say that ‘if you protest, they fire you’. Chirnogi residents do not feel safe from the corporation.

The company still intends to expand and increase its monopoly of arable land. Many owners sell or lease their plots to *Agro Chirnogi* in exchange for the rent of between 650 and 850 kg of wheat or the equivalent in lei. The contract period is between five and ten years. If the owners wish to terminate it, they must give one year’s notice and also pay the costs of land improvement (levelling, irrigation, etc.)



undertaken by the company. Very few owners recover their land. *Agro Chirnogi* also benefits from the ageing population to expand its activities. Many small landowners or their heirs live elsewhere and are willing to give up their land, which the company purchases. As a result, agricultural cooperatives have seen a drop in membership and land area to *Agro Chirnogi*.

## Environmental impacts

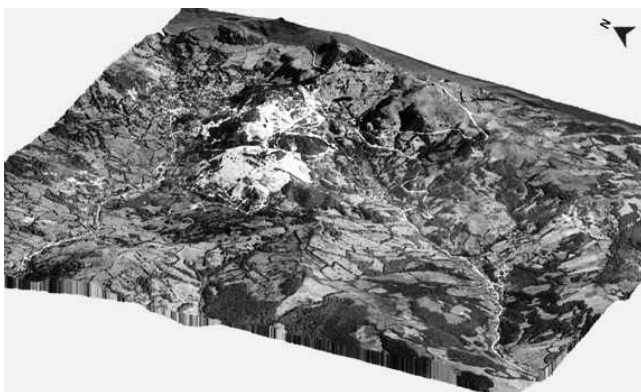
*Agro Chirnogi's* activities rely extensively on chemicals, which are destructive to the environment. The use of inorganic fertilisers, pesticides and fungicides tends to reduce biodiversity and threaten ecosystems. Before Romania's accession to the EU in 2007, the cultivation of genetically modified soya was allowed and *Agro Chirnogi*, like many other agri-businesses, cultivated it. Thus, in 2006, 4,700 ha of genetically modified soya were being cultivated around the village,<sup>15</sup> and in 2009 the company was still planting the genetically modified maize MON810 on 150 ha.<sup>16</sup>

Furthermore, along the Danube, 27% of the village lands are part of a 'Natura 2000' area for the protection of birds. However, 60% of the area (specifically zone ROSPA0038 'Dunare- Oltenita'), also touching upon Oltenia and Prundu villages, has been indexed as 'arable land for crops' and is being cultivated by *Agro Chirnogi*. As there is no management plan for the Natura 2000 area,<sup>17</sup> and arable lands and their ecosystems are not being protected.

## 5. Roşia Montană's mining project is grabbing resources

The case of Roşia Montană represents a different but blatant situation of land grabbing. The unprecedented scramble for natural resources in Romania, from silver and gold to shale gas and oil, is slicing up the country's map like a cake between corporations' exploration and exploitation licenses. Affecting both natural and social landscapes, these industrial projects are seizing parts of Romania's national treasures at the expense of the welfare of local communities.

This case concerns a foreign mining corporation that is in the process of opening the largest open-pit gold mine of its kind in Europe. The multi-billion-dollar project involves the grabbing of more than 1,500 ha, and implies the destruction of no less than four mountains, cultural forests, 740 farms, a village of 2,600 inhabitants,<sup>18</sup> ten



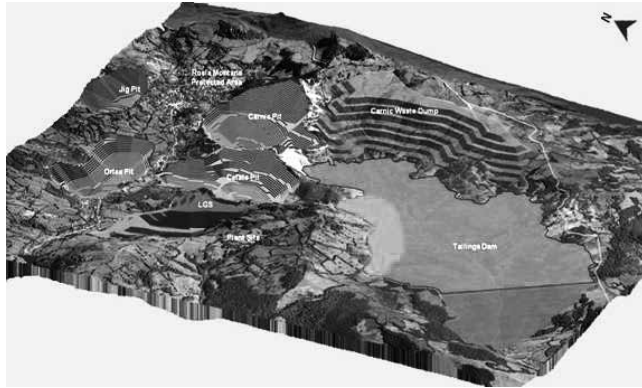
*Roşia Montană now*

churches, nine cemeteries, 50 buildings classified as historical monuments of national value, 7 km of ancient Roman roads, 80 km of mediaeval and contemporary mining galleries and other archaeological relics. Dispossessioning the local population and farmers, the project flouts local communities' rights over their land and suppresses their opposition via a state-capital alliance. The corporation, *Roşia Montană Gold Corporation* (RMGC), a joint venture with 80% Canadian capital, is working hand in hand with corrupt local, regional and national authorities to enforce the realisation of the project.



## Ecological recklessness

If the project goes ahead, the mine would be located in central Romania, in the Transylvanian Apuseni Mountains. According to the company's Environmental Impact Assessment (EIA) report,<sup>19</sup> it would consist of four pits for gold and silver, two for construction material and several waste dumps, including a large-scale tailings management facility (TMF). At full production (24/7 operation), the mine would extract 500,000 tons each week. It would emit 134kg of cyanide per day and use between 13 and 15 million kg of cyanide per year during the 16-year life of the mine. While mining will take place at Roșia Montană, the Corna village in the adjacent valley would be turned into the TMF to hold 250 million tons of unconsolidated tailings. It is supposed to have a surface area of roughly 4 km by 2 km and the tailings would be contained by a rock fill dam over 1 km long and 185m high.



*What Roșia Montană would be if the project goes ahead*

The environmental risks are significant and imply water grabbing. According to EU regulations, the concentration of cyanide in the tailing pond should not exceed 10mg/l so the company promises a concentration of 5–7 mg/l. Even at this level, the possibility of an accident releasing this cyanide into the local water would produce an environmental disaster, also affecting Bulgaria, Hungary and Serbia. There are also concerns about the size of the tailing pond: with a storage capacity of 215 million tons of waste material and 12.3 million m<sup>3</sup> of used waters, the consequences of a dam failure due to slides or heavy rain would be disastrous. For instance, the town of Abrud, with over 6,000 inhabitants located 2 km downstream from the proposed tailing pond would be practically wiped off the map.

## ***Roșia Montană Gold Corporation's strategies for accumulating land***

Besides the approval of the Romanian authorities, the most important asset the company needs is land. So far, the Roșia Montană Gold Corporation (RMGC) has bought around 78% of the 1,600 ha of land needed to start the project. Since RMGC is a private company and not a public utility project, it is not entitled to use the forced expropriation process, which would make it possible to force people off their properties. This means the company needs to deal with each property owner in Roșia Montană and convince the person to sell up, in a so-called 'resettlement process', based on simple 'negotiation'.

The corporation started buying up houses in 2001. The purchasing of the land by RMGC was briefly described in its Relocation plan Report,<sup>20</sup> although not all sale–purchase contracts have not been disclosed despite repeated requests by various NGOs. RMGC has purchased and continues to purchase properties in Roșia Montană using the compensation principle. The average price for a property including a house with less than a hectare of land is roughly US\$30,000. There are severe drawbacks to the compensation principle, which offers only a single payment, not more than the capital held before, rather than being based on the owner's full livelihood patterns. As a result, people generally get much less than what they have surrendered.

Facing local opposition, the corporation resorted to psychological blackmail and intimidation to get people to sell. For example, representatives would come to people's doors with bags full of cash to entice them to sell, or invite them to take part in a 'relocation programme'.<sup>21</sup> This means that people are offered a new house in a neighbourhood of Alba Iulia, the biggest town in the county, 80 km away from Roşia Montană, in exchange for their property. Some people accepted, tempted by the city life and by the large amount of money, but many now regret having done so. Another approach is to hire one person from each family. In this way, the family will do whatever the company tells them to do, especially to promise that after the project starts they will move out.

The company is now moving to the next level through its political connections. In 2009, two politicians proposed a new law, which was being debated in parliament in early 2013, to allow private mining companies to undertake forced expropriation, giving the mining company from Roşia Montană the scope to evict all those resisting the project.<sup>22</sup> The proposal also includes simplifying the authorisation procedure for mining projects.

In 2008 the corporation achieved a major victory. At its specific request, the General Urban Planning for Roşia Montană of 2002 declared the zone 'mono-industrial', before the actual approval of the project. This means that henceforth mining will be the only economically legal activity in Roşia Montană, leaving no space for alternatives. This decision is in fact illegal.<sup>23</sup>

Finally, the property purchases in Roşia Montană are not restricted to houses, but also include public or commonly owned property such as pastures, forests, cemeteries etc. Usually, governments or companies do not compensate the loss of public or commonly owned property. In doing this, over and above physically alienating, dispossessing and impoverishing the local people, RMGC is breaking the social and physical bonds of the community by applying pressure exerted and depriving them of their assets.

## Stifling resistance through a public relations blitz

Irregularities have been inherent from the outset since the licenses for exploration and exploration delivered in 1999 infringed the Mining Law.<sup>24</sup> The corruption involved in approving the project is even more obvious in the light of the fact that RMGC is only paying US\$20,000 annual revenue to the Romanian state for a 520 km<sup>2</sup> concession. Furthermore, RMGC is often one step ahead in countering civil society's growing resistance.

Starting with *Alburnus Maior*, a community NGO founded in 2000 by the local villagers, the resistance expanded and went national with the campaign *Salvaţi Roşia Montană*, or Save Roşia Montană. Indeed, the approval of the Roşia Montană mining project would set a precedent for the other important players in the market for Romania's natural resources waiting for the outcome of the case.

Taking advantage of the presence of many historical relics dating back over 2,000 years, the citizens tried to get the landscape declared part of UNESCO World Heritage Patrimony. In 2010, however, the mayor of Roşia Montană, Eugen Furdul, became the first mayor in the world to vehemently reject UNESCO,<sup>25</sup> after members of the International Council on Monuments and Sites (ICOMOS) concluded that Roşia Montană deserved to be a part of it. In July 2011, the Minister of Culture, Kelemen Hunor, granted an – illegal – 'archaeological discharge Certificate' for the mountain in Roşia Montană, a procedure allowing the destruction of the site. The next step is to remove Carnic mountain from the list of historical monuments.

One of the most fervent promoters of the mining project has been the president of Romania, Traian Băsescu. He has publicly declared his support in the media and at various events and meetings,

continuously pressuring the responsible authorities in the evaluation process to come up with a favourable decision.<sup>26</sup> One of the arguments refers to absorbing unemployment in the area, somewhat cynical given that the government, at the request of the corporation, closed its mines in the region. A recent media campaign is '*Letter for Romania*'.<sup>27</sup> The actors in these commercials come from Roşia Montană and the surroundings and were paid 2000 Romanian Lei (about €500)<sup>28</sup> to beg TV viewers for help in getting a good job.

RMGC's publicity is very aggressive and relies on media manipulation, including an advertising campaign launched after the 2009 economic crisis saying '*What would you do with four billion dollars?*', implying that the project is the solution for the Romanian government to obtain more revenue. Shortly after this commercial appeared, it was forbidden by the National Council of Audio-visual. Meanwhile, in addition to having politicians sounding like 'Public Relation Men' for the company, the corporation is buying Romanian journalists to either support the project or avoid putting the spotlight on it. According to a report by a human rights organisation, 'The most blatant case of economic pressure made by a company in 2010 is related to the mining exploitation in Roşia Montană'.<sup>29</sup>

The RMGC mining project is a clear case of 'resource grabbing' and destroying cultural environment, with no long-term benefit for local residents, who are being pressured to sell their land and move out. This dispossession is achieved through the corporation's aggressive strategies and has the backing of the authorities at various levels.

## Concluding thoughts: land grabbing is threatening rural development

In Romania, land grabbing is hidden behind the harmonious image of accession to the EU. The country is ideal for investments in land and agro-industrial products. Its natural characteristics make it suitable for cereal crops, large areas are potentially available and land costs less than in the rest of Europe. Rural areas are emptying, leaving an ageing and vulnerable local population who readily accept the arrival of agro-industrial corporations. In addition, government legislation and support favours investors, who can also obtain EU subsidies. These 'investments' do not benefit the local inhabitants. Large-scale land deals are not a form of investment that meets the needs of today's rural population in Romania: on the contrary, land grabs are environmentally, economically and socially destructive. First, land grabbing leads to environmental degradation. The massive use by agro-industrial corporations of chemical fertilisers, pesticides and fungicides causes soil depletion, water pollution and the destruction of biodiversity. Mining projects also entail serious risks. Whether through the exploitation of gold, oil or shale gas, they destroy the landscape and their use of highly toxic chemicals endangers water resources.

Second, land grabbing accelerates the concentration of agricultural activities and undermines food sovereignty. In particular, it deprives Romanian farmers of access to land. It increases the price of land; between 2000 and 2008, prices in Romania have skyrocketed. There are many agri-business investors, Romanian and foreign, with significant capital. They are willing to buy land for a relatively high price compared to the country's standards, which in turn pushes up the average price of land. Despite this, land remains much cheaper than in Western Europe, so investing in Romania remains advantageous for foreign agri-business. Small local farmers are being priced out of the market given that their revenues are low and they have limited access to bank loans.

