

The Duty to Cooperate as an Instrument of Operationalizing the Right to Development: The case of Foreign Agricultural Investment in the Lowlands of Ethiopia

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Executive Summary

This study highlights the inadequacy of constructive engagement and cooperation between different actors that are involved, in one or another way, in foreign large-scale agricultural investment in the lowlands of Ethiopia. The country's lowland agricultural investment program has largely followed hegemonic approaches with basic epistemological narratives. It considers the host State and other relevant actors as the only modernist players to master land and other natural resources and commodify them into a trade-based capitalist economy. At the same time, it also views the existing local production system and indigenous knowledge as inefficient and incapable for development. As a result of these hegemonic narratives, agribusiness entities have been primarily focusing on profit ends. Due to the lack of bottom-up initiatives towards land concession and investment deals, the role of local communities in the process was limited. This has resulted in opposition from local communities instead of cooperation with modernist and developmental actors. The resistance tendency is developed not because locals do not want to engage in transformation of ways of life and livelihoods, but rather due to the inadequate accommodation of their views in the process of the investment negotiation. This ultimately has resulted in adverse consequences in the operationalization of the right in and to development of local communities from below.

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Introduction

Over the past two decades, Ethiopia has launched different development policy reforms to stimulate growth and reduce poverty. At the forefront of which is the country's Agricultural commercialization program through large-scale agricultural investment (LSAI) projects in its lowland frontiers. Commercial agriculture is an area where the Ethiopian government has heavily promoted since the early years of 2000s with a view to bring agrarian transformation and trade-based development.¹ The government's poverty reduction plans of the past call for "accelerated growth" grounded by commercialization of agriculture and private sector development.² This agricultural restructuring program in the lowland peripheries is part of the country's policy shift in rural development, which in the 1990s was more on smallholder cultivation and crop production around the central and highland parts of the country.³ Evidence depicts that Ethiopia has transferred huge tracts of land to commercial agricultural investors which ultimately put the country among the top six countries in the global investment land trade network and the leading in Africa.⁴

The country's liberal policy in the agricultural sector and its lowland restructuring program attracts several foreign investors to engage in this sector of the economy. Beyond Ethiopia's open-door policy towards large scale land deals for agricultural investment, the global financial crisis of 2008 has also its own fair share in the role change of the sector. Even the broader neo-liberal project of globalization, which prioritizes capital mobility in a borderless capitalist market economy, has also triggered the country's liberal policy in agricultural commercialization further. Currently, several transnational companies from the Global North, the Middle East, India, and China are involved in agricultural investment in Ethiopian lowlands at a larger scale, particularly in the production of horticulture, rice, cotton, biofuel, and tea.

¹ Lavers, T., "Patterns of agrarian transformation in Ethiopia: State-mediated commercialization and the land grab," *The Journal of Peasant Studies*, 39:3-4, 2012, PP. 795-822.

² Ministry of Finance and Economic Development (MOFED), "Ethiopia: Sustainable Development and Poverty Reduction Program (SDPRP)," Addis Ababa, 2002; Ministry of Finance and Economic Development (MOFED), "Ethiopia building on progress: A Plan for Accelerated and Sustained Development to End Poverty (PASDEP)," Addis Ababa, 2006.

³ Ethiopian Ministry of Agriculture, "Agricultural extension strategy of Ethiopia," Addis Ababa, 2017.

⁴ Seaquist, J., et al, "Architecture of the global land acquisition system: applying the tools of network science in identifying key vulnerabilities," *Environmental research letters*, November 2014, Vol 4, p.4

Nevertheless, Ethiopia's lowland commercial agriculture program in the past was controversial among affected groups, particularly pastoral and agro-pastoral peoples, and the issue remains debatable even today as the surge in the pastoral frontier continues.⁵ The pastoral lowland commodification processes have been criticized as being part of the neoliberal environmental governance which is built up on capitalist mode of agriculture. Clearing of forests, the spreading of invasive species, land and soil degradation are becoming common problems following the investment projects. In addition, the use of chemical pesticides, insecticides and herbicides is causing soil solidity, salinity, and alkalization in downstream neighborhoods where pastoralists have been relocated due to state enclosures.

This would then trigger to explore one of the cross-cutting issues in development endeavors, the right to development (RTD) of local communities around the investment project areas. Although, generally, Ethiopia's lowland agriculture policy reform has aimed at enhancing the development and standards of living of the Ethiopian people, there have been setbacks and challenges owing to the gap between doctrinal prescriptions, promises and expectations vis-à-vis the realities in terms of the RTD. There had been little or no integration of the local community's constitutional right to self-determination over utilization of land and other natural resources during the country's lowland commodification program through LSAI.

It has been debated that the RTD as a solidarity right must be implemented mainly through collective action of relevant actors.⁶ This means that the enforcement of the RTD requires positive action of both States and non-state entities. From the viewpoint of Ethiopia's lowland LSAI, the duty to realize the RTD may go beyond Ethiopia and could require a meaningful cooperation of relevant actors involved in the process of the investment program. These, among others, include home States of companies, local grassroot organizations, private investors, local communities, and other international and regional financial institutions who are involved in Ethiopia's lowland agriculture in one or another way. The objective of this research is, therefore, to explore how interaction, exchange, and dialogue among all these actors can best contribute to the realization of the RTD at the local level by taking foreign investment in Ethiopian lowlands as an example.

⁵ Lucie Buffavand, "The land does not like them: contesting dispossession in cosmological terms in Mela, south-west Ethiopia," *Journal of Eastern African Studies*, 10:3, 2016, PP 476-493.

⁶ Arjun Sengupta, "Realizing the Right to Development," *Development and Change* Vol.31, 200, PP 569.

Research Methodology

The study is based on analysis of primary and secondary sources. The collection and analysis of these sources including the literature review is conducted mainly through desk research. Essentially, the desk research part involves analyzing the political economy of Ethiopia's lowland commodification program through LSAI and interaction of various actors in the process.

The study is also supplemented by empirical data and employed case study as a research strategy. Three agricultural investment projects were selected by looking at the interaction of different actors in the process and the contestations during project implementation. From the three investment projects, one was again chosen for further explanatory purposes on the practicality of the duty to cooperate in the country's LSAI program. An empirical data was collected through fieldwork using semi structured interviews, focus group discussions, field observation, and document collection as data collection methods.

To have more insights from an Ethiopian audience, and also as part of the deliverables in this consultancy work, a local roundtable discussion was held in Ethiopia on the preliminary findings of this study. In addition, the preliminary finding of this study was presented in the fourth session of the UN Expert Mechanism on the Right to Development and feedbacks were collected from experts in the field.