At the same time, land grabbing by large agri-businesses drives down the price of agricultural commodities. Local farmers are forced, at the expense of their profitability and economic survival, to lower their own prices to compete with the agri-business sector. The latter is helped by its economies of scale and

access to massive subsidies while the former are not supported or encouraged. Weakening the appeal of rural areas, this trend widens the rural-urban divide. Farmers' produce is abandoned in favour of the food produced by the agro-industrial system. This encourages an indirect consumption model, whereby the consumer chooses a product without knowing where it comes from or how it is made. Prices become the first criterion at the expense of quality and taste and land grabbing thus deepens the disconnection between consumers and producers. Agricultural models based on large land grabs divert consumers' attention away from concerns about food health safety and nutrition and push them towards products whose quality and benefits are very controversial.

Lastly, land grabbing plays a key role in the vicious circle of de-peasantisation and rural exodus. Against a background of existing rural exodus and the disappearance of peasant farming, large-scale agricultural investments, through their control, privatisation and dispossession of natural resources, have become an active factor in further weakening the socioeconomic vitality of the rural sector. Moreover, control of land is often linked to the control of water resources. By grabbing land, firms are (in)directly gaining a stranglehold on surface or groundwater, which immediately disrupts rural communities. In addition, as these firms practise highly mechanised, capital-intensive agriculture, they create few, usually precarious, jobs. Yet, employment is the first factor in ensuring local dynamism.

While land grabs are synonymous with the concentration of power, information, economic and natural resources go against Romanian political, economic and food sovereignty, there has been no real resistance to land grabbing so far. As mentioned before, the local population generally welcomes the arrival of massive agro-industrial investments. Farmers, whose livelihoods yield scant earnings, readily accept the arrival of agro-industrial corporations to boost their income in the short term by leasing some land. As productivist modern agriculture is publicised as promoting development, local residents and most of the urban population approve of such investments without being aware of their destructive impacts on rural communities. Yet, as few actors increasingly capture the control of Romania's future, jeopardising a sound, democratic and sovereign development pathway, there is an urgent need to incorporate an ethical dimension into food economics and political decision-making.

Although still modest, positive resistance is emerging throughout the country. Associations to support a Social Solidarity Economy based on dynamic social development in rural areas, peasant agriculture, local healthy food systems and the protection of biodiversity are more numerous and consistent. The association Eco Ruralis is launching a campaign in 2013 against farmland grabbing in Romania centred on three priorities: documenting, educating and lobbying. In line with the findings exposed in this chapter, Eco Ruralis calls for:

- A national and European policy respecting the Romanian rural reality, i.e. the existence of 4 million citizens depending on local-level, diversified and environment-friendly peasant agriculture, feeding one third of the national population.
- The immediate cancellation of the mining project Roşia Montană as well as all other extractive projects for underground resources.
- The extension of the deadline for opening agricultural and forest markets to the rest of the EU to 2024 (ten years).
- The end of current local, national and regional policies supporting productivist agriculture and the concentration of land.
- The establishment of policies promoting local agriculture, agro-ecological practices, short supply chains and food sovereignty at the European, national and local level.

- The design of a coherent and sustainable rural development vision based on access to decent health and education services, job-creation for rural local economies and respect for the natural and cultural heritage.

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# Land concentration, land grabbing and land conflicts in Europe:

## the case of Boynitsa in Bulgaria

**Georgi Medarov\***

This chapter examines the socio-historical processes in Bulgaria that have led to the very visible trend of land centralisation, or land grabs, since 2007. It draws on a case study of land grabbing near the village of Boynitsa in northwest Bulgaria. This region, often described as the 'poorest region in the EU',<sup>1</sup> has the highest rate of unemployment in Bulgaria. The chapter sets the issue in the broader context both of land grabbing and the socioeconomic transformations of land property relations that have characterised Bulgaria's post-1989 shift from state socialism to (neo) liberal capitalism.

After the relative economic expansion in the 1970s and 1980s in northwest Bulgaria, the region was severely hit by the economic downturn, particularly in rural areas, caused by rapid de-industrialisation after 1989. After the collapse of state socialism and the 'shock therapy' of economic liberalisation, a wide process of de-industrialisation and severe economic downturn swept through the entire country during the 1990s. Initially this affected the agricultural sector and in the late 1990s also the industrial sector, along with policies of mass privatisation and radical austerity. These shifts initially led to land fragmentation and subsequently to re-consolidation of land ownership that excluded most of the rural population, thus, facilitating land grabs. The social effects of this process at the micro level are illustrated by the case study.

The chapter opens with a short overview of the historical political economy of the transformation of land property relations in Bulgaria. This is important in order to understand the dynamics behind land property relations under state socialism and what happened following its collapse. It is also key to going beyond regarding 1989 as a watershed between two integrated, static and non-contradictory systems. Land relations under state socialism were quite dynamic, marked by various struggles, tensions, and changes, and formed the ways in which land relations shifted with Bulgaria's integration into (neo) liberal global capitalism.

The next section explains how the dominant actors came to be formed in the post-1989 period: the larger Bulgarian agricultural agri-businesses, foreign investors, the vast number of smallholders, the investment funds and the agricultural cooperatives. It can be argued that the latter were a form of a resistance to the attempted imposition of a particular land regime by the Bulgarian government in the early 1990s.

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The third section examines the post-1989 land relations and conflicts, including the initial land fragmentation and the subsequent land re-consolidation. These trends are viewed within the more general context of various forms of land grabs, understood more broadly as taking control of land for capital accumulation. In other words, it offers a potential typology of the dominant forms of post-1989 land grabs in Bulgaria. It also examines the various forms of resistance to land grabs, which remained for the most part embedded within the general context of the environmental movement, and failed to expand further. It focuses on the social relations that facilitated grabs of agricultural land.

The final section takes the form of a case study of land grabs near Boynitsa. It examines at the micro level the wider issues raised in the earlier sections. In 2011 Boynitsa attracted mainstream media attention in Bulgaria as a large Chinese company had leased 2,000 hectares (ha) of agricultural land as part of its first deal of a promised 10,000 ha in the region. This deal was widely advertised by the government, which assured the company full support as being highly beneficial for the general development of the region. Nevertheless, at the end of 2012 the company suddenly announced its intention to terminate the contract.

## 1. The Historical Political Economy of Land Relations in Bulgaria

Prior to the imposition by state socialism of land collectivisation and industrial modernisation of the Bulgarian countryside during the 1950s, Bulgaria's agricultural production remained embedded in fragmented land ownership by a large class of subsistence farmers. This peasant class had been consolidated in 1979 when the Bulgarian state was formed out of the Ottoman Empire. Importantly, within the Ottoman regime of land relations, the peasants enjoyed *de facto* control over their land and the Sultan attempted to strictly regulate the appropriation of agricultural surpluses by the feudal-military classes (Karpat, 1972; 2002).

The subsistence smallholders were further entrenched in the countryside with the formation of the state in 1878 (Crampton, 1983). During the Russo-Turkish war, which eventually led to the formation of the state, the Bulgarian peasants initiated a wide process of land expropriation and gained control over all productive lands (many Turkish peasants were forced to flee during and after the end of the war), and also extended the agricultural frontier (e.g. by deforestation). The provisional authorities at the time were unable to prevent either the mass migration, or the expropriation and cultivation of the land by the Bulgarian peasants. The government had little option but to allow them to use the vacant land, which was taken over by local communities, not by individuals. The communities refused to pay the rent demanded by the previous owners since they claimed the land belonged to them. Despite government efforts to supervise, record and keep the process of land expropriation in check, many new areas were cleared and a sizeable amount of land was expropriated without the process being officially recorded.

The newly formed state violently imposed its authority on the peasantry. For example, in 1900 the army intervened to stop peasant riots against taxes on agricultural production. The whole period between 1878 and 1946 was, in fact, characterised by a process of consolidation of these small, predominantly subsistence farmers. They represented 80% of the Bulgarian population in that period, with 1 million production units owning on average 4.3 ha of land before World War II (Csaki et al., 2000). They became the most numerous and important social group, and were at times involved in deadly confrontation with the military and the state. The peasants also organised themselves both economically, with the formation of a wide-ranging cooperative movement, and politically in the shape of a peasant party that was

able to win elections and came to power twice in the inter-war period. Their agrarian ideology was a unique blend of anti-militarism, anti-nationalism, populism and (non-Marxist) anti-capitalism that aimed to achieve an alternative form of modernisation based on a Balkan federation of small-scale farmers. Their rise to power was curbed only by the bloody military *coup d'état* of 1923 and the imposition of an authoritarian nationalist regime (Bell, 1977). The peasants nevertheless remained the backbone of the Bulgarian villages. It was only with state socialism that peasants were separated from ownership of the land (with the peculiar processes of enclosures that happened with the collectivisation), which also brought about the separation between land and labour.

Until 1946, therefore, Bulgaria was a country of small-scale community farming, in a general state of economic underdevelopment (Daskalov, 2005: 255–7). Gerschenkron (1966: 233) shows that industrialisation could not take place in Bulgaria since the existing forms of agriculture were highly inefficient (in the particular sense of achieving high economic growth) and predominantly based on subsistence farming, whereby the peasants held direct control over land. Thus, industry lacked a strong agricultural base upon which to build. Gerschenkron explains Bulgaria's post-liberation lack of industrialisation by stating that 'poor, stagnant, and inefficient agriculture could serve neither as an adequate raw-material basis for industry nor as a source of effective and growing demand for industrial products' (ibid.) He further tries to explain it as being the result of government irrationality and 'militant nationalism' (pointing to the expansionary policies in Macedonia and Thrace), concluding that the decisions of the ruling classes were not 'particularly felicitous' (Gerschenkron, 1966: 233). This perspective misses one key point, namely the fact that with the liberation the peasant communities were able to entrench their land ownership and to impose a regime of small-scale subsistence agriculture. Thus their social reproduction did not rely on economic growth. The elites, on the contrary, were forced to look for non-economic means of reproduction, which may explain their 'irrational' militarism and nationalism.

Exploitation remained extra-economic, via war, usury and taxation. Taxation was hard to maintain since the Ottoman social institutions had collapsed with the formation of the Bulgarian state while it also proved difficult to build new state institutions. This explains why there was no industrial boom and industry remained largely artisan and small-scale (Daskalov, 2005: 313). Peasants were in possession of their land and their reproduction did not depend on markets. Non-market agricultural production meant also that there were no incentives or possibilities for investment in technological development. For example, in 1934 peasants still used wooden ploughs (Begg and Meurs, 1998). This also explains the failure of attempts to initiate state-led growth. Elites were unable to sustain themselves solely through exploiting the peasant population and so resorted to corruption, patronage and clientelism (Crampton, 1983: 158–169). When this did not provide enough, they began to look for external (geopolitical) means of accumulation, namely war.

This overview shows that the process of land fragmentation is inextricably linked to the formation of the Bulgarian state in 1878. As mentioned, the peasants farmed the land communally and did not have strict, individual property rights. Technological development was hampered, and the subsistence and heavily labour-intensive production was not for the market. Agricultural practices were embedded both in inherited traditional communal forms of extended family ownership (e.g. *zadruga*), as well as in a wide variety of emerging cooperative organisations (Gruev, 2009).

## Agriculture during state socialism

The Bulgarian Communist Party came to power in 1944, but consolidated its power fully in 1948 by eliminating the opposition, the strongest of which was the agrarian political movement. Collectivisation began in 1946 and was basically an attempt to reproduce the Soviet kolkhoz agricultural model of heavily

centralised collectivist forms of land ownership. By the end of the 1950s this process had been largely achieved and about 90% of the arable land was organised in over 3,000 state-led cooperatives (averaging 1,200 ha). The processes of centralisation continued throughout state socialism. For instance, in the 1970s these cooperatives were consolidated into 161 larger units, averaging 24,000 ha each (Csaki et al., 2000). Mechanisation and industrialisation led to very high rises in productivity, which doubled between 1958 and 1983.

This is what the Soviet economist Yevgeni Preobrazhensky dubbed 'primitive socialist accumulation' in the 1920s during the New Economic Policy (NEP) period in the Soviet Union.<sup>2</sup> The idea was that successful socialist modernisation required the appropriation of 'peasant surpluses' by the state to feed industrial development. The radical implementation of 'primitive socialist accumulation' in the Soviet Union started with the abandonment of the initial attempts to impose market socialism with NEP and the intensely violent collectivisation under Stalin in the 1930s, which culminated in the rural famines and the 'elimination of the kulaks as a class' (Fitzpatrick, 1994; 1999). It also has to be taken into account how the concept of 'kulak' (peasants who tended to own more land and were considered more affluent) was used against practically all peasants who were perceived to resist collectivisation. In Bulgaria there were hardly any large landowners, with few farmers having over 50 ha. Nevertheless, the kulak concept was still widely invoked by the Bulgarian Communist Party, and ceased to mean big landowners, but was deployed against any 'enemies of the people' – such as any real or perceived forms of resistance, especially in the 1950s. In Bulgaria this was reflected heavily in the first five-year plan, adopted in 1949, and meant extracting all possible resources from agricultural production, including the 'freed' labour created by mechanisation and land consolidation (Gruev, 2009).

The violence of the primitive socialist accumulation in Bulgaria created great tension in rural sector. In particular, the northwest witnessed the strongest opposition to the imposition of state socialism. Nevertheless, it is important to note that the antagonisms were not generated by conflicts between the individual owners and state-imposed collectivism (Fitzpatrick, 1994; 1999). It was rather a conflict between, on the one hand, the pre-socialist forms of cooperative and communal agricultural production that allowed peasants to retain ownership of their land, and, on the other hand, the attempt to impose the Soviet kolkhoz model of centralised collectivism that aimed to mediate the relationship between land and labour via the bureaucratic mechanisms of central planning. Paradoxically, this achieved results similar to those of the capitalist countries, namely the separation between agricultural work and the land. A major difference is that rural modernisation and industrialisation in capitalist countries was achieved by using the market as the prime mediator between land and labour. In other words, the peasants lost their direct control over the land and agricultural work became 'free' wage labour and thus both access to land and to agricultural production were via market institutions. In contrast, state socialism imposed the bureaucracy as the mediator – albeit, ironically, with similar outcomes.

The tendency towards extreme centralisation inherent in that particular model of central planning led to what the Hungarian economist Janos Kornai called the 'shortage economy'. The idea of this analytical model is that, in socialism, shortages exist not only for consumer commodities, but also for production resources, materials, labour etc. In other words, finding markets in order to realise production was not the main problem, as it is in capitalist systems. Rather, the problem was to obtain the means to produce commodities. That is why industrial management often engaged in practices of vertical integration, trying to secure inputs and other factors of production. There was also a tendency to employ more workers who were kept idle in most situations, and mobilised only according to the need for production in stock. These processes led to what Verdery (1996) called a competition for the accumulation of means of production.

The tendency towards centralised agricultural production was thus a structural feature of the socialist economy and not simply a result of unreflexive government planning. It is also key to understanding that it generated shortages for agricultural production, both for consumers and for the means to feed production (e.g. pigs for the meat industry).

The accumulation of these shortages generated the social need for their compensation, realised mainly as various forms of concessions by state socialism and opening pockets of market socialism. In the agricultural sector this meant that alongside the processes of centralisation, there was a concomitant process of decentralisation, permitting private production on small plots of land called 'personal land-holdings'. They were called 'personal' for ideological reasons (because the dominant discourse opposed private ownership), but in practice this was small-scale private production not solely for subsistence needs, but also to compensate for the aforementioned deficits. The central authorities also made these concessions as a response to resistance. Despite the radical shift of the majority of the population from being small-scale subsistence farmers to industrial workers, many found ways to continue farming, either in semi-legal or illegal urban farming, or garden farming by rurally based industrial workers. As a result of these forms of resistance, the agricultural sector was radically transformed in a process that the anthropologist Gerald Creed, who undertook fieldwork in the 1980s in northwest Bulgaria, called 'domesticating the Revolution' (Creed, 1997). Peasant resistance, and the compromises made by the Communists, led to the effective reinstitution of new practices to overcome the separation between labour, ironically 'freed' only after socialist modernisation, and the land.

This affinity between central planning and small-scale market-based agricultural production was legalised and subsequently supported by the government. From the 1960s, the government even started to distribute smallholdings (0.5 ha), including to urban populations, who by that time represented over 70% of the population. Also many pensioners took advantage of the schemes, migrating seasonally to rural regions. The 'personal' plots were worked during leisure time and their productivity was very high. For instance, in the late 1970s 30% of maize, 24% of milk and half of all potatoes and eggs were produced on such 'personal' plots (Meurs and Djankov, 1998:52). And these figures only reflect the production that entered the formal market, with much of the produce sold directly via illicit networks and/or for household consumption. The personal plots were very well integrated within the structure of the large-scale state-run cooperative farms, which provided the machines, seeds and agro-chemicals and guaranteed their markets (Begg and Meurs, 1998: 247–8).

In 1997, the Bulgarian Communist Party, recognising the high efficiency of the decentralising measures and along with the impasse to growth arising from radical centralisation, adopted a policy that aimed to extend such forms of market socialism into what was called the New Economic Mechanism (NEM). In 1982 the NEM was extended beyond agriculture to include the rest of the economy. The goal of these processes of liberalising socialism was to decentralise decision making, tighten internal budgetary control of individual economic units and create incentives for managers to increase productivity, without forfeiting central planning (Meurs and Djankov, 1998: 49).

The antagonistic symbiosis between small-scale, low-input agricultural, and the centralising forces of centrally planned agricultural production proved to be structurally important for post-socialist liberalisation reforms. Throughout the 1990s the rural populations attempted to protect the large agricultural cooperatives, as expressed in their electoral support for the former Communist Party. This was not necessarily to support of the cooperatives as such, but the structures that enabled small-scale production. The spread of the low-input agricultural practices also enabled Bulgarians not to completely lose their connection with the land and with food production in general with the modernisation of the agricultural sector in the 1950s. This also functioned in the strategies for extra-market food procurement

during the crises of the 1990s (Protect the Future and Za Zemiata, 2011).<sup>3</sup> Nevertheless, the post-1989 structural transformation of agricultural production gradually marginalised small-scale production and with the new centralisation, as from the mid-2000s, they were unable to reproduce themselves. This is because small-scale agricultural production lacked the previous levels of institutional, economic, etc. support. They not only lost their guaranteed markets, but sometimes faced legal constraints on selling their produce (for instance because of EU's hygiene standards for milk production) (*ibid.*, pp. 43–49).

## Post-socialist transformations

This historical overview helps to 'unpack' the formative social forces shaping the key actors to emerge after 1989. The (neo)liberalisation of Bulgarian agriculture was marked by two interlinked processes. On the one hand, the dissolution of the state-run large-scale cooperatives, in particular the privatisation of their capital (e.g. machines, buildings and livestock), in what became known as the Liquidation. This was done quickly and was accomplished by the mid-1990s. On the other hand, it proved very difficult to achieve land restitution, namely the attempt to return the land to the 'original' owners from before the collectivisation of 1946. The result was a two-fold shift in Bulgaria's agrarian structure that happened both too fast (Liquidation) and too slow (land restitution) (Begg and Meurs, 1998).

The public debate regarding the liberalisation of agriculture and land ownership remained the pivotal point of conflict in the early 1990s. The ex-communists (Bulgarian Socialist Party – BSP) argued that it should be implemented slowly and were seen as pro-cooperatives. Conversely, the democratic anti-communists (United Democratic Forces – UDF) were trying to push more radical reforms, as they believed the communists had entrenched themselves in the rural cooperatives and that the only way to prevent corruption was to dissolve them as fast as possible. Ironically, this Liquidation of the state-run cooperatives is now widely remembered as an instance of extreme 'corruption'.

The first elections were won by the BSP, supported by the rural population, mostly for reasons related to agricultural policies and land rights, but the UDF won the second free elections, in 1991, and subsequently initiated the Liquidation. It aimed to stop the potential conversion of the elites from the socialist cooperatives into elites of the new, private ones. This was intended to prevent the allegedly communist influence in the agricultural sector. It led to a massive destruction of capital (e.g. livestock sold to be eaten, machines for scrap metal, buildings abandoned). The experts responsible for the process, called Liquidation committees, were political appointees, and very often UDF sympathisers based mostly in larger cities. The rural regions continued to vote predominantly for the BSP. This exacerbated rural–urban tensions, and many villagers felt that the Liquidation measures were being forced on them by incompetent urban intellectuals.

This led to many forms of direct and indirect resistance. A good example is the notorious case of Tsalapisa. This is a small village in central Bulgaria where some of the first Liquidation committees were appointed. The villagers occupied the municipality for several months and did not allow the Liquidation committee to enter the building in order to prevent them from dismantling the cooperative by selling off its capital. In the end, the riot police intervened and evicted the occupiers so that the committee could assume its functions (Creed, 1997).

The 1994 parliamentary elections saw a second victory for the BSP (although the government collapsed in 1997 in the midst of a deep political and economic crisis), mostly supported by the rural population, driven by grievances related to the agricultural reforms. Villagers saw the BSP as a means to defend the old cooperatives. This does not mean that they defended socialism as such, but rather, as Creed (1997) has shown, the reformed, 'domesticated' socialism they had achieved through decades of resistance.

As explained earlier, the state cooperatives provided the backbone, the conditions for the survival of the small-scale agricultural production units, by guaranteeing markets and providing physical and financial inputs, all of which was won via strong resistance under state socialism, and was able to reinstate the direct link between land and labour. The BSP's strong electoral success in the 1990s could be interpreted as a form of resistance to the imposition of the new regime of agricultural production by farmers trying to protect what they had achieved under state socialism. Such resistance in fact tamed some of the more radical dimensions of the agricultural liberalisation policies (for example livestock was no longer 'liquidated', after legislative reforms pushed by the BSP). Nevertheless, the general direction remained intact.

The second key ingredient of the post-1989 agricultural reform was the land restitution. Whereas the Liquidation happened much too fast, the restitution was extremely slow. Restitution aimed to restore ownership to the 'original' owners and not to the farmers and agricultural workers. It was anticipated that the reform would finally erase socialist history and allow for agricultural production based on individual land ownership. This liberal vision was based on an idyllic understanding of what agricultural production was like before collectivisation, substituting the historical lack with an imagined loss.

The restitution faced a series of severe problems. First, as explained above, before 1946 land was distributed among a vast number of smallholdings in the hands of peasant farmers working the land on a communal and traditional basis. For instance, in 1934 the average plot was 6.8 ha (Begg and Meurs, 1998; Gruev, 2009). Primitive socialist accumulation had pushed most peasants towards the towns and cities, transforming them into industrial labour. This meant that their heirs did not necessarily want the land offered to them as restitution or that they had any desire to engage in agriculture. Another problem was that restituting millions of plots of land caused bureaucratic chaos, especially as only about 12% could be restituted directly, 'since construction, the planting of perennials, and other changes have fundamentally changed the structure of farmland' (Begg and Meurs, 1998: 252). Over 90% of claims were for plots of under 1 ha, and even this might be an underestimation as claims were made on behalf of the whole family by one member and later further divided.

The restitution process was also highly problematic as property was treated as being linked to family lineage rather than to those actually cultivating the land. The idea of restituting property to the heirs of the original owners also effectively excluded populations whose parents and grandparents did not own land. This particularly affected the Roma, who were involved in agricultural production under state socialism but lost this land after 1989 because their parents did not own it. With the subsequent rural economic degradation many Roma were pushed towards cities, often in informal settlements. For instance, in a cooperative, near the city of Bourgas (located on the southern coast of the Black Sea), only 40% of the employees could make claims to land for these reasons (Begg and Meurs, 1988: 253).

This radical fragmentation of land, along with the liquidation of capital, produced a sustained rural economic decline. Both the Liquidation and the restitution process bred intense rural resentment as a village woman, interviewed by Gerald Creed (1997), revealingly stated: 'First the communists made us give up our land, and now the UDF is making us take it back. It's like getting slapped on both sides of your face'.

In sum, for most Bulgarians, access to land in itself was not the most serious concern. In fact, it was land fragmentation that proved to be one of the major causes of rural economic degradation and underdevelopment. This is specifically the case in the northern region of Bulgaria, where agricultural production is focused mostly on grain. This means that its efficiency is dependent on land consolidation and mechanised production. The restitution process redistributed land to a vast number of people who did not necessarily want it and had little or no economic incentive to take advantage of it. At the same



time, the capital of the old cooperatives had been liquidated, rendering land ownership economically meaningless. The severe fragmentation of land ownership was the major impediment to the agricultural economic growth in the northwest, at least up to the mid-2000s, when land was again consolidated. Prior to state socialism grain was produced in a labour-intensive manner, along with the traditional collective production practices. A return to this form of production was structurally impossible, both because of decades of urbanisation, and also because social needs had radically changed and practically no one wanted to return to small-scale subsistence farming.

## Land sovereignty and food sovereignty

Despite the fact that access to land, given the peculiar combination of the restitution and liquidation policies, did not lead to economic development, it was centrally important in enabling many people to survive the crises of the 1990s. As already mentioned, rural resistance had forced the Bulgarian Communist Party to make many concessions and to redistribute small plots of land. These 'personal' plots were not only of key importance for the national agricultural production by compensating for the 'economy of shortage', but were also used to produce food for family consumption. Both rural and urban populations were engaged in this kind of farming. Moreover, such practices served to establish a new type of direct link between industrial labour and the land, hence keeping alive the stock of agricultural knowledge. It has been common for retirees to take up residence in a village and engage in gardening or small-scale animal husbandry and to send food to their families in the cities.

1989 triggered severe commodity shortages in Bulgaria, resulting in serious food insecurity in the 1989/1990 winter, particularly in urban areas. The 1996 economic crisis presented another challenge to food security. This time, it was not due to food shortages but to hyperinflation and low incomes that impeded people's access to food. The strategies of extra-market food procurement, established during the period of state socialism, were to prove formative in the development of mechanisms to cope with both of these crises. Urban dwellers had direct, non-market access to food via friends and relatives in the countryside. This tradition continues to this day. For instance, one study found that in 2010 more than 60% of the population was involved in regular extra-market food production.<sup>4</sup> Another study shows that in 2008 alone, Bulgarians produced 208 million jars of homemade fruit and vegetable preserves.<sup>5</sup>

This shows that the successful rural resistance during state socialism, what Creed called 'domesticating the Revolution', was able to restore a direct link between labour and land and food production. This could also be understood as a 'people's counter enclosure' that was able to reclaim its 'land sovereignty' (Borras and Franco, 2012).