The Duty to Cooperate and the Right to Development

In the conventional understanding, the realization of the human right to development primarily relies on the positive action of States either individually or through international assistance and cooperation. The mainstream human rights law regime has been predominantly interpreted in the context of the traditional 'State-centric approach' with regards to the duty to cooperate for the implementation of the RTD. In this regard, the UN Declaration on the Right to Development clearly provides that the primary responsibility for the creation of conditions favorable to the realization of the RTD relies on States.⁷ The declaration further provides that States are obliged to cooperate with each other in ensuring the RTD.⁸ The ICESCR under Article 2(1) also provides that State parties to the covenant should undertake "to take steps individually or through international assistance and cooperation" for the realization of the rights recognized in the covenant.⁹ Similarly, the African Charter imposes a duty on States to ensure the exercise of the

⁷ UN Declaration on the Right to Development, 1986, Art 3(1)

⁸ Ibid, Art 3(3)

⁹ UN General Assembly, International Covenant on Economic, Social and Cultural Rights, 16 December 1966, Art 2(1)

RTD individually or collectively.¹⁰ However, the exact notion of international assistance and cooperation is still debatable and remains controversial. Nor does the extent of legal obligation it imposes on State parties to the covenant is clearly defined.¹¹ The Committee on Economic, Social and Cultural rights noted that international development cooperation is an obligation of all States and it is particularly incumbent upon States who are in a position to assist others.¹² The committee further highlighted that without an active program of international development cooperation, the full realization of economic, social, and cultural rights will remain unfulfilled aspirations in many countries. Generally, the duty to cooperate of States in development is shifting the legal system in international law from independent sovereignty to a “cooperative sovereignty.”¹³

Nevertheless, placing States as the only integral players with regards to the duty to cooperate has run into its limits. The duty to cooperate for the realization of the RTD is of general application and thus requires appropriate design of social actions from non-state entities. This applies, among others, to international organizations, corporations, producers’ associations, and trade unions. This is particularly true given the globalized world we have where national actions are largely constrained by the international environment especially from global financial institutions. With this spirit, the 2030 Agenda for Sustainable Development Goals (SDGs) calls for multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources to support the achievement of the sustainable development goals in all countries, in particular in developing countries.¹⁴ Similarly, the UN Cooperation Framework for Sustainable Development enumerated a broad range of stakeholders as development solutions such as civil society and community organizations, businesses and philanthropic organizations, the scientific and research community, volunteer groups, bi- and multilateral partners, including international financial institutions, and the media.¹⁵ It is against this backdrop that we will now explore the operationalization of this multi stakeholder partnership in Ethiopia’s development endeavors through LSAI.

¹⁰ The African Charter on Human and Peoples’ Rights, entered into force 1986, Art 22(2)

¹¹ Vandenhoe, W., “*Economic, social and Cultural rights in the CRC: Is There a legal obligation to Cooperate Internationally for Development?*”¹⁷ International Journal of Children’s Rights (2009), 23–63

¹² UN CESCR, General Comment No. 3: The Nature of States Parties’ Obligations (Art. 2, Para. 1, of the Covenant), 14 December 1990.

¹³ Dellaux, J., “The Duty to Cooperate” in De Feyter, K, et al(eds) “Encyclopaedia of Law and Development”, EE publishing, PP 68 -71.

¹⁴ The 2030 Agenda for Sustainable Development Goals, UN General Assembly, 2015, goal 17.16.

¹⁵ The UN Cooperation Framework for Sustainable Development, 2019, P. 8

Global context in LSAI and the trend in Ethiopia

Global land rush has increased quite rapidly following the 2008 global economic crisis which, among others, was characterized by food price increase and shortage of commodities in the global market.¹⁶ Acquisition of agricultural land on a larger scale was the center of attention for private and sovereign investors particularly in the global south. Despite recent slowdowns, huge tracts of land have already been transferred to investors mainly in poor and food insecure countries.¹⁷ In Africa alone, 15.5 million hectares of land have already been transferred to commercial farmers. The land acquisition program in Africa has been largely driven by the perception of agricultural land as being a relatively abundant and cheap labor force in the continent.

The phenomenon has resulted in intense debate from different actors. The proponents embrace it as a development opportunity for Africa's agricultural farming, a system which largely has been characterized by traditional smallholder peasantry and communal form of property relations.¹⁸ Mechanized large-scale farming was therefore seen as an opportunity for adapting African economies to the 'new capitalist agriculture,' and at the same time a means to alleviate the global food crisis through enhanced production of staples and agrofuels.¹⁹

The critics, on the other hand, argued that extractive agricultural investment in poor and vulnerable states is an extension of the neoliberal orientation that has been portrayed since the 1970s through IMF sponsored structural adjustment programs.²⁰ They even further argued that the phenomenon legitimized the depeasantization and conversion of the global south into a world farm.²¹ This loosely regulated asymmetrical integration of small holder farmers into the global agro-food system has been criticized as posing a threat to rural livelihoods and small-scale farming in many poor countries.²² It has led to the concentration of wealth into the hands of

¹⁶ Rahmato, D., "Land to investors: Large-scale land transfers in Ethiopia," Forum for social studies, 2011.

¹⁷ Anseeuw, W., et al, "*Land rights and the rush for land: Findings of the global commercial pressure on land research project.*" Rome: International Land Coalition (ILC), 2012

¹⁸ Makki, F., "Power and property: commercialization, enclosures, and the transformation of agrarian relations in Ethiopia," Journal of Peasant Studies, 2012, Vol 39:1, PP, 81-104.

¹⁹*Ibid.*

²⁰ McMichael, P., "A food regime analysis of the world food crisis," Agriculture and human values, 2009, Vol 26, PP 281–295

²¹ Cotula, L., et al, "*Land grab or development opportunity? Agricultural investment and land deals in Africa.*" London/Rome: IIED, FAO, IFAD, 2009

²² GRAIN, "Seized: The 2008 land grab for food and financial Security," Grain briefing, October 2008.

corporate entities and state bureaucrats at the expense of local communities. The recent report from the UN Special Rapporteur on contemporary forms of racism, racial discrimination, xenophobia and related intolerance highlighted that the global extractive economy is not operating on basis of equity and equality and that it is clearly making powerful States and their transnational corporations, and the political elites of weaker States to emerge as the clear winners in the process at the expense of historically disadvantaged communities.²³

The debates in Ethiopia are not different. The country has leased out vast tracts of farmland to large scale agricultural investors so far.²⁴ In addition to drivers of agricultural investment at international level, Ethiopia as a matter of state policy also highly encourages agricultural industrialization through commercial farming. In the last two decades, a clear policy shift has been observed in rural development and agrarian transformation particularly in the lowland peripheries of the country. The legislative framework has been very generous especially for foreign agricultural investors in an attempt to increase foreign currency earnings. Generous tax holidays, low land lease costs and custom free machinery imports are included as incentives in the investment law regime. The capital requirement for foreign agricultural investors who wish to invest in the area sometimes could go even up to zero depending on the export potential of companies.

A focus on the pastoral lowlands of Ethiopia

Ethiopia's lowland pastoral frontier has been the epicenter of the country's policy on LSAI so far.²⁵ The peripheral pastoral lowlands of the country are predominantly inhabited by pastoralists and agro-pastoralist communities. Different justifications have been forwarded as to why the country gives special focus to its lowland surfaces in the past years. The most common view is that pastoralism has been seen as an 'unsustainable' and 'backward' way of life. The state mediated commercial farming program is, therefore, considered as a modernist project that could civilize the pastoral frontier.²⁶ In this regard, the former prime minister of Ethiopia, Melles Zenawi, reaffirmed this view in his speech at a pastoral day festival in the Omo Valley of Ethiopia saying that "even though poverty and backwardness are a concern for the whole

²³ Available at <https://undocs.org/A/HRC/41/54>

²⁴ See generally, Rahmato, D., "The perils of development from above: Land deals in Ethiopia." *African Identities*, 12, 26–44, 2014

²⁵ Makki, F., "Development by dispossession: Tera-Nullies and the social-ecology of new enclosures in Ethiopia," *Rural Sociology* 79(1), 2014, PP. 79-103.