The original process of enclosures, in the sense of separating land and labour and the installation of the central plan as the key mediating force between them, was imposed in Bulgaria in the 1950s with the process of 'primitive socialist accumulation'. Such forms of resistance forced the Bulgarian Communist Party to make compromises and to initiate a process of the land distribution in the form of 'personal plots'. In this way communities managed to restore their relationship with land and thus achieve levels of land and food sovereignty. The system, as described above, comprised a complicated interconnection between local communities, industrial labour, 'personal' plots and the state-run centralised cooperatives. This historical conjuncture was formative in mitigating shortages during state socialism and of some of the worst effects of the crises of the 1990s. However, with the post-1989 changes and the uprooting of the old cooperatives, this symbiotic relationship was broken. Even though the egalitarian access to land, at least initially, was extremely widespread (with the land restitution), it could not sustain the connection between land and labour. The recent trend of land consolidation, mostly in the hands of large-scale Bulgarian investors, is a new form of private enclosure. The way

it is played out, in socio-political terms, has not only disabled the demands of a proactive campaign in favour of popular counter-enclosures, but has also eroded the very possibilities for any defence against land grabs in the first place.

The small-scale farming structures of state socialism were highly dependent on the state-run co-operatives. With their dismantling, the low-input practices lost their foundations. Moreover, the new international market integration made it even harder for them to survive. The latter is very clear in the small-scale dairy sector, for example, as it was completely unable to meet common hygiene standards, among other problems posed by market liberalisation.

## **2. Beyond the 'Transition and on the Path towards Land Grabs**

After 1989, unlike in the Ottoman times or after 1878, the consolidation of a vast small peasant class was structurally impossible, despite the fact that most of the population obtained small plots of land. Nevertheless, rural people who got hold of land attempted to sustain the cooperatives whether in a completely new form, or by reviving the old state cooperatives. This was seen as a way to avoid fragmenting the land, particularly important in grain-producing regions, without forfeiting control over it – as would happen if the land were leased or sold. In 1992 half of Bulgarian farmers wanted to put their land into a cooperative, and by 1994 nearly 1,300 agricultural cooperatives had been registered (Begg and Meurs, 1998).

What is critical here is that the 1990s' land reform distributed land to a very large number of people and effectively fragmented land ownership. Access to land was thus largely not an issue, but what did matter was lack of access to economic incentives (e.g. to capital, that had been forcibly liquidated, and to credit or markets). This processes led to serious rural degradation throughout Bulgaria, mostly apparent in the northwest. There was a major drop in the use of arable land from the 1990s up to the mid-2000s. What needs to be stressed here is that the reasons for the severe rural underdevelopment are not psychological<sup>6</sup> (e.g. lack of entrepreneurial ethos, etc.), but strictly economic, as explained above. What this means is that it was economically more viable, from the point of view of the new and fragmented small-scale owners, to sell or lease their land to private investors. This not because they lacked information about the 'true value' of land, but for structural economic reasons.

The recreation of the cooperatives was an attempt to seek an alternative, but it was hard for them to sustain themselves economically. This was not only connected with lack of access to capital, but also the more general conditions in the 1990s. Access to land was not the main problem, but rather the loss of international markets, the severe financial crises in the 1990s, lack of credit, etc. The liberalisation of international trade, with the WTO membership in 1996 and EU accession in 2007, created additional pressures to the cooperatives, as they were ill-prepared to compete in the new international markets.

The large-scale state-run agricultural cooperatives had been dismantled and the new ones were functioning in completely different situation. Their capital had been liquidated and the conditions that made small-scale production possible had been uprooted. In other words, low-input production lost its guaranteed markets (formal or informal), and access to essential inputs was no longer assured.

The process of re-consolidation of ownership in the hands of private investors took many years, and was able to lead to more effective forms of private production only after EU accession in 2007. This happened to coincide with the global food and economic crisis. These combined factors constitute the structural conditions that led to the rapid increase of land grabs, particularly after 2010. Centralisation

of ownership in northeast was relatively easier, partly because of a stronger investment interests in the highly fertile and basically 'geographically' well-disposed areas (e.g. presence of large-scale arable plots, access to water for irrigation, existing infrastructure). The land in that region was leased by large Bulgarian investors (or *Arendatori* in Bulgarian) who specialised mostly in grain production. Some of the *Arendatori* also bought large plots of land. These investors operate throughout Bulgaria but are mostly based in the north.

Another important new player in the consolidation of land ownership is the special investment funds (SIFs), which enjoy government support. For instance, in 2009 a new law was passed to facilitate so-called 'voluntary consolidation'. If owners have 10% of the land in a region where land is fragmented, they can initiate a procedure whereby the government can swap their land (with municipal or state land, for example) in such a way as to consolidate it. Over the years, these SIFs have obtained a lot of land from the new smallholders, but it is usually spread out. For instance, Advanced Terrafund is such an investor, declaring its goal to obtain 25,000 ha<sup>7</sup> by the end of 2012 and subsequently to lease it for farming. These organisations will greatly benefit from the new legislative amendments. Although the *Arendatori* and the SIFs, are competing to accumulate land, both also benefit greatly from the current EU agricultural subsidies, namely direct payments per unit of land.<sup>8</sup> Some of the SIFs are partly or fully owned by foreign investors. This will be expanded further in the end of the next section.

Foreign investors step into this same context. Until the current land consolidation trend, they found it difficult to invest, as it was institutionally difficult to obtain sufficiently large areas of land. Now they can directly lease or buy land that has been consolidated.

Overall, the implementation of the new regime in the 1990s, along with the liberalisation 'shock therapy' and the concomitant transition from state socialist semi-periphery to capitalist periphery (Prodanov, 2012) meant that most prospects for accumulation of capital lay within what David Harvey (2005) called 'accumulation by dispossession'. According to Harvey, dispossessing public ownership was structural for post-1970s accumulation, a process that he links with the more general investments in non-productive sectors and to the subsequent financialisation of the economy that culminated in the global recession from 2007.

It was a very violent development, even if direct force was seldom applied, apart from the sporadic gang wars in some of the large cities. The sociologist Lawrence King claims that the mass privatisation processes in Russia in the beginning of the 1990s were associated with higher mortality rates of 12.8% among the adult male population (in Stuckler et al., 2009). King states that these high rates might be related to the higher male unemployment rates caused by privatisation. This trend has been repeated, according to King, in other post-socialist rapid mass privatisation schemes. Most of the deaths were directly caused by stress or alcohol-related diseases. Although there are no similar studies on Bulgaria, one can assume similar trends.

This dispossession process played out very clearly with the post-socialist primitive accumulation, marked by unprecedentedly radical privatisation of public assets, such as the Liquidation. This process is often understood through the lenses of 'corruption', and 'transition gone wrong', as if there were a peaceful and non-violent way for the transition to capitalism – and as if these recent historical shifts were not characteristic of practically all countries from the 1970s onwards, albeit not at identical levels or at the same time. All this means is that accumulation by means of dispossession of and control over land (e.g. land grabs) was an important recourse for accumulation after 1989 and are could not be attributed solely to the post-2007 emergence of new global actors. These specific investment practices can be most clearly linked with land grabs in non-agricultural economic sectors, as it will be expanded in the next section.

### 3. Types of land grab in Bulgaria

This section examines the more general context of various forms of land grabs (LGs) in post-1989 Bulgaria, understood as obtaining control over land via dispossession for the purposes of capital accumulation. This is most visibly the case for non-agricultural land. The section offers a potential typology of the dominant forms of post-1989 land grab, without narrowing the issues down to the period following the 2007/8 crisis in food prices, or the global phenomenon of land grabs. Specifically, it addresses the following types of LGs in Bulgaria: (a) investment in the tourist industry (predominantly golf, ski and sea resorts); (b) mining projects; (c) liberalisation of legislation related to the production of genetically modified organisms (GMOs) (d) urban development (e.g. dispossessing Roma communities, gentrification); and (e) agricultural development by investors, domestic and foreign.

**(a) Land grabs for tourist investment.** These are cases of privatisation of land for the construction and expansion of large-scale resorts, i.e. changes in land use for recreational purposes that could be subsumed into the wider 'trend of land artificialisation'. De-industrialisation after 1989 and the transition to a 'service economy' increased the importance of the tourist sector. This intensified with EU accession and there was a boom in investment in ski and sea resorts, and golf courses.

Some of the means by which land was acquired were surrounded by major corruption scandals. One of the most scandalous and politically charged mechanisms is the use of provisions for land swaps. Land swaps were successfully used in implementing the retracted land restitutions. As discussed above, in the early 1990s the government attempted to restitute land to the 'original' owners from before state socialism. The problem is that land use had dramatically changed between 1946 (when land collectivisation was initiated) and 1989, due to industrialisation, collectivisation of agricultural production, etc. For example, some of the arable land was converted to forests. Another problem was the lack of clear land registries from 1946, which further complicated restitution (Giordano and Kostova, 2002: 80). All this meant that only a small fraction of land could be restituted directly and the processes proved immensely difficult and slow. The other major rationale behind the land swaps is as an instrument to facilitate land consolidation.

This mechanism has been highly abused, most prominently for the acquisition of publicly owned land in areas of investment interest for tourist developments. The abuse of land swaps has been under the mainstream political, media and citizens' spotlight for more than 10 years, and been radically contested to the point of becoming a synonym for corruption. The 2003 Forestry Act allowed swaps of over 3,300 ha – land evaluated at low prices is exchanged for a territory of roughly the same size but worth a hundred times more.

Other land grabs related to such investments include constant attempts to privatise national parks and/or giving building permits, often illegally, in protected territories. This was the case with the Stranja national park, when the government attempted to change its status in 2006, thus opening possibilities for tourist investment in protected and/or agricultural lands. This initiative was stopped after a huge wave of protests. After years of struggles, one of the hotels that had been already built was demolished.

A similar case is that of the Vitosha park, which covers large parts of the Vitosha mountainside near Sofia. There is already a ski resort, but the company that runs it wanted to extend it. This was legally impossible as the company wanted to expand into protected territories. The investor lobbied to change the legislation and went on an investment strike, closing down all ski lifts in 2011 and 2012. The lobbying succeeded in getting the legislation amended in 2012, giving the company the right to extend lifts and build other tourist infrastructure on publicly owned land in the Vitosha park. This means that the

company could essentially privatise common land without legally owning it. This provoked widespread social outrage and in the summer of 2012 there were massive protests and street blockades all over Bulgaria, which succeeded in pushing the President to veto the decision, the Parliament to retract the legislative amendments and the Sofia municipality to force the company to end the investment strike and to start the ski lifts in the winter of 2012.

One more example of land grabs for tourism purposes is the rapid expansion of the golf industry, which also involves water grabs. It is difficult to estimate the exact figure, but according to an article in the prestigious Bulgarian magazine *Tema*,<sup>9</sup> from 2000 to 2005 about 600 ha was converted to golf courses that had been established or were under construction. Another revealing example is the media scandal caused by the publication of an investigative journalist piece in *Le Figaro*,<sup>10</sup> according to which the government distributed agricultural subsidies, in the forms of direct payments per hectare, for the development of the Bulgarian golf industry. According to *Le Figaro*, €4.25 million of public money was spent on golf courses and 'military terrains'. The agricultural ministry has denied such allegations.<sup>11</sup> It is important to note that supporting the golf industry has been a declared aim of several governments. For instance, there is a special government agency charged with stimulating the development of the sector. In 2013 Bulgaria will host a major international golf competition, with the support of the government. The government has even tried to distribute land for the creation of golf courses for free in order to stimulate the industry<sup>12</sup> in the form of various public-private partnership (PPP) schemes.<sup>13</sup>

Land grabs related to the development of the tourist industry in Bulgaria have been very strongly contested. It is around them that the environmental movement, arguably the strongest social movement in the country, consolidated, particularly after 2006 with the formation of the NGO coalition 'For the Nature'. This movement has contributed to mainstream political discourse and been the subject of attention in the mass media. The resistance to LGs saw the process of EU integration as the main remedy for such grievances, such as the inclusion of large territories within NATURA 2000.<sup>14</sup> The environmental campaigns supporting NATURA 2000 took part in a very wide number of civic actions – mass demonstrations, small artistic events, street blockades, flash mobs, petitions, film screenings, leafleting, working with the media, debates, press conferences and public lectures, concerts, lobbying politicians, among others. The mobilisations were both at the grassroots and at a more expert NGO level. They tended to involve mostly urban youth, predominantly from Sofia. The same movements have also been very active for the protection of national natural parks, using similar campaigning strategies. What emerged from this was a very strong and highly visible environmental social movement that can influence political decisions. At times it succeeded in stopping a series of investment projects, in particular the privatisation of land for tourist over-development (ski and sea resorts) that would have degraded the environment and limited free public access to those areas.

Since the movement did not contest land grabs as such, but focused only on corruption issues, it finds it hard to expand its critique to include legalised LGs. NATURA 2000 was seen, however, as an indirect instrument to limit the centralisation of land property. It also mobilises around promoting alternative rural development and supporting small businesses, such as eco-tourism, small-scale extensive farming, and so on.