²⁶ Tache, B., "Rangeland Enclosures in Southern Oromia, Ethiopia: an Innovative Response or Coercion of Common Property Resources?" In Catley, A. et al (eds) 'Pastoralism and Development in Africa: Dynamic Change at Margines,' Routledge, 2013, PP. 37–46

country, it is worse for the pastoralists... and I promise you that it will become an example of rapid development through the path of investment we are taking now.”²⁷

The speech clearly portrays state intervention as an agent of civilization to transform the way of life which largely has been classified as pre-modern and archaic. In addition, Ethiopia’s former State Minister for Agriculture and Rural Development, Aberra Deresa, was also quoted having said that “we are not really appreciating pastoralists remaining as they are. We must improve their livelihood by creating job opportunities. Pastoralism, as it is, is not sustainable. We want to change the environment.”²⁸ Civilizing the pastoral frontier narrative also recognizes the existence of abundant natural resources awaiting modernist technologies from the state and corporate entities.

But the most important question here remains what is civilization or transformation for pastoralist communities? In the eyes of the Ethiopian government, the end result of civilizing the pastoral community is sedentarization. Sedentarism, a non-nomadic smallholder cultivation, was taken as a “precondition for a civilized life, progress and economic development.”²⁹ It is a way of life which is widely common in the northern and central highlands of the Country. And yet, this program could be challenged from two angles. First, a sedentary way of life by itself is not efficient looking at the country’s past and current challenges. The premodern way of practicing sedentarism has caused food insecurity in different times. Second, some writers have also opposed sedentarization of pastoralism as a continuation of the imperial legacy of the highlanders in lowland dry parts of the country.³⁰ An argument which relies on the “center-periphery” relationship discourse in Ethiopia looking into the country’s state formation history. It is also important to question whether state driven programs could really be effective in transforming pastoral ways of life. Interestingly, for some, increasing “commodification of pastoralism” will be best achieved only if the drivers originate from the communities themselves.³¹

²⁷ Speech by Ethiopia’s late prime minister Meles Zenawi during the 13th Annual Pastoralists’ Day celebrations, South Omo, Ethiopia, 2011. Available at <http://www.mursi.org/pdf/Meles%20Jinka%20speech.pdf>

²⁸ BBC, “Land grab fears for Ethiopian rural communities,” December 2010. Available at <https://www.bbc.com/news/business-11991926>

²⁹ Korf, B, et al, “Re-spacing African drylands: territorialization, sedentarization and indigenous commodification in the Ethiopian Pastoral frontier,” *The Journal of Peasant Studies*, 2015, Vol.42 No 5, PP. 881-901.

³⁰ Makki, F., *Supra* note 25.

³¹ Korf, B, et al, *Supra* note 29.

The other justification is that the state territorialization project under the guise of ‘unused’ or ‘underutilized’ lowland peripheries. There is an existing narrative in Ethiopia that people in the lowland parts of the country are “sparsely populated” and the land is predominantly “underutilized.”³² The government has clearly demonstrated this narrative in its various rural development and related policy documents. The rural development policy, for example, clearly stated that “unutilized vast land with high irrigation possibility is located in the lowland areas of the country.”³³ The sustainable development and poverty reduction program has also recognized “western lowlands with large uncultivated land and population can become areas of commercial farming.”³⁴ Other subsequent government development programs, such as the Growth and Transformation Plan I (GTP I) and Growth and Transformation Plan II (GTP II) have also stated that commercial agriculture will be undertaken in the lowland peripheries of the country where “abundant extensive land exists.”³⁵ Government officials at the ministry of agriculture and managers of agri-business enterprises have also the orientation that the land used for commercial farming is “unused” or “free from human settlements.”³⁶

However, this unused or underutilized designation has been deconstructed as a discourse which is part of the “state territorialization project”³⁷ or “state mediated enclosures”³⁸ in Ethiopia’s pastoral frontier. This kind of approach globally has been criticized for forcing historically underserved communities to bear the brunt of extractive economy including monocultural commercial farming operations.³⁹ Other similar experiences in Asia were regarded as “state simplifications” that neglects practical realities on the ground in search of capitalist state

³²*Ibid.*

³³ Ministry of Finance and Economic Development, “Rural development policy and strategies (RDPS)” 2002.

³⁴ Ministry of Finance and Economic Development, *supra* note 2.

³⁵Ministry of Finance and Economic Development (MOFED), “The Growth and Transformation Plan of Ethiopia (GTP),” Addis Ababa, September 2010; National Plan Commission, “Growth and Transformation Plan II (GTP II),” Addis Ababa, May 2016

³⁶ Tilahun Woldie., “An analysis of how large-scale agricultural land acquisitions in Ethiopia have been justified and opposed,” *African Identities*, 2018, Vol.16 No. 1, PP. 18-34

³⁷ Asebe Regassa et al , ‘Civilizing’ the pastoral frontier: land grabbing, dispossession and coercive agrarian development in Ethiopia, *The Journal of Peasant Studies*, 46:5, (2014): 935-955

³⁸ Elliot Fratkin, ‘Ethiopia’s Pastoralist Policies: Development, Displacement and Resettlement,’ *Nomadic Peoples* 18 (2014): 94–114.

³⁹ The UN Special Rapporteur, *supra* note 23

interests.⁴⁰ Territorialization project through agri-business in peripheral areas also creates what Côte and Korf called a “thickening of the state.”⁴¹ The state thickens in the peripheral lowlands through the presence of police and military giving protection to investors and enforcing pastoral resettlements. Some writers even analogized Ethiopia’s ‘unused land’ narrative with arguments during the colonial period in the appropriation of African lands, where the large surface of the continent was presumed as unowned and vacant.⁴²

Admittedly, it is not common in many cases to get land certificates/titles in the pastoral lowlands of Ethiopia, compared to the highland regions, since land registration was not conducted due to limited state capacity in the areas. Land certificates, beyond showing actual utilization of land, could have been a visible evidence to claim compensation in the event of expropriation for investment. Absence of land titles, however, does not suggest nonexistence of ownership or possession over the land. Muradu, for example, argued that the empty land narrative “arises out of lack of recognition of the customary land rights of communities.”⁴³ Pastoralists are usually known in communal land holding systems through local chief administrations, and land is largely used for pasture, firewood, and shifting cultivation on a mobile basis.

Selected Investments

Several actors are involved in Ethiopia’s lowland LSAI program, and at the heart of which are both domestic and multinational companies. Until mid-2020, 2988 businesses had been granted licenses to engage in agricultural investment in Ethiopia’s Gambella Region alone.⁴⁴ Although domestic investors take the lion's share from this data, still significant land deals have been made with foreign investors as well. The focus in this research is limited only on foreign investors and within this special emphasis will be given to three investors based on their interaction with local communities and the biophysical environment.

⁴⁰ Scott, J. “Freedom and freehold: Space, people and state simplification in Southeast Asia” in D. Kelly & A. Reid (Eds.), ‘Asian freedoms: The idea of freedom in east and Southeast Asia’ (pp. 37–64), Cambridge University Press, 1998.