The case of Irakli makes clear the nature of the impasse. Irakli is located on the coast of the Black Sea. It is currently a 44 ha conservation area. Under state socialism it was used as a children's camping site, but was abandoned after 1989. In the 1990s it became a free camping site on and near a large beach. A large investment project was proposed in the mid-2000s, the resistance to which played a critical role in the emerging environmental movement and is thus an important symbol. With Bulgaria's accession to

the EU, Irakli became part of NATURA 2000, as a result of the environmentalists' efforts. They saw the potential not only to preserve it as a natural park, but also to maintain the free camping site – in other words, remaining environment-friendly and keeping open access. In early 2013 the movement started an information campaign about a 2009 building permit for camping houses. Construction started on 2 November 2012. Despite its initial claims that there are no irregularities, after mass protests and growing civil mobilisation by the environmental movement, the government was forced to admit that some aspects of the environmental impact assessment (EIA) had been flouted. Construction was stopped temporarily. Since the violations of the EIA involved the exact types and number of tourist facilities to be built, construction work can resume once the legal irregularities are rectified. This shows that being absorbed in legalistic critiques, and focusing on the process of the transaction itself, may lead to an impasse. If everything is legal and transparent, there is little basis for questioning a similar land grab. This explains why, in early 2013 the environmentalists prepared a detailed proposal for a new network (with stricter rules and regulations) of conservation areas throughout the Black Sea region, making this their major demand. Without dismissing conservationism in itself, it is important to acknowledge that it is incapable of questioning the wider processes of land grabs as such, and that its stance is essentially defensive. Moreover, even when it achieves local successes, it cannot contest LGs beyond the conservation areas.

**(b) Land grabs for mining projects**, particularly fracking and cyanide gold mining. Although these investment projects did not necessarily include the acquisition of large tracts of land, social movements challenging them saw the projects as potentially gaining control over agricultural land. Both gold-mining and fracking projects were strongly opposed by environmental NGOs and movements. They also generated strong rural resistance, precisely on the grounds that rural populations perceived them, as a threat to farming, both indirect (because of land and water pollution) and direct (fracking companies demanded unrestricted access to agricultural land they do not own).

The proposed legislative provisions to allow the fracking companies unrestricted access to agricultural land enraged farmers. The protests against shale-gas mining were vocally supported by the National Association of the Grain Producers, the organisation of the large-scale, mechanised grain producers in northern Bulgaria, who produce for international and national markets. Most of them lease the land they use and the size of their holdings varies, with the larger ones being about 20,000 ha. Eventually, the movement against shale-gas mining achieved a ban. Bulgaria became only the second EU Member State to do so.<sup>15</sup>

The resistance against cyanide gold-mining projects have also been quite successful.<sup>16</sup> For example, in 2005, the citizens of Popintsi (a village in southern Bulgaria where there is a gold-mining investment project) managed to temporarily stop an investment project by a big Canadian mining company. The local villagers staged large-scale protests and blocked the road so the technical equipment could not reach the mines. Social and environmental movements are still contesting these investment projects.<sup>17</sup>

**(c) Genetically Modified Organisms (GMOs).** Many farmers and consumers regarded attempts to liberalise GM crop production as an attack on seed sovereignty, and indirectly limiting the options over land use. For instance, the environmental association *Za Zemiata* organised a series of meetings between farmers and the internationally known Canadian farmer and activist Percy Schmeiser, who had famously won a court case against Monsanto for polluting his land with GM seeds. The major farmers' show on national TV (*Brazdi*) also aired documentaries related to that case. This made many farmers aware of the fact that the invasion of patented GM seeds may restrict their autonomy over land use. For example, contracts may force farmers to buy seeds from the same

company each year. Obviously, patented GM seeds do not lead to changes in land ownership, but the privatisation of Bulgaria's genetic heritage was perceived by both consumers and producers as compromising autonomy over land use, and thus limiting both land and food sovereignty. The view that GM seeds might endanger autonomy over land use was also pivotal for the environmental movement.

The declared goal of the anti-GM movement in Bulgaria, which started in the late-1990s, was to raise concern about the corporate control over food, land, and seeds. The protests turned into a real movement in Bulgaria in 2004 with the participation of organisations from different parts of the country. It achieved a temporary ban on GM production. The movement gained momentum in December 2010 when the government tried to lift the ban, but the broad-based anti-GM movement stopped it.

The anti-GM movement raised wider (mostly consumer) concerns about food, seed and land sovereignty, and public health. In 2010 and 2011, it gave rise to another movement, namely the formation of consumer cooperatives, inspired both by La Via Campesina's concept of food sovereignty, as well by Community Supported Agriculture (CSA) practices in the rest of Europe. The understanding of GM as a threat to the autonomy of land use was also an important aspect. This movement was also greatly stimulated by its participation in the anti-fracking campaigns. It was formed around the understanding that GMOs were only one of the problems posed by the contemporary global food system, and that these will be overcome only by instituting new forms of direct links between the production and consumption of food – in other words, finding ways to go beyond the alienating forces of the market that prevent the direct connection between the consumption of food and the land and labour needed to produce it. This enables the new **food justice movement** to pose much more critical questions about the land-grab processes than can movements that are focused only on challenging instances of corruption.

**(d) Land grabs for urban development,** particularly for informal or semi-formal settlements, including 'slums'.<sup>18</sup> This type of land grab is the only one that sometimes involves the use of direct violence in order to evict people for the purposes of gentrification. Recently, a major Bulgarian human rights NGO won a case in the European Court of Human Rights precisely on the grounds of the right to housing, and thus achieved a temporary halt to this type of land grab.<sup>19</sup> Although LGs for urban development do not limit access to or control over agricultural land, but rather the access to land needed for the realisation of the right to housing, they are indirectly linked to the 1990s' land-restitution reforms. As mentioned earlier, restituting land to 'original' owners from 1946 automatically excluded the Roma, who did not own any land before state socialism, although many were employed in the agricultural cooperatives before 1989. This is one of the reasons why the Roma were among the worst affected by the economic decline in the 1990s and were pushed to urban areas, often into informal settlements.

**(e) Land grabs for agricultural production.** The global expansion of land grabs after the 2007/2008 food crisis did not become a mainstream concern in Bulgaria. In fact, the concept of land grabs is not widely used, even by NGOs. On the contrary, to the extent that foreign direct investment (FDI) was attracted to the acquisition of agricultural land, government institutions and the mainstream media tended to see it as a potential means to overcome the long-term rural economic stagnation that had resulted from the decollectivisation in the early 1990s. The lack of land consolidation and fragmentation of ownership stemming from the concomitant processes of land restitution and the Liquidation were understood to be the main obstacle to rural development post-1989.

All the talk about the necessary consolidation misses the radical trend to re-centralise land that has been visible in the last years, and that this consolidation and the upwards shift in agricultural economic growth has not promoted rural development in terms of creating jobs and overcoming the social crisis. In 2010,

Bulgaria had a total of 370,500,000 agricultural land holdings and 4,475,530 ha under cultivation (Eurostat, 2012). In 2010 these were distributed as follows:

- 3.2 % of less than 2 ha
- 2 % of 2–4.9 ha
- 1.6 % of 5–9.9 ha
- 2.1% of 10–19.9 ha
- 1.6% of 20–29.9 ha
- 2.6% of 30–49.9 ha
- 4.5% of 50–99.9 ha
- 82.4% of over 100 ha

Source: Eurostat, 2012

Despite figures that clearly show that most holdings are over 100 ha, the supposed 'lack' of consolidation, investment and efficiency is still used to explain widespread rural underdevelopment and poverty in the mainstream media and political discourse. The government continuously calls for land consolidation, which has been the rationale for various legislative reforms to facilitate the trend. For example, the government stimulated the creation of 'special investment funds', whose purpose is to centralise land ownership. Moreover, legislation was passed allowing big private companies to till 'idle lands' (called 'white spots') they do not own, if the owners do not declare their intention to use the land each year (see more in the last section).

The global shift to large land investment was also seen as a means to further land consolidation via attracting FDI, at least within mainstream political and media discourse. For instance, the Chinese investor in Boynitsa was seen as a means to 'consolidate' the land, even though the investor actually leased land from a large Bulgarian company that already owned it. Thus there was no serious challenge to agricultural land grabs.

The government had actively attempted to attract FDI in agriculture after the crisis. The current agricultural minister, for instance, recently organised an international press conference, declaring that agriculture is the most promising sector for foreign investment. In this public relations exercise, the minister stated that Bulgaria had greatly improved its rural infrastructure. He highlighted the increased opportunities for subsidies, expecting €2 billion in the next round of the Common Agricultural Policy (CAP).<sup>20</sup>

Despite its constant efforts to attract FDIs in the agricultural sector, the government has achieved only limited success. In 2011 only 1% of all FDI was in agriculture, forestry and hunting.<sup>21</sup> In fact, this reflects a more general trend of the drop in the relative importance of agriculture in the Bulgarian economy, whose share of gross added-value fell from 11% in 2002 to 5.6% in 2011.<sup>22</sup>

FDI in land used to be impeded by land fragmentation. Large foreign investors find it institutionally difficult to organise the acquisition of land from a vast number of smallholders. It is even harder to arrange to lease such land. Using national capital to achieve land consolidation is what enabled larger investors to step in. For instance, the Chinese investor in Boynitsa had leased the land directly from a major national agricultural investor who had taken many years to consolidate this land.



As already mentioned, there is a clear trend towards land consolidation, to the extent that in 2010 less than 15% of all agricultural landholdings are below 50 ha and 82.4% are over 100 ha (Eurostat, 2012). The agricultural report issued by the Bulgarian agricultural ministry for 2010 showed a significant decline in the number of registered agricultural holdings – by 44.4% compared to the 2003 agricultural census.<sup>23</sup> On the other hand, the average size of land holdings more than doubled from 4.44 ha in 2003 to 20.1 ha in 2010. In 2003 there were 668,000 land holdings. The total arable land at that time, according to the agricultural report, was 2,900,000 ha. In 2010 the same report notes that the number of landholdings fell to 357,900 and the total arable land rose to 3,628,000 ha. It is clear that while the number of production units is falling drastically, the amount of arable land in Bulgaria is substantially rising.

The recent global explosion of land grabs for agricultural production in the context of the economic and food crises, and the general transition towards a more flexible global food regime, was also reflected in the Bulgarian agricultural sector.<sup>24</sup> The country has received increasing investment from China, Kuwait, Qatar, Saudi Arabia, United Arab Emirates and Israel. Other investors include individual traders and investment funds.<sup>25</sup> For example, Jeffrey Notaro, who worked as a Wall Street trader for about 20 years and is currently CEO of Global Quest, set up an investment fund called Black Sea Agriculture<sup>26</sup> and had reportedly closed deals for 113 ha of agricultural land by the end of 2011.<sup>27</sup> This size is quite small, but what is important is that Global Quest is an example of new types of investor, as both Mr Notaro, based in the USA, and the company's executive officer in Bulgaria, have a background in the finance industry. The example also matters because the goal of the company, according to its website, is to acquire much larger tracts of land along the Romanian and Bulgarian Black Sea coast, in what they call the 'Black Sea Farm Belt'. The land that they buy is subsequently leased (usually for five years) to companies that work it.

There is a serious lack of in-depth analysis of this new wave of land grabs by foreign investors in Bulgaria and most articles on the topic are of a journalistic nature. CRBM [now Re: Common] (2009) 'The Vultures of Land Grabbing' is one of the few studies that mention cases of such LGs in Bulgaria. There are cases documented in studies such as the CERES Agrigrowth Investment Fund, a grouping of: Raiffeisen Centrobank AG, global investment funds like Firebird Management, Black River Asset Management, and Mezzanine Management and private equity companies like Rosslyn Capital Partners. They have acquired more than 22,000 ha and by 2008 had raised capital of about €45 million.<sup>28</sup> The CRBM study also shows that ELANA, one of the largest non-banking financial groups operating in Bulgaria since 1989, had by February 2009 acquired 29,320 ha of agricultural land. Elana Agricultural Land Opportunity Fund is owned by QVT Fund LP (Cayman Islands) 49.5%, Allianz Bulgaria (owned by the German Allianz Group) 16.46%, and Crédit Suisse Securities (Europe) Ltd PB 8.39%.<sup>29</sup> Investment funds do not directly work the land but lease it to agri-businesses.

The predominant large-scale farming businesses are, however, the national *Arendatori*, who rarely form direct alliances with foreign investors. The domination of national capital is specifically the case in northern Bulgaria where, as stated earlier, the main crops are grains and maize, and thus farming efficiency is strongly linked with the need for large tracts of land. Large-scale national agricultural investors could also be described as land grabbers in that their activities effectively exclude local communities and authorities from decisions regarding how the land is used, for what purposes, etc. Capital-intensive farming offers little or no employment. In other words, they need the land but not the local labour force. They also separate grain production from livestock breeding, thus furthering exclusion of local labour. Land is either leased or bought. Several large agricultural grain producers dominate the market, some of which are also engaged in processing.

There has been almost no effective resistance to land grabs and to the separation of labour from land because these processes are largely presented as a rural development opportunity. This is despite the fact that consolidation is spectacularly inefficient in providing employment. There is hardly any well-articulated resistance to this type of land grab. The attempt to form cooperative agriculture in the 1990s could be seen as an attempt to form an alternative, but it was hampered not by the lack of access to land, but because of insufficient access to capital, markets, etc.

## Resistance to land grabs

The most visible resistance to LGs was articulated in movements closely inked to the environmental movement. Two co-existing trends or narratives can be observed in the same movements and groups. In other words, the same organisations are engaged in both types of campaigns. Both are mutually advantageous insofar as they complement rather than contradict each other.

First, there are approaches that do not address the problem of control over land directly, but integrate it into a wider critique of 'corruption' and the degradation of the natural environment. They deal with land grabs for the over-development of tourism and the privatisation of national parks. While these movements crystallised after 2006, they inherited the discourses of earlier Bulgarian environmental movements from the end of the 1980s and the 1990s. They were embedded in a critique of state socialism's industry-led environmental degradation and not in a critique of land grabs. What also characterised them was their tendency to address the environmentally destructive practices of national capital, which was involved in the investment projects in question, and to focus less on the role of foreign capital. The privatisation of land arising from such projects was interpreted as a problem of a broken political system, the 'incomplete' or 'mistaken' 'transition to democracy', and not as a means for accumulation of capital by means of dispossession. The main remedies sought, sometimes very successfully, were the instruments (usually either conservationist such as NATURA 2000 or anti-corruption) provided by membership of the EU and democratisation in general. In short, they focus on the processes of the transaction, and not necessarily on its substance.

The second tendency in the environmentalist discourse became more clearly discernible after 2010, and was linked with the anti-GM and the anti-fracking movements. As mentioned earlier, environmental movements tended to understand GM and fracking projects not only as a threat to public health, but also as a potential land grab, in the sense that they might restrict the owners' autonomy over land use. This grew out of the realisation that it is not strictly to do with corrupt Bulgarian elites, but that the widespread social and environmental issues are embedded in a global system that is inherently problematic. This is why they began to articulate a more proactive critique, seeking to propose alternatives beyond mere legal arrangements and defensive strategies related to specific investment projects. This was associated with a critique of FDIs (quite different from the far-right nationalist stance), and a questioning of trade liberalisation in relation to food, seed, water and land sovereignty. The formation of a new food cooperative movement after 2010 was inspired by CSA projects in other European countries, as well as by La Via Campesina's concept of food sovereignty. It was better able to question the relationship between land, food, production and consumption, and started to look for ways to restore the links between production and consumption and between land and labour. Thus it is better equipped to articulate a critique against land grabs as such. The new strand of critique, which sought to propose novel alternatives to transcend the gulf between consumption and production, was not intended to oppose the first trend, but rather to extend and complement it.

## 4. The Case of Boynitsa

This section illustrates how the dynamics described in the previous sections play out at the micro level in one Bulgarian village. It is based on fieldwork conducted in early January 2013, which included extensive with the mayor and another municipal staff member, the director and two members of the main cooperative, two members of the second cooperative, four elderly owners of small plots of land, five unemployed residents, one shopkeeper, three employees of the *Arendatori* (one based in Boynitsa, the others in villages nearby). Fieldwork had been conducted in the same village in the summer of 2012. Articles in the national media on agriculture in Boynitsa were also reviewed.

Boynitsa was selected as an example of the social dynamics outlined in the preceding sections because it attracted a lot of mass media attention when a large Chinese investor announced its intention to acquire large tracts of land there. The government officials presented this FDI as an excellent way to overcome the social crisis facing the region.

Boynitsa is considered to be one of Bulgaria's poorest villages and is located in the northwest Vidin region. Its current population is about 450 people, down from over 4,000 in 1946. It has been predominantly a grain-producing region, with the production of grain tightly linked to vegetable production and animal breeding. The mechanisation of agriculture in the 1950s did not change that, but after 1960 there was a steep rise in the number of people working on personal plots and in small-scale animal breeding. One small rubber factory was also built in the village (but went bankrupt after 1989) and employed 40–50 people. The initial attempt to revive the cooperatives in the 1990s failed and the larger Bulgarian businesses started to dominate agricultural production and have, at least until now, outstripped the larger foreign investors.

### Foreign investment

The village attracted a lot of mainstream media attention in 2011 because a Chinese state-owned corporation, The Tianjin State Farms Agribusiness Group Company, leased 2,000 ha for €10 million near to Boynitsa. The land was used to grow export-oriented flex crops, namely maize. There was no fundamental change in land use. The deal is only one of the first planned by the corporation and in 2011 it announced plans to acquire another 10,000 ha in the northwest region of Bulgaria. The government had assured the company of its full support. The company leased the land from a major *Arendatori* that had managed to consolidate land over a period of years. According to the people in the village, the *Arendatori* had bought the land very cheaply in the early 1990s.

Chinese investment in Bulgaria is strategically important because it is not only the first in the country but also the first such case of its kind in the EU. The poor regions in the northwest are seen to offer a high return on investment, and this is where the first deals with the Tianjin State Farms Agribusiness Group Company were closed. In fact such deals are only part of larger wave of Chinese investment in Bulgaria, including in car manufacturing, and Chinese investments in Bulgaria grew by 320% in 2011 alone.

The locals were not consulted before or during the deal. Even the municipal authorities had no prior information. The mayor was called on the phone one evening to be informed that on the next day representatives of the Chinese company would meet with the Bulgarian agricultural minister and the media in the village centre, and that she was expected to attend. This is how she was advised of the deal.

The Chinese company sub-contracted a Bulgarian agricultural business to farm the land, and kept its representatives in a city nearby. The locals had basically no contact with the representatives, but were generally very well predisposed towards them, being genuinely interested in 'their culture'. The mayor

had almost no contact with the representatives even though she says that she tried to invite them to various local celebrations. Only once did one person agree to come to 'tell them about the Chinese culture' in the cooperative pub in the village centre.

In November 2012, however, the Chinese company suddenly announced it will terminate its contract and will move from Boynitsa to other regions in Bulgaria. It seems that the first deal was an initial experiment, aimed at checking the limitations and the prospects for such investments in Bulgaria.

'How China was not able to survive in Boynitsa', 'Bye, Bye Boynitsa', 'The Chinese are Fleeing Boynitsa Only After One Year', and 'The Second Largest World Economy Did Not Survive Boynitsa' are some of the headlines in the mass media about the withdrawal of the company. According to *Kapital*, the main liberal weekly in Bulgaria, the company moved out because it had been cheated by the *Arendatori* Melinvest and got less land and of poorer quality than expected.<sup>30</sup> This was confirmed in the fieldwork, based on interviews with the local authorities and residents and the head of the cooperative. The same article also dispels any expectations that the foreign investor might provide employment and development in the region, and says that all the company left was the damage to the water pipes caused by heavy machinery. Other publications refer to the low yields achieved by the Chinese company, because of the poor quality of the land it leased, much of which it was unable to work.<sup>31</sup> Again the fieldwork and research confirmed this version of events. All of the interviewees shared the view that the main reason for the company's withdrawal was that it had been swindled by the *Arendatori* who leased the land. Press articles say<sup>32</sup> that the Chinese had allegedly paid for 2,000 ha but got only 1,250. The remaining 750 ha had not been used for over 20 years and were by then forested. In other words, the company was given the worst possible lands if it hoped to achieve high short-term yields. Thus their yields were extremely low – 90–100 kg maize per 0.1 ha, whereas other companies in the region get yields of 300 kg of maize on the same area. The local authorities confirmed this information.

The company representatives made no official statement about the withdrawal, but the media reports and our research suggest that the company decided to make a new attempt near the city of Pleven, located in the central northern part of Bulgaria, and Plovdiv in central Bulgaria. This initial failure, nevertheless, shows that the high expectations that FDI will bring jobs and development are ungrounded, as implied by the fact the Bulgarian government is not as eager to advertise future deals as it had done before.<sup>33</sup>

## Employment

Few of the locals are employed in agricultural production: the Chinese company employed none and the *Arendatori* have only few employees. The latter tend to employ someone to renew the leasing contracts with the local smallholders. The municipal authorities are by far the largest employer (employing few dozen people). They successfully apply for various EU projects that provide temporary and precarious jobs. Many of the projects are 'life-long learning' or retraining programmes with names such as 'A New Beginning'. The locals affectionately refer to these simply as 'The Programme'. There is no illusion that these initiatives will help people find employment as there is practically none, especially in some of the fields in which they are trained. For example, some participants in 'The Programme' were trained to become urban gardeners. But in a village of a little over 400 people it makes little sense to train up to ten urban gardeners in their late 40s. One of the participants of 'The Programme' jokingly said that in the last few years he has sat in more classes than during his entire secondary education. These EU projects, in fact, serve as a type of 'workfare' programme, in the context of a country that had already undergone radical austerity measures in the 1990s, long before the current austerity packages in the EU. There are little or no social welfare possibilities for the locals, which is why the municipal authorities are heavily engaged in adopting various EU projects. In fact, a very large part of the mayor's time goes

into submitting such applications. The villagers appreciate her efforts: she is widely respected and is currently serving her second term.

The municipality takes advantage of the opportunities provided by the idiosyncratic EU workfare programmes in order to have a pool of labour for public works – small repairs, cleaning, etc. The workers occupy a small shack in the village centre during the day in case they are needed, or tend to spend their idle time in the cooperative pub nearby.

All this breeds deep social despair, expressed by everyone who was interviewed. There is a wide consensus that the last two decades have brought only misery to the village and that it is slowly dying out. Younger residents tend to move out to bigger cities or abroad in search of better job opportunities.

## The cooperatives

Their future did not seem as bleak as in the early 1990s. Some villagers attempted to revive the old state cooperative and were able to secure some of the equipment that was not destroyed with the Liquidation. They continued to cultivate grain. The cooperative director expressed his pride that they were always up to date with their rent and redistributed all profits, unlike the *Arendatori*. The most severe problems they faced were being unable to sell their produce because of the loss of domestic and international markets. A final blow to the cooperative was the 1996 bank crisis, which led to a severe credit crunch. At the end of the 1990s it went into bankruptcy and moved out of agriculture. It retained the village cooperative shop and the local pub, leasing all the remaining agricultural land to the *Arendatori*. Still, the cooperative proved to be more efficient in negotiating on behalf of its members with the *Arendatori*, securing a better rent, and which is actually paid. This is important because, according to the interviewees, the *Arendatori* do not comply with the contract of the lease by either not paying anything at all or giving small amounts in kind (for instance, 0.5 litres of cooking oil per 0.1 ha per year). It is particularly difficult for the individual smallholders who lease their land to force large businesses to observe the contractual terms and pay the agreed rent.

Another cooperative that had been a local farmers' association was formed in the early 1990s. It was an attempt to start up a completely new organisation made up of a few farmers who had relatively more land (but far less than 50 ha each). Their fate was similar and eventually they were also pushed out of business by the *Arendatori*.

Thus, by the end of the 1990s, the *Arendatori* were by far the most important actor engaged in farming in the village. Their production practices were very different from those of the cooperatives, as they separated grain production from animal breeding (which had been the case during state socialism). This meant that, gradually, almost all the livestock was destroyed. The *Arendatori* preferred to forfeit all labour-intensive agricultural practices and focused on producing grain for the national and the global markets. In this way they also separated production from local sources of labour. These large companies operate across northern Bulgaria, so when they have to plough or harvest they do not require any local labour.

## The *Arendatori*

The mayor expressed her concern that the huge machines used by the *Arendatori* break the water pipeline in the village each time they come to plough or harvest pipeline. She said that one of her major attempts, as a mayor, is to make them go around the village and not directly through it. Indeed, the village's central street was marked by the constant repairs to the water pipeline, although patching it up provided some local employment, especially for the idle participants in 'The Programme. This concern

is very telling regarding the whole process. Even more revealing was the mayor's gratitude for all the EU money going into local infrastructural projects. She had managed to completely renovate the road to Vidin (the regional town) and she had only one more major road to repair. Not only had that provided temporary employment, but finally the waterpipes would not break all the time under the weight of the heavy agricultural machinery used by the *Arendatori*.

## The small landholders

Most of the interviewed locals still had small plots of land, but rarely over 1 ha. They tried not to sell it and did so only if they were in urgent need of money. It seems that money for medical treatment in the family is among the frequent reasons to sell land. In most cases, they tended to lease it out to *Arendatori*. The contracts usually last for about five to ten years. The price paid is actually much lower than the direct subsidies the *Arendatori* get from the EU. Many cases were reported that the land is only leased to get the subsidies, not to produce anything. As already mentioned, the *Arendatori* often pay in kind, which is not in the contract, but the small landholders are happy with anything they get, as the companies often pay nothing at all. The stated reasons for renting out their land are usually the smallholders' desire for the land not to be idle, preferring that someone use the land for production. This means that the (obviously limited) economic incentives of the rent are not always uppermost. Some of the interviewees said they consciously do not want to lease their land under the current conditions. There were many smallholders from outside the village who obtained land with the restitution process. As explained in the previous sections, this created a huge number of uninterested owners who left their plots idle – a phenomenon widely abused by the *Arendatori* for land grabs.

## The idle lands ('white spots')

Recent legislation obliges all landholders to declare their intention to use the land each year by a specific date. If they do not declare their intentions, the municipality redistributes the land to the *Arendatori* for the 'average regional rent'. The rent is to be paid to the municipality and the original owners have three years to claim their money. The agricultural ministry says it has no idea how much land is part of these 'white spots', just that it knows 'they are not little'.<sup>34</sup>

This legal reform was justified by the need to consolidate land and by fact that some lands are idle. Nevertheless, it is not an easy demand to meet since many smallholders are not even aware of its existence. Also many people find it difficult to be at a specific municipality on a specific day in order to register their intentions, particularly if they are living in another region.

The mayor stated that she experiences a lot of problems in getting the *Arendatori* to comply with the obligation to pay the municipality for those idle lands. She never experienced such problems with the Chinese company. One local woman said that although she had declared her intention to till her land (she has about 1 ha and uses it to produce fodder for her few cows), the *Arendatori* ploughed it nevertheless. All her attempts to seek justice with the police or the authorities had been futile. The mayor said that such cases of direct land grabs are not uncommon and that some are even worse – there have been examples of *Arendatori* ploughing up planted land. The mayor was advising the villagers whose land was grabbed in these ways to at least try to get the agricultural subsidies since they are formally the owners.