⁴¹ Côte, M., and Korf, B., “Making Concessions: Extractive Enclaves, Entangled Capitalism and Regulative Pluralism at the Gold Mining Frontier in Burkina Faso,” *World Development* 101: 2018, PP. 466–476.

⁴²Tilahun Woldie, *supra* note, 36.

⁴³Muradu Abdo Srur, ‘State Policy and Law in Relation to Land Alienation in Ethiopia,’ PhD thesis, University of Warwick school of law, December 2014, P. 235

⁴⁴ I had the privilege to look at the statical data of the Investment Agency of the Gambella Regional State of Ethiopia.

Verdanta Harvests Plc

In 2010, Verdanta Harvests, a subsidiary of Indian based Lucky Group Company, concluded land rent agreement with Ethiopian Ministry of Agriculture and Rural Development to produce tea gardens including eucalyptus, coffee, medicinal plants, and other crops.⁴⁵ The government, accordingly, has transferred 3,012 hectares of land in Gambella region Mezhenger *Zone* Godere district Gumare and Kabu *Kebeles* on a fifty-year land lease period. It is also mentioned in the investment contract that the land lease agreement can be renewed for another additional year subject to mutual agreement between parties.

However, as soon as the land was transferred to the investor, a huge resistance against the proposed investment came out from community elders and local residents claiming that the land is among the protected forest reserves in Ethiopia and shall not be cleared for tea production. They said that neither consultation of local communities nor appropriate environmental impact assessment were conducted for the investment undertaking. Even government officials at *kebele* level (the last unit of administration in Ethiopian government structure) have backed local communities' resistance against the investment project.

On December 09, 2010 the head of the *kebele* administration wrote a letter to the head of the State, the then president Girma Woldegyorgis, saying that the decision of the Federal and regional government structures is in contravention with the country's forest development and protection program.⁴⁶ He specifically said that the land contract in question is against "the country's sustainable land administration policy" which also undermines the efforts of some non-governmental organizations such as Pact Ethiopia who are engaged in awareness creation efforts about forest and environmental protection in the area.⁴⁷ He, therefore, asked the President for his follow-up and suspension of the investment permit before the destruction of the forest. The president, then, accepted the request and wrote a letter to the Minister of Agriculture, Tefera Derbew, for suspension of the investment permit saying that "forest land shall never be given to agricultural investment."⁴⁸ Interestingly, the president also said that the "benefit we gain from

⁴⁵ Verdanta Harvests Plc Land Lease agreement, Article 1.2.

⁴⁶ Letter written by Ato Tamiru Ambelo, head of Gumare Kebele Administration, to the President of the Federal Democratic Republic of Ethiopia, December 2010. A copy of the letter was accessed during the researcher's fieldwork.

⁴⁷ Ibid.

⁴⁸ Letter written by Girma Woldegyorgis, President of the Federal Democratic Republic of Ethiopia, December 2010.

carbon trading is better than the agricultural investment” and that appropriate care must be taken for forest reserves in addressing investment interests.⁴⁹

The president is not part of the executive organ and his power is largely ceremonial and that his request for the issue at hand was never implemented. In addition, the head of the *kebele* administration was suspended from his job by district officials of the Gambella region for being anti-development.⁵⁰ Yet, an interesting complaint was submitted by the same *Kebele* official to Ethiopian Human Rights Commission (EHRC) arguing that consultation with local communities was not made and that giving the forest reserve for tea plantation would result in a devastating impact on the environment and on the many people whose livelihood is based on the forest. In this complaint the local official, who is acting on behalf of his community, also submitted that their attempt for an injunction order from different levels of government structures was overlooked. The investigation section at the EHRC then accepted the complaint letter but sought for advice informally from two local NGOs, Pact Ethiopia and Forum for Environment, working on environmental issues. This decision of seeking expert opinion by the investigation team at EHRC came out before the official start of the investigation and no formal communication, for example through letter correspondence, was made with the NGOs. The NGOs then asked for a formal request but the management at EHRC refused to issue a letter. The EHRC rejected the case from being entertained further on grounds of want of jurisdiction over the matter and referred it to Ethiopian Institute of Ombudsman. This institute again sent back the case to EHRC and finally both institutions failed to deliver their inherent duty over the case.

The EHRC is empowered to conduct investigations upon complaint or by its own initiative in respect of human rights violations.⁵¹ It is clear in the case at hand that important human rights issues such as participation in development, the right to self-determination over utilization of natural resources, the right to housing, work and environmental rights could be at stake and the issue can fall within the jurisdiction of the Commission. By the same token the Institute of Ombudsman has the power to receive and investigate complaints with respect to maladministration.⁵² It can generally be argued that there is no law which precludes both institutions from addressing the issue as long as there was no other government body presiding

⁴⁹ Ibid.

⁵⁰ Letter written by the head of Godere district to the Kebele Official Tamiru Ambelo, January 24, 2011.

⁵¹ Ethiopian Human Rights Commission Establishment Proclamation, Proc. No 210/2000, Arts 24 and 6(4)

⁵² A Proclamation to Provide for the Establishment of the Institution of the Ombudsman, Proc.No 211/2000, Art 6(2)

over the case simultaneously. For some, the decision not to pursue the investigation further appears to be more political than legal.⁵³

Despite all these complaints by the community and local administration, Verdanta Harvests started clearing of the land and installation of machinery over the allocated land. However, in October 2013, local communities who had been dissatisfied by the project destroyed the company's buildings, machineries, and part of the tea plantation worth 140, 000 USD. The company resumes its operation after the violent attack. A recent report from the Federal Ministry of Agriculture shows that the company is not developing the land to its full potential as provided in the investment contract and was awarded only a grade "C" through their internal evaluation system.

Karuturi Agro Products Plc

One of the most controversial land deals in Ethiopia's Gambella region is that of Karuturi's Agro Products Plc, a subsidiary of India's Karuturi Global limited, investment in the region. The Ethiopian government has transferred 100,000 hectares of land in the Gambella region on a 50-year renewable lease contract for development of palm, cereals and pulses.⁵⁴ There was so much hope on the investment potential of the company. The CEO of the company, Ramakrishna Karuturi, in early days of its operation claimed that "he would bring food security to the horn of Africa and would soon join the ranks of the world's biggest food producers." Looking at this ambition, there was also a promise on the part of the government for a transfer of another additional 200,000 hectares of arable land to the company depending on its performance. The land deal, however, was a center of attention for many researchers, and international and local right groups for its dispossession of local communities, particularly the Anuak tribes, and for its damage on the biophysical environment.

However, by 2015, the company had invested only on 1,200 hectares of the land. Having realized Karuturi's lack of capacity to produce at a larger scale, the government cancelled its contract for the remaining unutilized land as provided in the agreement despite threats by the company that it would bring legal action against the Ethiopian government under the World Bank's Multilateral Investment Guarantee Agency or through the investor state dispute settlement mechanism of bilateral treaties between India and Ethiopia. The company also wrote a letter to the Ethiopian Prime Minister accusing of unilateral and illegal nationalization of its farming activities and that

⁵³ See for example, Mohammed Abdo Mohammed, The Human Rights Commission of Ethiopia and Issues of Forced Evictions: A case-oriented Study of its practice," in *Brems, Eva and et al (eds)* "Human Rights and development: Legal perspectives from and for Ethiopia," February 2015, PP 351-352.

⁵⁴ Karuturi land lease contract, Article 1.1

it should be given adequate and appropriate redress. The company had also an issue with Commercial Bank of Ethiopia following the latter's move to foreclose the company's assets to settle a 55.8-million-birr loan that Karuturi was unable to pay.

In September 2017, the company announced that it has cancelled its investment and exiting Ethiopia, but it has also instituted a legal action before the Ethiopian Federal High Court in Addis Ababa demanding adequate compensation from the government. Few months later, the Indian government intervened in the matter and sought a diplomatic option with the Ethiopian Embassy in India. Following the diplomatic efforts, the company later in April 2018 announced that it was withdrawing from its court case against the Ethiopian government and would sign a fresh 15,000-hectare concession in Gambella. In its April 2019 circular to shareholders the company has also affirmed that it has received the new land in Itang special district of Gambella region. The new land deal again caused outrage not only from the local population but also from indigenous nongovernmental organizations such as the Anuak Survival, Anuak Development Association, Anywaa community Association in Kenya and North America.⁵⁵ However, the researcher has proved during the fieldwork that the company is not practically operating in the said district.

Saudi Star PLC

Saudi Star PLC, a company owned by Ethiopian born Saudi Arabian investor Mohammed Al Amoudi, has received 10,000 hectares of land in the Gambella Regional State.⁵⁶ There was also a promise on the government side to increase the amount of land to 500,000 hectares for Saudi Star depending on its production and export efficiency. The land agreement was made for 50 years but subject to renewal upon the mutual agreement of both parties.

The billionaire businessman, who according to the Forbes magazine is the second richest person of African Descent, pledged to transform Ethiopia's economy through intensified commercial agriculture. In an interview he gave to the government owned ETV he was quoted as having said that people who criticize the country's lowland commercial agriculture as enemies of Ethiopia "who do not want to see the country's economy transformed because they neither invest nor allow others to invest."⁵⁷ The previous manager of the same company, pledged that their plan is "to produce rice that can generate one billion US dollars to the country annually and put the

⁵⁵ See their joint statement at <https://grain.org/en/article/5945-indigenous-organisations-outraged-by-ethiopian-government-s-new-land-deal-with-iconic-land-grabber-karuturi>

⁵⁶ Saudi Star Plc Land lease contract, Art 1.1

⁵⁷ Ethiopian Television, 2011. Available at <https://www.youtube.com/watch?v=hdKKPN8IMKQ>

country on the world map as one of the leading producers of rice,”⁵⁸ a widely exaggerated claim given the performance they have at the moment. The field manager of the company whom I spoke to during the fieldwork said that the company has created many seasonal and permanent job opportunities for the local communities. The company is also paying close to 110, 000 USD to the government annually, and has made renovation and expansion of the existing irrigation canal from the nearby Alwero Dam.

The Duty to Cooperate in Practice

For a more practical and detailed analysis of this study, Saudi Star’s rice farm in Gambella has been selected. The reason being that it is relatively among the successful foreign agricultural investments in Ethiopia. And the purpose of this study is to explore how constructive interaction between relevant actors in active investments will contribute to addressing or affecting the right to development of local communities. From the above selected investments, the widely debated Karuturi farm ended up with a dramatic fall and the investment no longer exist, and in the case of Verdanta Harvests, the investment still exists but there is little interaction of relevant actors, particularly international actors such as the World Bank.

Community claims from below and the World Bank’s role

The investment, particularly during the early days of the land deal, has been criticized for being a cause of community violence and displacement especially the Anuak and Nuer ethnic groups of the Gambella Regional State. The displacement impact of agricultural investments in Gambella is not limited only to Saudi Star but rather it is a claim that has been forwarded against almost all investors who are engaged in the agriculture sectors in Gambella. But the focus from many rights groups and local NGOs was mainly towards Karuturi, Saudi Star and other foreign agribusiness entities as the actual land deal and the promise of the government for further concessions to these investors was high.

The government on the other hand, consistently argued that there was no investment related displacement but a villagization program to help settle transhumant and mobile tribal groups in centralized villages and enable them to have access to better socio-economic infrastructures and services. Still, the concern from different actors was that the villagization program is systematically being used to accumulate land for LSAI and that there is a direct relationship between the villagization and Ethiopia’s commercial farming program in the lowlands. It has been also argued that the Villagization Program was financed by the World Bank and critics said that the Bank is “involved in a program that is doing more to undermine the rights and

⁵⁸ Ibid.

livelihoods of the population than to improve them.⁵⁹ The Oakland Institute, for example, said that the Bank's intervention is a "tainted aid" that "manufactures hunger and poverty in Ethiopia."⁶⁰ Some writers are in the opinion that financial institutions are facilitating the 21st century land grab in Africa.⁶¹ Others regarded the phenomena as "neocolonialism" and "fears that the practice could worsen the poverty level further."⁶² Donors were generally accused of supporting Ethiopia's problematic villagization program that aimed at promoting capitalist agriculture in the lowland peripheries. The alleged involvement was either by directly supporting the program or indirectly through general budget support to the Ethiopian government. The World Bank, on the other hand, said that it was not supporting the villagization program, rather it was involved in a program whose objectives are almost similar with the villagization program.

The project, affected local communities claim and Bank's response

In September 2012, the World Bank approved the Promoting Basic Services Phase III Project (PBS 3) for Ethiopia with an IDA Credit of US\$ 600 million and total project cost of approximately US\$ 5 billion.⁶³ The project was a multi-donor program involving several development partners such as the World Bank, the African Development Bank, the UK Department for International Development, the European Union, the Government of Austria and Italy. ⁶⁴ The PBS was a nationwide project aimed at "improving quality and delivery of decentralized services in education, health, agriculture, water supply and sanitation, and rural roads in Ethiopia"⁶⁵ by funding block grants that ensure adequate staffing and operation, and by strengthening the capacity of government at regional and local authorities' level.⁶⁶ The closing date of the project was January 7, 2019, and has served approximately 84 million people in the

⁵⁹ Human Rights Watch, "Waiting here for death: forced displacement and villagization in Ethiopia's Gambella region," 2012.

⁶⁰ The Oakland Institute, "Miracle or mirage: manufacturing hunger and poverty in Ethiopia," 2016.

⁶¹ Baxster, J., "Africa's land and Family farms-up for grabs," Seedling, January 2010.

⁶² Mackenzie, D., "Rich countries carry out '21st century land grab,'" New Scientist, 2008, 4.

⁶³ The World Bank, "Ethiopia: Third Phase of the Promoting Basic Services Project," September 2012, Washington DC. Available at <http://documents.worldbank.org/curated/en/731661468032393203/Ethiopia-Third-Phase-of-the-Promoting-Basic-Services-Project>

⁶⁴ Ibid.

⁶⁵ The World Bank, 'Progress report 3: on the implementation of management's action plan in response to the inspection panel investigation report on the Ethiopia PBS Project III,' January 2018, P.1

⁶⁶ Ibid.

country.⁶⁷ It should also be noted that there were other two projects of similar nature before September 2012 by the World Bank in Ethiopia, the PBS I and II with additional financing components. However, the most debatable one in relation to Ethiopia's LSAI move in general and the villagization program, in particular, was the PBS III project.