Many small-scale farmers across the whole northwest region have protested that the larger *Arendatori* use the legislative reforms to grab their land, not necessarily to plant anything, but often just to get the direct subsidies.<sup>35</sup>

## Attitudes towards the new land regime

In general, the attitudes towards the *Arendatori* were very negative. They were accused of not paying anything, grabbing land, not providing any employment and using land only to get the subsidies. The attitudes towards the Chinese company were more positive, but mostly because people were excited by the fact they were from China, finding that admirable and feeling sorry for the fact they were cheated. But the negative attitudes about the Chinese providing no jobs or development were identical. The mayor was impressed that the company actually paid for all the 'white spots' it had used, and that she finds it harder to force the *Arendatori* to comply. Some villagers expressed their gratitude towards the Chinese company, because it did not make the harvesters bury the fallen grain, which is the usual practice of the *Arendatori*. This allowed poorer villagers to gather some free grain.

Overall, the extreme underdevelopment and poverty in Boytnisa were neither the result of lack of investment (there are plenty of successful businesses operating there), nor because of the lack of entrepreneurial spirit (evidenced by the attempts to form two cooperatives). It seems that the new land regime had no interest in the local labour, but just in its land. The attempted alternatives (e.g. the cooperatives) failed not because of lack of access to land, but because they lacked access to other essential inputs and to markets. They were out-competed by larger private investors that enjoyed full government support, and recently were able to take advantage of EU subsidies. The failure of the Chinese investor in Boytnisa shows that it seems likely that the *Arendatori* will remain the dominant agricultural producers in the village. Lack of employment and alternatives will continue to push the local population to migrate to other regions.

## 5. Conclusions

In the last years there has been a revival of the agricultural industry since the severe downturn in the 1990s. The land has been consolidated and agriculture has been attracting investment, but without job creation or other means for local communities to earn a living. The cooperatives are being slowly incorporated by the *Arendatori*, either by leasing their land or by becoming minority shareholders in the private companies. The process of EU accession brought new rules for competition, e.g. new standards, which further limited the possibilities for the smaller farmers and the cooperatives.

The revival of industrialised agriculture did not restore the tradition of small-scale production in the 'personal' plots. As argued, this tradition was established with what could be understood as popular 'counter-enclosures' during state socialism. These forms of resistance succeeded in effectively reclaiming new forms of a direct relationship between the land and labour after the agricultural industrialisation period, showing the possibility of the mutually beneficial co-existence of low-input and large-scale industrialised farming. That is to say, they managed to effectively reclaim food and land sovereignty. However, small-scale farming and animal breeding collapsed with the dissolution of the old cooperatives, as they lost the structures on which they depended. This new wave of enclosure, by large private investors, led to the installation of a new production regime that is completely detached from the local communities and from other types of agricultural production (e.g. animal breeding). The restoration of economic efficiency, land consolidation, attracting investment and growth did not lead to rural development, particularly in the northwest, and it made little difference to the livelihoods of the local communities, who remained largely excluded from production.

Land consolidation achieved by the *Arendatori* enabled the inflow of FDI, although with only limited success, as the *Arendatori* had already entrenched their dominance in northern Bulgaria throughout

the 1990s. They have also secured favourable legislative reforms, such as the 'white spots'. It seems, and given the fact of the relatively low FDI in the agricultural sector, that for the foreseeable future this will be the dominant form of farming in the region.

In terms of providing employment opportunities and/or rural development there is no substantial difference between the large-scale Bulgarian and the foreign businesses. Neither has any positive effect for the local communities in this regard. Both production practices are also highly intensive and dependent on large quantities of petrochemicals, and so harm the environment. This may be a trivial observation, but it is worth pointing out that it is possible, at least in the Bulgarian context, to conflate the critique of land grabs with a defence of large-scale national versus foreign capital, which have identical production practices and hence social and environmental effects.

There was no direct resistance to land grabs in Bulgaria, which tend to have been presented as a way to overcome land fragmentation and restore growth – although obviously the expected social outcomes never materialised. Larger resistance to land grabs were rather indirect and embedded in the environmental movement. In recent years, the environmental movement has articulated a more direct critique of LGs and proposed alternatives. The emergence of the new food cooperatives, coming out of the anti-GM movement, signals this shift. Their goal is to establish new forms of direct links between production and consumption, connecting urban consumers and small-scale farmers. The real question is if those new (mostly) urban movements will be able to connect with the (remnants of) the rural cooperatives and small-scale farmers, forming much broader coalition to contest land grabs – and whether it could be a way to achieve a more effective and proactive popular counter-enclosure movement that can create new ways to connect labour and land.

## Recommendations

The Bulgarian government should stop supporting further land consolidation. Land consolidation in itself does not lead to rural development or provide sustainable livelihoods. The government should instead support the small-scale farmers and the cooperatives. This can be done if the governments implements relevant elements of the 'Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security' (FAO, 2012; TNI, 2012) such as to:

- introduce ceilings on permissible land transactions and regulating how transfers exceeding a certain scale should be approved, such as by parliamentary approval (Article 12.6).
- promote a range of production and investment models that do not result in the large-scale transfer of tenure rights to investors, and encourage partnerships with local tenure right holders (Article 12.6).
- conduct prior independent assessment on the potential positive and negative impacts of planned investment on tenure rights, food security and the progressive realisation of the right to adequate food, livelihoods and the environment (Article 12.10).



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## Endnotes

1. See: <http://www.eubusiness.com/news-eu/bulgaria-economy.e2g>.
2. NEP was the attempt to attract private investment in the Soviet Union in the 1920s in order to industrialise and as a 'transitory phase'. This attempt ended in the 1930s with the First Five Year Plan and Stalin's rise to power.
3. Protect The Future and Za Zemiata (2011) *Impacts of Trade Liberalization on Central and Eastern European Countries and the Implications on Developing Countries: Two Studies from Central (Hungary) and Eastern (Bulgaria) Europe*, pp. 50–52.
4. <http://goo.gl/RwiVu>.
5. <http://www.24chasa.bg/Article.asp?ArticleId=324048>.
6. A major explanation of the underdevelopment of the northwest is via references to the lack of entrepreneurial spirit, inherited communist mentalities, inflated public administration, etc. For instance, the mainstream liberal newspaper (*Dnevnik*) published a series of articles in 2011 making precisely that argument (<http://goo.gl/bBUkk> or <http://goo.gl/Zq2CT>). There are two problems with such a perspective. First, it blames the victim as it reduces social problems to individual responsibility. It obscures the social forces that create underdevelopment by reducing everything to the 'there is no society, but only individuals' – Thatcher's notorious definition of neoliberalism. Second, it disregards the empirical histories of the 1990s. Immediately after 1989 over a million businesses had been registered. In terms of land, in practically every village there was an attempt to recreate the cooperatives. Most of these businesses foundered for economic reasons, and most cooperatives founded it hard as well. But this is hardly evidence of a lack of entrepreneurial spirit.
7. [http://www.karoll.net/bg/?section=investirane\\_v\\_advance&id=32](http://www.karoll.net/bg/?section=investirane_v_advance&id=32).
8. <http://temanews.com/index.php?p=tema&iid=634&aid=14792>.
9. <http://temanews.com/index.php?p=tema&iid=279&aid=6806>.
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# Land Grabbing and Land Concentration in Europe:

## The case of Serbia

**Milenko Srećković\***

Land grabbing in Serbia started during the rapid privatisation that took place in the aftermath of Yugoslavia's disintegration and is now being further extended following Serbia's accession to the EU. Taking advantage of this situation, national and foreign corporations are seizing control of vast amounts of Serbian land.

### Obscure privatisation process led to land concentration

Privatisation in its most extreme form started with the fall of Slobodan Milošević's regime in 2000, after which the neoliberal opposition party won both federal and national elections of what was then known as the Federal Republic of Yugoslavia (between Serbia and Montenegro). Privatisation has been presented as the best solution for the battered economy, damaged in the 1990s by civil war, the plunder carried out by the previous regime, international sanctions and the NATO bombing in 1990. As described by the former president of the Anti-Corruption Council, Verica Barać: 'The Law on Privatization has been designed by the World Bank and is based on the ideas of liberal economics. Neither institutions, property, process, or origin of the money are important: the only thing that counts is to privatise' (Dojčinović, 2011).

Privatisation has often been used to launder money gained through criminal activities or to acquire attractive real estate without any concern for maintaining production – which has led to some 500,000 redundancies and also destroyed companies. Of the 2,284 companies privatised between 2001 and 2012, about half went bankrupt. In 253 agri-businesses that were privatised, over 65,000 workers were laid off and about 50 sales contracts were terminated.<sup>1</sup> The government has to some extent acknowledged the criminal aspect of this process, stressed by Serbian civil society for years, and announced after the May 2012 parliamentary elections its intention to investigate the privatisation process led by the Privatisation Agency.

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As noted in the Report on State and Cooperative Land in the Procedure of Privatisation, published at the end of 2012 by the Anti-Corruption Council of the Government of the Republic of Serbia, 'many agricultural companies were privatized without the question of their ownership over agricultural land being previously resolved'. There were numerous illegalities in the process regarding state and cooperative ownership, primarily due to poorly defined regulations on land property. The major loophole regarding land ownership meant that the privatisation process gave place to land grabs.

Under communist rule in Yugoslavia, a large part of the land was socially owned. But, when the privatisation process began, social ownership was de facto abolished and put into private hands, despite this being unconstitutional. Agri-businesses have the right only to use land that is in cooperative or state ownership, but since the Privatisation Agency failed to stipulate in the sales contracts that state and cooperative ownership of land was not subject to privatisation, a considerable amount of land was 'sold' to which the purchasers had no legal right. On the basis of private sales contracts, the new owners of agri-businesses changed the form of ownership, registering such land as their own private property in the real-estate registry. This change of ownership had no legal grounds since the state or cooperatives only held the right to use, not to appropriate, agricultural land.<sup>2</sup>

The full extent of the phenomenon is still unknown, particularly since the Privatisation Agency has refused to provide the Anti-Corruption Council information on how it treated the rights of use of agricultural land in state and cooperative ownership, or the total area of agricultural land affected, the origin of the capital, and sale price.<sup>3</sup>

Although not transparent, the process has clear impacts in terms of land concentration. According to Branislav Gulán, a major activist on land issues in Serbia, the largest Serbian landowners have more land combined than do some states or cities. The four largest Serbian together have more than 100,000 ha, individually exceeding the area of the city of Novi Sad, with its 23,500 ha. The four are, reportedly: Đordije Nicović, owner of *Irva Group* with nearly 30,000 ha, Miroslav Mišković, owner of *Delta* with 25,000 ha, Miodrag Kostić, owner of *MK Commerce*, with 24,000 ha, and the owner of *Meat Industry Matijević*, Petar Matijević, controlling 16,000 ha. Then come Milija Babović, Zoran Mitrović and Stanko Popović's *Viktorija Group*, with around 6,000 ha. It should be noted that some of this land is leased from the state. Their ranches are said to be bigger than the state of Liechtenstein (16,000 ha). Those figures apply only to the land they or their companies have bought, and does not include land bought by their close associates and relatives (Gulan, 2010).

## Transnational capital comes into play

Similar to the cases of Romania, Ukraine and Hungary, the Law on Agricultural Land prohibits the sale of agricultural land to foreign entities. Nonetheless, foreign corporations have bypassed this interdiction by registering their firms as domestic companies while investing capital in privatised agricultural companies.

Once again, according to Branislav Gulán, 'that's how Ivica Todorić, Croatian tycoon and owner of Agrokor, acquired 1,000 hectares by buying Frikom, and an additional 4,200 by acquiring Edible Oil Industry Dijamant. He now cultivates a total of about 6,000 hectares. Hungarian firm Hajdu Avis from Debrecen bought the farm Sloboda in Perlez, with 1,500 ha of land in its property, and resold it four years later – with a profit of course. Irish fund Baltic Property Investments caused a lot of noise in the public when it bought farms Panonija, PIK Feketić and Vojvodina from Bački Brestovac. By buying the shares of these three combines Irish corporation won the right to manage over 10,500 ha. The first foreigner to discover that if one establishes a firm in Serbia one can also buy agricultural land was

(unofficially) Andrew Hunter, who in 2005 bought Jakšićevo in Srpska Crnja through the firm Cornwall, 1,000 ha for 245 million dinars (€ 2.2 million)' (Gulan, 2010). In some cases, associations of peasant farmers tried to compete with big landowners in renting the state-owned land in their surroundings, which led to many conflict situations during the public auctions. Since the state provides a farm subsidy of 150 € per hectare up to a maximum of 100 ha, some of the associations argued that big landowners are taking more than their fair share of subsidies by registering part of their land in the names of friends or family members.

The expansion of landholdings in the hands of a few people who acquire land very cheaply is intended to facilitate market speculation. Indeed, four years after the Serbian Stabilisation and Association Agreement with EU becomes effective, foreigners will be allowed to buy up agricultural land. While many of the neighbouring countries are trying to postpone or completely forbid foreigners from being able to buy national land, Serbia is pushing for liberalisation of the land market. The Freedom Fight movement (*Pokret za slobodu*), a worker-peasant organisation opposing land grabbing in Serbia, believes that such an unfavourable timeline for land sales was agreed in the interest of landlords, whose only goal is to sell the land they bought cheaply during the privatisation process to foreign corporations as soon as possible. Their calculation is based on the big differential in the price of land on the Serbian and European markets.