The Anuak people of the Gambella region in Ethiopia submitted a request for inspection, through a representative, to the World Bank Inspection Panel stating that they have been severely harmed by the Bank's PBS program.⁶⁸ The Anuak's submitted that "...the PBS program is directly contributing to the Ethiopian Government's Villagization Program that they are being forced to leave their ancestral land under the program, and that the land is then leased to investor. They also argued that appropriate safeguard policies of the World Bank on Indigenous Peoples and Involuntary Resettlement were not applied."⁶⁹

The World Bank responded to the requester's claim both through its Management and Inspection Panel channels. The Bank's management in its response found out that "PBS III does not finance the villagization program and does not depend in any way on villagization in order to achieve its objectives."⁷⁰ It further noted that PBS III "does not build upon villagization" and that it "is not synchronized with villagization."⁷¹ The management "maintains that the harm described by the requesters does not stem from the Bank-supported PBS III nor from a failure by the Bank to apply its policies."⁷² Nevertheless, it was "deeply troubled by the reports of harm, and takes these allegations of harm very seriously and has undertaken an extensive review of the allegations raised in the request."⁷³

The Inspection Panel also accepted the request for inspection and analyzed the claims in light of operational policies and safeguards of the World Bank. The panel finds an "operational interface" between the villagization program and PBS III due to commonality of objectives, mutual impacts on each other's results, geographical overlap, and concurrent implementation of the two

⁶⁷ The World Bank, Inspection Panel Investigation report, November 2014. P. Vii.

⁶⁸ The request was facilitated by indigenous nongovernmental organizations in the diaspora namely the Anuak Survival, Anuak Development Association, Anywaa community Association and others.

⁶⁹ World Bank Inspection Panel Investigation report, supra note 67, P. Vii. *See also* The World Bank Inspection Panel, 'Request for Inspection.' Available at. <https://www.inspectionpanel.org/sites/www.inspectionpanel.org/files/ip/PanelCases/82-Request%20for%20Inspection%20%28English%29.pdf>

⁷⁰ World Bank Management Response to request for Inspection Panel Review of the Ethiopia: Protection of Basic Services Program Phase II Additional Financing (P121727) and Promoting Basic Services Phase III Project (P128891), November 2012, P. 16

⁷¹ *Ibid.*, P. Viii

⁷² *Ibid.*

⁷³ *Ibid.*

projects.⁷⁴ The panel, however, did not establish that PBS III was built upon the villagization program and directly synchronized to it. Given the magnitude of the operational interface between the two projects, the panel also finds that the bank management did not carry out the required full risk analysis during the project appraisal and implementation phases.⁷⁵ Most importantly, the panel found out noncompliance with the Bank's operational policy for indigenous peoples (OP 4.10.) saying that "livelihoods, well-being and access to basic services, which are closely tied to the Anuak's access to land and natural resources was not taken into account in the design of PBS III."⁷⁶

The ultimate objective of the two programs is providing improved basic services to the local population. There was a clear geographical and chronological overlap in the implementation of the projects. Local government officials played double roles in the implementation of the two programs. In this context, the projects have influenced each other's results. Generally, it could be argued that there was an operational link, and that PBS III has contributed to the villagization program and ultimately to LSAI in the pastoral lowlands of Ethiopia. This means that the World Bank was involved, at least indirectly, in Ethiopia's agricultural investment program.

The Home State vis-à-vis the Community

In the wake of the financial crisis, the Gulf Cooperation Council countries (Saudi Arabia, Qatar, Kuwait, UAE, Bahrain, and Oman) announced that they will spend billions of dollars to establish and support agricultural projects overseas.⁷⁷ For this purpose, some African countries such as Ethiopia, Sudan, Mali, and Senegal were the center of attention for the Gulf countries. The proposal of these water and soil resources poor but cash rich countries was to engage in production of rice and other staple crops to secure their future import needs.

As part of the GCC countries program, the government of Saudi Arabia launched an initiative for Saudi Agricultural Investment Abroad with a budget of 800 million dollars.⁷⁸ The initiative is to support Saudi private investors for their agricultural investments overseas through public-private partnership. Saudi Star PLC is part of AL Muwakaba for Industrial Development and Overseas Commerce (MIDROC), an investment group based in Saudi Arabia. While the company plans to engage in production of rice in the Gambella region of Ethiopia, it was backed by the Kingdom

⁷⁴ Inspection Panel report, *supra* note 69, P. 78.

⁷⁵ *Ibid.*

⁷⁶ *Ibid.*

⁷⁷ Oxford Analytica, "Saudis renew search for food security," April 2009.

⁷⁸ *Ibid.*

of Saudi Arabia as part of the country's initiative of outsourcing food production overseas. Saudi Star was capitalizing on its government's subsidy program and the first rice production from Gambella was directly shipped to Saudi Arabia. The company owner Mohamed Al Amoudi personally presented the first shipment to the king of Saudi Arabia in Riyadh aimed at fanfare marking the start of the investment.⁷⁹

This whole process shows that the government of Saudi Arabia is also involved, at least indirectly, in the company's business operation in Gambella. However, there had been no interaction with Saudi Arabia, as a home State of the company, in the context of the interest of local communities in Gambella. The norms in the global dimension of the RTD, on the other hand, provide that States must do no harm externally because of policies adopted internally. Home States should also culture and discipline their companies abroad. Given the human rights violation concerns around the investment area no effort was made by the Saudi Arabian government to benefit the local community or to regulate the conduct of Saudi Star through its institutional channels. In fact, the owner of Saudi Star was among the prominent people who were arrested following the November 2017 corruption crackdown in that country. It was not, however, clear on whether his arrest was related to Saudi Star PIC as this subsidiary branch is the tip of the iceberg from the owner's companies. Saudi Arabia's initiative of overseas staple crop production generally is a self-centered program aimed at ensuring the sustainability of its market that depends on the international food supply chain.

The Host State Ethiopia Vs Community Relations

This section explores the local dimension of the RTD. The domestic dimension of the RTD addresses the nexus between the State as a duty bearer and the subjects in its territory. Indeed, the Ethiopian constitution recognizes the State not just only as a duty bearer of the RTD but also as a right holder of the RTD. This can be inferred from the constitutional phrase that "the peoples of Ethiopia as a whole" ...have the RTD.⁸⁰ Exploring further on the issue of a State as a right holder of the RTD is beyond the reach of this work and special focus will rather be given to Ethiopia as a duty bearer in its relationship with local communities around Saudi Star's investment undertaking.

Ethiopia has the duty to cooperate with the local population in addressing pressing development and social needs with a view to transform lives. The benefit of the local population from the

⁷⁹ The New York Times Magazine, "Is There Such a Thing as Agro-Imperialism?", November 2009.

⁸⁰ Ethiopian Constitution, 1995, Art 43(1)

investment can be manifested in various themes but most importantly in terms of local food security.