In January 2013, the Serbian government signed a pre-contract with the United Arab Emirates (UAE) giving more than a 16,000 ha on long-term lease in exchange for investment in the irrigation system; this agreement, announced with a great fanfare as a big investment in agriculture, is facing major opposition from peasants' associations. Land sold to the UAE originally belonged to agricultural companies that were dismantled in the privatisation process. These private contracts were terminated and ownership of land reverted to the state before it was then leased to the UAE. Peasants' associations demanded that the land be leased to them rather than being leased or sold to the UAE, pointing out that the Law on Agricultural Land forbids selling land to foreigners.

The process of privatisation is fundamentally opposed to the interests of the people of Serbia, denying them any possibility of establishing a sovereign, self-sustaining society. Alongside neoliberal national and international policies, it treated land as no more than a commodity for large-scale export-oriented intensive industrial production, which prompted its misappropriation by new landlords. The pressure applied by the public and worker-peasant movement in Serbia regarding land grabbing will be decisive in stopping this process. Of the greatest importance in this case will be the role of organisations reflecting on creating agrarian alternatives for a sovereign self-sustaining society as the Serbian government persists in following the path traced by international neoliberal institutions, without having any clue about other possibilities.

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# Land Grabs in the Black Earth:

## Ukrainian Oligarchs and International Investors

**Christina Plank\***

Foreign corporations and Ukrainian agro-holdings are currently seizing massive amounts of Ukraine's agricultural land. Since this trend does not involve the displacement of the rural population or directly endanger their subsistence, and gives at least the impression of offering inclusive terms,<sup>1</sup> it is hard to see much evidence of local resistance (Mamonova, 2012). But the phenomenon represents a disturbing case of controlling, capturing and concentrating decisions regarding Ukraine's land use and agricultural model in few private hands. In Ukraine, land grabbing is to some extent about the transfer of formal ownership but primarily it is about who has *de facto* control over the land.

Ukraine, formerly the breadbasket of the Soviet Union, is now a major crop producer for the world market. The country has over 32 million hectares (ha) of arable land, which is equivalent to roughly one third of the arable land in the entire European Union (EU) (FAOSTAT, 2012). Its location on the Black Sea and its fertile black soil – it possesses 25% of the world's so-called Chernozem – make Ukraine attractive to agricultural producers and investors. Moreover, agriculture is now considered as a main business opportunity in the Black Earth (Invest Ukraine, 2011). This sector is indeed crucial for Ukraine: in 2007 agriculture contributed about 8% to the country's GDP and about 17% to its employment (OECD, 2009: 152). In 2008–2009 Ukraine was the third largest exporter of grain worldwide (Jaroszewska, 2011: 20). More specifically, in 2010 it ranked second among exporters of barley, third for rapeseed, fifth for sunflower seed, sixth for corn (maize) and eighth for wheat (FAOSTAT, 2012). Oilseeds and barley are very soil-intensive crops, which is creating increasing on land (Visser and Spoor, 2011).

At the onset of the multiple crisis<sup>2</sup> the three large former Soviet countries – Ukraine, Russia and Kazakhstan – were often referred to as having major untapped agricultural potential. This was mainly due to the steep drop in agricultural production in the 1990s caused by the breakup of the Soviet Union. Thus, international institutions and big agri-businesses alike advocate an expansion of the area under cultivation and an intensification of agriculture. They claim this would not cause environmental or social problems and that it would support the development and modernisation of these countries. Further, Ukraine could extend its role in feeding the world (EBRD/FAO, 2008; Chakrabarti and Da Silva, 2012; Rachkevych, 2012). This push for a large-scale agro-export model, in the context of the privatisation of agricultural land within the framework of Ukraine's land reform, led to the current wave of land grabs, with foreign and national agri-business obtaining control over Ukrainian agriculture.

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## Land reform and its interim outcome in post-Soviet Ukraine

After the collapse of the Soviet Union, Ukraine started a transition from public to private ownership. During the 1990s, land was formally distributed to those who were working on the collective and state farms, who each received an average of 4 ha. The land-share certificates that were handed out to the rural population were not assigned to any specific area. Only with the adoption of the presidential decree in December 1999 was the land officially given to the approximately 7 million rural habitants and the leasing of land started. In 2001, the Land Code came into force, which officially guaranteed land titles. Yet, at the same time, a moratorium on the sale and purchase of farmland was introduced. This has been extended several times and is now in place until 1 January 2016 (Allina-Pisano, 2004; Kucher, 2007; UCAB, 2012; UN.UA, 2012). Since most of the land is leased and thus not controlled by the original landowners the moratorium serves only as a formal prevention of land deals.

In general, Ukraine's land reform has been a fairly lengthy process and has posed major obstacles for the rural population. For ten years, it was difficult for farmers to work their land for various reasons. First and foremost, they simply did not know where their land shares were situated. Further, they lacked sufficient technical equipment since it still belonged to the collective agricultural enterprises, and they had no access to financial resources (Allina-Pisano, 2008). With no perspective, many people moved to the cities or emigrated. To date, agricultural policies have provided hardly any state support for small and medium farmers in Ukraine, and the government seems to lack much of an understanding of how to foster rural development. In both cases, policies might exist on paper but are not implemented (Demyanenko, 2008: 8-9).

As a consequence, most landowners in fact lease their land. Among international agri-businesses, Ukraine is regarded as a relatively low-cost country. The current average lease rate per hectare is 350 Ukrainian Hryvnia, around 30 €. This rate is regulated by a presidential decree and must constitute at least 3% of the actual price of the land. In practice, many of those who leased the land were paying the lease through in-kind forms of compensation (e.g., a share of the grain that they produce). This emerged as a common practice, especially where the landowners continued to maintain livestock. More recently, though, a shift appears to be underway towards payments in cash, since many of the landowners have begun to abandon the countryside and farming livestock, for a life in the cities, and consequently begun to prefer payments in cash over payments in kind. The average lease period is also rising. Currently most land is leased for four to ten years up to a maximum of 49 years (UCAB, 2012: 16-17). In addition, people often do not know who is actually leasing their land since larger tenants lease from smaller tenants. Moreover, although agricultural land cannot officially be sold, it is in fact being sold on the parallel market (Strubenhoff, 2011).

Hence, the current agricultural structure can be regarded as an interim outcome of Ukraine's land-reform process. Officially, there are 4.5 million rural household plots on 7.5 million ha and 49,000 agri-cultural enterprises on 23 million ha. The latter include 40,000 farms on 4.3 million ha (State Statistics Service of Ukraine, 2011). Interestingly, household plots are not included in the official agricultural records, although they accounted for more than 50% of agricultural production in 2008 (Sauer, 2010: 3). The latter play a major role in the domestic market, while agro-holdings, another important group that does not appear in the official data, are directed primarily towards export for world markets.

## Oligarchs and transnational capital take over the land

This interim outcome paved the way for the rise of agro-holdings, especially since 2005. Their share in the GDP is 42.3%, against 5% for farmers (Ministry of Agriculture, 2012). As they expand, so the

concentration and control of land rises correspondingly. They do not only lease land from individual landowners, but also incorporate different agricultural enterprises. Agro-holdings are increasingly integrated horizontally as well as vertically in order to control the whole value chain. They are hailed as the solution for the country's agricultural development since they have the necessary modern equipment, know-how and financial background (Demianenko, 2008). Their number increased in recent years and currently the ten largest agro-holdings control about 2.8 million ha (Latifundist, 2012a). Ukrainians call them 'latifundist', since their large tracts of land are dedicated to export crops such as grain and oilseeds (Latifundist, n.d.). Latin American countries like Argentina or Brazil are frequently held up as an example of how agro-industry should develop in Ukraine (Spoor, 2012).

To date, the share of domestic agro-holdings predominates over foreign ownership, with 82% of the top 100 in Ukrainian hands (Latifundist, 2012b). Land is considered as the last resource that was never fully privatised in the 1990s, as were other business such as the metallurgy and chemical industries. Viewing agriculture simply as another business means that land becomes an important source of profit. Consequently, it is being divided up among the oligarchs. For instance, Ukraine's richest man, Rinat Achmetov, recently became involved in agriculture as the owner of the agro-holding HarvEast (220,000 ha) (HarvEast, 2011). To give another prominent example, Ukraine's current largest agro-holding, Ukrlandfarming, controls over 500,000 ha. It is owned by Oleg Bachmatjuk, who also owns Avangard, one of the world's largest producers of eggs and egg products (Interfax-Ukraine, 2011; Avangard, 2010). The company is formally registered in Cyprus, Ukraine's biggest tax haven (Parusinski, 2012). The two biggest foreign agro-holdings among Ukraine's top ten are the US NCH Capital (400,000 ha) and the Russian Ukrainian Agrarian Investments (260,000 ha) (Latifundist, 2012a). Given the close connection between business and politics that characterises the country in the Black Earth (UkraineBusiness insight, 2012b: 15), it is difficult for foreign businesses to succeed. They are willing to take such high risks, however, since this boosts their profits (AG Chat, 2011: 5). Recent years have also been marked by mergers and acquisitions among the agro-holdings. For example, Swedish Alpcot Agro took over the British Landkom, and Ukrlandfarming Rise and Dakor Agro Holding (Agrimony, 2011; Zinkov, 2011).

In view of their need for foreign technology and further capital, the Ukrainian agro-holdings are interwoven with transnational capital through the stock exchanges in London, Frankfurt or Warsaw (UkraineBusiness insight, 2012a: 8–10). European Pension funds as the Third Swedish National Pension Fund and the Dutch Pension Fund for Care and Well-Being are involved in agricultural companies (GRAIN, 2012). A further international dimension is the support for agri-business provided by the international financial institutions (IFIs), specifically the International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD). The share of the latter is significant and rising (EBRD, 2011). In addition, the IFIs provided credit to non-Ukrainian companies, such as Agrogenation, a French agro-holding, which obtained US\$10 million – enough to be able double its area of arable land from 50,000 ha to 100,000 ha (Usov, 2011; Agrogenation, 2012). Another example is the German trader Toepfer, which received US\$60 million to support its operations (Interfax-Ukraine, 2012a). At the same time, it is important to highlight that small and medium farmers in Ukraine find it hard to obtain credit. (UCAB, 2012: 19).

Crop exports go mainly to the Middle East, North Africa, the EU and Turkey (Invest Ukraine, 2011). Though it is difficult to say whether 'flex crops' are used for food, animal feed, bio-fuel or industry (Borras et al., 2012: 851) there is a clear connection between Ukraine's increased rapeseed production in the mid-2000s and the EU's rising demand for agrofuels, given that 90% of the crop is exported to countries in the EU (Ogarenko and Nivievskyi, 2012). As a rule, agro-holdings plant first what is most

profitable for them. For example, sunflowers are cultivated intensively, making Ukraine the largest exporter of sunflower oil (Invest Ukraine, 2011). There is also a clear trend towards producing soya and maize (UCAB, 2012: 45–47).

In June 2012, the governments of Ukraine and China signed a memorandum, on the basis of which Ukraine received credit of US\$3 billion, laying the ground for agricultural cooperation between the two countries. Ukraine is expected to export 3 million tons of maize to China in return for seeds, crop-protection agents and equipment. Further, the construction of an organic fertiliser processing plant and a crop-protection agent production plant are planned in Ukraine (WNU, 2013; ZN.UA, 2012).

## The ineluctable path towards a Ukrainian land market

The current situation can be seen as the outcome of the privatisation process that started in the early 1990s. Although there has been a long and intense debate on the introduction of a market for agricultural land in Ukraine, the ultimate stage of privatisation – the lifting of the moratorium – has yet to be completed (Strubenhoff, 2011; UN.UA, 2012). Despite this, a kind of land market has already been established through the leasing agreements. Further, the agri-businesses and international experts do not support the current draft law on introducing a land market since it proposes to restrict leasing to 100,000 ha and ownership to 100 ha. It also entirely excludes non-Ukrainian entities from the market. However, the draft is very likely to be changed before its final adoption (Grytsenko, 2012; UCAB, 2012: 43).

Among the proponents of the land market are international organisations and foreign experts as well as government officials. The latter always advocate for this while they are in power because they stand to profit from its privatisation – but once in opposition, the political parties are against it. It is therefore not surprising that Ukrainian political parties have no firm position regarding the introduction of a land market. However, most Ukrainians are against the privatisation of land, just as they were in the 1990s. Primarily, they fear the increasing degradation and concentration of land (Allina-Pisano, 2004: 573; Bychenko, 2012). Yet, the introduction of a land market is being promoted and will sooner or later be realised since it is regarded as the only way to accomplish the transition to a free market with functioning property rights, which is seen as the key to fighting corruption, stimulating investments and achieving a flourishing agricultural sector in the Black Earth.

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## Endnotes

1. For reasons of corporate social responsibility (CSR), agro-holdings are now also active at the community level, trying to imitate the collective agricultural enterprises from the time of the Soviet Union that played a key role in providing social services. However, their directors and senior managers are not linked to the communities – for instance, they do not live in the villages – so they can easily leave (Demyanenko, 2008: 6-7). Further, employment in the agricultural sector diminishes drastically (UCAB, 2012: 10-12).
2. The term 'multiple crisis' highlights the fact that there is not a single but a multitude of crises of capitalism concerning the financial sector as well as issues as climate change, migration and the crisis of energy and food (Brand 2009).







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