The country's LSAI generally was presumed to increase staple food production and thereby improve the food security in the country. Solving the food insecurity problem in the country is among the most repeatedly cited justifications to legitimize the investment program by government officials and investors. The country's late prime minister was quoted as having said that "the investments will increase availability of various agricultural products in our markets."⁸¹ He was clearly referring to "food availability," one of the four dimensions of food security.⁸² Similarly, the former Ethiopian Ambassador to India, Genet Zewdie, in her interview in relation to involvement of Indian companies in Ethiopia's LSAI program, noted that it "will ensure food self-sufficiency and food security for Ethiopians who have been suffering from periodic droughts and famine at different times."⁸³

However, this claim of "domestic food security" by the government is largely rhetoric and does not exist in practice mainly for two reasons. Firstly, Ethiopia's commercial farming program does not consider domestic food security needs as a strategy, rather it heavily relies on export-oriented production. Increasing export capacity for foreign currency earnings is the basic motive in Ethiopia's LSAI program. In this regard, a manager of Saudi Star has said the company's goal is to generate a billion dollars to Ethiopia annually and make the country one of the leading exporters of rice in the world.⁸⁴ Saudi Star has been directly exporting the rice to Saudi Arabia and other Middle East markets since the beginning of its production. No single provision in Saudi Star's land lease agreement mentions domestic food security as a justification of the investment project. Ethiopia's investment incentives to agribusiness enterprises are largely based on investors' export capability, not on investors' potential in making staple crops available to the local market.

The attempt to achieve hard currency earnings through export based agricultural strategy however has a considerable risk as companies tend to engage in transfer pricing for the purpose of reducing local taxes, and the state has limited capacity to monitor such transfers. In addition, for developing countries like Ethiopia where there is a problem of food security, relying on export-oriented agriculture could worsen the issue further. For example, a temporary fall in export prices or rise in food prices can reduce the local food consumption below a necessary

⁸¹ Meles Zenawi, interview with ITMN TV, 26 June 2011.

⁸² The four dimensions of food security according to FAO are, physical availability of food, economic and physical access to food, food utilization and stability.

⁸³ Genet Zewdie, interview with ITMN TV, 26 Jun. 2011.

⁸⁴ Ethiopian Television, News Broadcast on Ethiopian State Television, 2011. Available at <https://www.youtube.com/watch?v=hdKKPN8IMKQ>

minimum.⁸⁵ Exports shall be encouraged only after meeting domestic demands otherwise Ethiopia's reliance on foreign food aid would remain unabated.

The second reason is that foreign companies are engaged in production of plants/crops that are not usually used by the larger Ethiopian society as a common food. Saudi Star, for example, is engaged in production of rice, which is not a common staple food neither in Gambella nor in the other parts of the country.

The former U.N. Special Rapporteur on the Right to Food proposed a rights-based approach to large-scale land deals.⁸⁶ This means that instead of only capitalizing on land as an essential financial source, States should also consider the claim of right-holders and their corresponding obligations as duty-bearers. Situating this to the case at hand, the lack of emphasis to local food security during land deals by the Ethiopian government does trigger to question several substantive human rights, but most importantly, the right to food. The first principle endorsed by the Committee on World Food Security (CFS) provides that investment in agriculture and food systems should gear towards fulfilling national food security and nutrition needs.⁸⁷ Similarly, the former Special Rapporteur on the right to food adopted 11 minimum human right principles applicable to large scale land leases, of which principle 8 provides that "States have the responsibility to ensure that investment agreements require a minimum percentage of food crops produced be sold locally".⁸⁸ In the case at hand, no reference is made in the investment contract with respect to terms that crops produced by Saudi Star will be sold in local markets.

States have the obligation to respect, protect, and fulfil the right to food progressively. With regards to the obligation to respect, States are obliged to "refrain from taking measures that may deprive individuals of access to productive resources on which they depend when they produce food for themselves."⁸⁹ Respecting the right to food also requires ensuring security of tenure and prioritization of development models that do not lead to food insecurity.⁹⁰ The prioritization of export, instead of local supply, in the case of Saudi Star production is one manifestation of Ethiopia's reluctance in addressing the human right to food.

⁸⁵ Lavers, T. , "Land grab' as development strategy? The political economy of agricultural investment in Ethiopia," *Journal of Peasant Studies*, 39, 2012, PP. 105–132.

⁸⁶ <https://undocs.org/A/HRC/13/33/Add.2>

⁸⁷ CFS, *Principles of Responsible Investment in Agriculture and Food Systems*, October 2014.

⁸⁸ *Supra* note 97.

⁸⁹ CESCR, *General Comment No.12; The right to food*, 1999, P 15.

⁹⁰ Smita Narula, "The Global Land Rush: Markets, Rights, and the Politics of Food," *Stanford Journal of International Law* 49, no. 1, 2013, P. 129.

The obligation to protect, on the other hand, provides that States must protect its subjects from the enclosure of foreign and domestic actors. The encroachment of foreign companies such as Saudi Star is causing disruption of livelihoods through displacement and by denying access to land that was previously used for cultivation and grazing.

With the obligation to fulfil, States must seek to ensure local livelihoods and food security. In the Ethiopian context, this obligation must be seen in the context encouraging the government to do policy revisions from export-oriented agribusiness to enhancing local food supply. The viable option for this is to focus on small-scale agricultural transformation rather than handing over land rights to corporate entities on a larger scale. Large scale land deals are not essentially wrong, but they are not profitable to the local population. Inviting foreign capitalists to engage in cash crop production for export while millions are still food insecure locally does not seem tenable not just economically, but even morally. The main beneficiaries remain corporate entities, State bureaucrats and the political elites. Land deals are increasingly becoming hotbeds for corruption in developing countries like Ethiopia. In this regard an Ethiopian domestic investor who drove me to his farm for a visit, 30 kilometres south of Gambella's regional capital, noted that "if you do not give them money, they will not process your investment issues."⁹¹ He was clearly referring to regional government structures at different levels who are responsible in one or another way towards LSAI in Gambella. Villagers in the Abobo district of Gambella also substantiated this, saying that "the local government officials are benefiting out of it but not the local communities."⁹² The weak and corrupt regulatory system in the government structures towards large scale land deals was among the most emphasized issues from the audience during the local roundtable.

In January 2021, I met the State Minister of Agriculture in Addis Ababa to talk about Ethiopia's lowland commercial agriculture program and then he sent me to do the interview with two senior agronomists within the Ministry. Asked about why Ethiopia's LSAI primarily focuses on export-oriented production, the two agronomists responded that the aim of Ethiopia's LSAI program is not only limited to communities in the investment areas but rather it has been implemented with country-wide broader objectives and goals. They said the goal is increasing the purchasing power of people by increasing hard currency reserves, creating job opportunities and through know-how transfers, and that if they have money, they can buy food.

From 2019, however, the new administration gave special emphasis on ensuring food self-sufficiency and import substitution particularly through massive lowland wheat production. Addressing the Ethiopia parliament on June 8, 2020, Prime Minister Abiy Ahmed said that "the

⁹¹ Interview with investor 1, March 13, 2021.

⁹² Focus group discussion with local communities in Abobo, Gambella, March 15, 2021

country has covered 20,000 hectares of lowland with wheat farms for the first time.”⁹³ He also said that the government “will increase lowland wheat farming next year by many folds.”⁹⁴ The wheat production program is said to end food shortage as well as government “spending of over half a billion dollars every year for importing wheat.”⁹⁵ This is, however, a State-led wheat farming initiative and does not change previous land deals with local and international private agribusiness companies such as Saudi Star.

Saudi Star Vs Community Interactions

From job opportunity perspective: The employment opportunity narrative has been among the widely cited justifications to legitimize the investment both on the side of local government officials and managers of the company. In the beginning of the investment, Saudi Star pledged to employ 4,000 to 5,000 workers to its farm. Although this narrative seems to be among the relatively visible contributions of the farm, it still did not achieve the initial goal it had aimed for. The farm currently has only around 50 permanent employees. In addition, almost all middle and higher-level jobs are exclusively owned by foreigners or people from the center of the country. The local community around the investment areas have limited access to office and technical jobs. They are rather largely accommodated in seasonal labor jobs. During rainy and harvesting seasons the company could employ thousands of locals as daily laborers. However, these seasonal labor jobs are low paying and unsustainable.

From building infrastructures perspective: Saudi Star’s investment contract with the government provides that the company has the right to build dams, irrigation systems, roads, bridges, residential buildings, health care centers and schools. This term of the investment contract has aimed at facilitating the business operation of the company. There is no obligation imposed on the company to provide or build these infrastructures to the local community in the investment area. During the fieldwork the general manager of the company said that they are aware of their corporate social responsibilities, but little has been done to realize this responsibility so far. The only instance the villagers were referring to was the Solar System Water Filtration equipment provided by the company to a small village called Oredi. The machine will help filter drinking water fetched from the nearby canal. Oredi received the machine because they had no water borehole.

⁹³ Ethiopian Broadcasting Corporation, June 2020. Available at <https://www.youtube.com/watch?v=CW21AATIKT4&t=5706s>

⁹⁴ Ibid.

⁹⁵ New Business Ethiopia, “Ethiopia Produces Wheat on 20,000 hectares of irrigated lowland,” June 2020. Available at <https://newbusinessethiopia.com/agribusiness/ethiopia-produces-wheat-on-20000-hectares-irrigated-lowland/>

The company has also expanded the existing canal from Alwero dam constructed in the 1980s by the previous communist government. The views from the local community about the expansion of the canal is twofold. On one hand they are happy with the expansion and renovation of the canal as it will make water accessible to their small-scale farms, livestock, and for different household functions, but on the contrary they are also facing difficulties as it cuts transportation between villages and crossing the canal has been difficult to them. They were emphasizing on the need to have a bridge over it, referring to an old man who drowned in the canal a few years ago.

From an environmental perspective: In its land lease agreement with the government, Saudi Star bears the obligation to provide good care and conservation of the leased land and other natural resources thereon. This obligation, in particular, includes conservation of tree plantations that have not been cleared for earthworks of the farm and application of appropriate farming methods to prevent soil erosion in sloppy areas. The investment contract also refers to the obligation of conducting environmental impact assessment, and about observation and implementation of national laws on natural resource conservation.

However, there is scant evidence regarding the application of these obligations assumed under the investment contract. Locals whom I interviewed during the fieldwork noted that the environmental repercussion of the project was not effectively assessed. They have raised concerns of deforestation, and the long-term effects of extraction of water resources which they rely on for fishing and farming activities. Rice production requires a large volume of water naturally and this could result in draining of wetlands in the future. Their cattle have also died due to chemicals used for pesticides and insecticides in the farm. The effort to see if there was a prior study by the company on the environmental impacts of the project before its implementation was not successful, the reason being lack of willingness to disclose it on the part of local officials. Some international right groups such the Oakland Institute said environmental impact assessments were rarely carried out before project implementation in Ethiopia's LSAI program.⁹⁶ Even those environmental impact assessments submitted to the government lack the necessary scientific and environmental tests and are not properly supervised by government bodies. Saudi Star repeatedly argued that its farm place was already earmarked three decades ago by the Ethiopian communist government for large scale rice and cotton plantation and that environmental issues have been well considered since then.

⁹⁶ The Oakland Institute report, "Moral Bankruptcy: World Bank reinvents tainted aid program for Ethiopia," 2016

Conclusion and Policy Recommendations

Ethiopia's LSAI has been challenged as a top-down project with basic epistemological confrontations. A confrontation which on one hand considers the Ethiopian State and its agents as modernist actors to master the virgin nature and commodify it into a capitalist economy. At the same time, it also views the existing local production system and indigenous knowledge as inefficient and incapable for development. It also rejects the place of extra-human agencies such as the bioecological dynamics of the investment zone during investment design and planning. Local communities' participation in, let alone approval of, the investment deal was limited. This was the case in Saudi Star's investment where the villagers said that there was no proper discussion with the local communities to discern the likely impacts of the project. The investment negotiation was mainly between the State and the investor. What is more striking in Saudi Star's case is the regional government of Gambella was not involved in the land deal agreement let alone the local communities. The deal was rather concluded at the federal level.

This epistemological framework, however, has resulted in opposition from local communities instead of cooperation with modernist and developmental actors. Locals have developed a resistance tendency not because they do not want to engage in agrarian transformation, but rather due to exclusions in the process of the investment negotiations. There is a shift in tendency especially with the youth in terms of economic development and viewing nature-human interactions from a utilitarian perspective. In this regard, three Anuak youth whom I met on the side of Baro River in Gambella said "we understand that we should not remain as we are now for the sake of preserving nature and existing way of life, but we also need the government's intervention in Gambella to be transparent and community centered".⁹⁷

A transparent and socially inclusive investment negotiation would make local communities facilitative of the development aspirations of the State and the business motive of investors. This, in particular, is very important for ecological zones where the longstanding indigenous knowledge of locals is necessary to better understand farming systems that the ecosystem is adaptable with. Because of the hegemonic approach of the investment project, Saudi Star has been seen as an outsider working only towards its profits. The outsider connotation is to mean not from outside of Ethiopia but to the villages. It is a resistance by considering the investment as an intrusion instead of a development opportunity. This is the result of lack of trust on the side of the local communities towards development agents due to exclusions in the investment negotiations. A few years ago, in a way to manifest local dissatisfaction, gunmen attacked Saudi Star's farm and killed five of its employees. The moment also caused community violence and destruction of some of the company's assets. Government soldiers responded to the attack and the locals said it was an act of reprisal that had left them traumatized.

⁹⁷ A discussion with three Anuak youth in the City of Gambella, March 14, 2021

Beyond encouraging bottom-up initiatives towards land concessions, it is also important to devise a system where local communities could be shareholders in agricultural investment projects. This intervention mechanism would bring four benefits. First, it would be an important tool to closely supervise the largely profit oriented corporate entities if they are living up to their promises and expectations. This particularly is important in Ethiopia where the State monitoring system is either loosely regulated or corrupt. Second, it will also develop a sense of ownership among local communities, and they will be cooperative in the investment than being resistant. Third, it will better help in fulfilling their local food security, job needs and know-how transfer. Fourth, the existing indigenous knowledge of communities rooted in the local ecological dynamics will help facilitate modernist investment. For example, one of the reasons behind the failure of Karuturi agribusiness is lack of appreciation of the investment ecosystem and soil variants. Locals have a long-standing crop adaptation knowledge built upon the socio-ecology of the region.