Position Paper

Corporate Land Grab: A Neoliberal Menace in Pakistan

Peoples Common Struggle Center (PCSC) Pakistan
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Position Paper

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Foreword

The majority of food in developing countries is still produced by small scale farmers, but the global rush for farmland is pushing these farmers onto smaller and smaller plots of land – threatening both rural livelihoods and overall food sovereignty. This paper exposes the situation in Pakistan, where the government has opened the door to a vast corporate takeover of fertile farmland.

The majority of Pakistan's population – as much as 70 percent – relies on agriculture. For decades now, they have been subjected to a capitalist, neoliberal model of agriculture that has failed to either benefit farmers or strengthen the food supply – as demonstrated by the global food crisis. Corporate-model agriculture has thrive at great cost to peasants, small farmers and indigenous peoples across Pakistan, whose land and labor has been targeted by greedy foreign interests and local elites.

The Peoples Common Struggle Centre (PCSC), alongside other farmers’ organizations, civil society groups and networks, is part of a growing resistance to corporate-led agriculture and land grabbing in Pakistan. Together, they are building just and sustainable alternatives based on peasant agro ecology as a way forward.

This paper eloquently brings to our attention the need to urgently put land back in the hands of small farmers and make the struggle for genuine and comprehensive agrarian reform central to the fight for better food systems. This is something that cannot be achieved by any group working alone. It calls for the strengthening of solidarity amongst peasant organizations, landless people’s movements and civil society groups who share this vision.

GRAIN

GRAIN is a small international non-profit organization that works to support small farmers and social movement in their struggle for community-controlled and biodiversity-based food systems. Our support takes the form of independent research and analysis, sustained networking at local, regional and international levels and active cooperation and alliance-building.
Brief Overview

The end of Second World War had brought out many questions, & of all them, the question of national economic viability and re-establishment form the destructions of war aches was of immense importance for both, the industrialized and the new born colonial states. However, previously the industrialized ones have had managed this through the plunder of resources of occupied ones; & to ensure that plunder for their economic viability consistently for centuries under the cover of reconstruction and support of those new born colonial states, the colonial masters now came up with establishment of other neocolonial institutions such as the United Nations, the World Bank, International Monetary Fund and the WTO.

Through those institutions they put money in every possible ineffective project, except, the human, scientific and technological advancement which they are safeguarding under “intellectual property protections & immigration” laws & the only comparative advantage of the underdeveloped world during the current century as compare to technological advancement is – abundant of manpower & raw materials which is lesser importance with every passing day¹. Being agricultural country Pakistan also lacks in scientific, technological and human development as compared to its rich natural and human resources which are “inheritantly” offered by feudal class to their colonial masters as previously their forefathers served. It should be noted that 65 percent agricultural land of Pakistan is under the control of only 5 percent feudals² who also occupy the legislative & administrative institutions of the country.

Seeking political face-saving, elected elite - feudal representatives, many times came forward with the illusions of agrarian reforms & the first initiative in this regard was carried out by the Government of Sindh through the formation of Government hari (Peasant) Enquiry Committee since (1947 – 48) that portrayed the picture of landlords as a friend of haris’ and the problems associated with haris were their own created, as

¹ Qswaldo de Rivero, The Myth of Development, non viable economice of the 21st Century.p.3

~ 5 ~
per report. Later on, different successive dictatorial & democratic regimes have introduced land reforms in Pakistan with various land holding ceilings and tenants’ concessions even during the military regime of dictator Zia – ul – Haq land reforms were declared as un-Islamic acts through his so called Shari at Courts, but the fact is, there was no any visible change seen as result of land reforms.

Obliging imperials neoliberal policies in Pakistan, maneuvering in local laws is one of the easy tasks that they (elite feudal, bureaucrats & military) accomplished since the birth of this country. They privatized public entities against massive kickback commissions; rental power case is one the notorious deal during the period of (PPP) second regime. Thousands of the employees’ are deregularized from KESC, PTCL and the recent move of the privatization of 31 public sector entities is the ample example that how rushed are our rulers’ in accomplishing the neoliberal agendas. Every successive government of Pakistan had blindly welcomed the policies of neoliberal institutions, and opened the country doors for investment through the promulgation of laws such as Green Revolution Policy, Corporate Farming Ordinance -2004, Seed Act Amendment Bill- 2014, etc.

Rural population of the Pakistan constitutes more than 70 percent population of the country, merely relying the agriculture sector, and the dilemma is that 50 percent of the total rural population is landless. Unequal landownership patterns in Pakistan has spread out the miseries of poverty, food insecurity, poor health facilities, illiteracy and even the gender injustices within societies as well family level. Rural agrarian masses already plagued in different socio-economic issues driven by powerful elite – feudal class structures got further trap in the imperials’ quagmire of (Green Revolution) agriculture policy since the period of 1960s during the regime of Genral Ayub Khan, the policy was aimed to address the question of rural economic progress; perhaps it boosted up the economic viability of imperialist’s agro-industry & strengthened feudal class, at

4 Ibid
5 http://www.dawn.com/news/1080908
6 http://www.dawn.com/news/1047333
the same trapping the small farmers and tenants into debts & unemployment at the face of mechanized farming & market dependency.

*The second neoliberal* hit of galvanizing the hunger, poverty, unemployment and landlessness was accomplished during the regime of another military dictator General Parvez Musharaf through the promulgation of Corporate Farming Ordinance 2001 later on approved by cabinet in 2004 with the identification of availability of vast agricultural land pockets for foreign companies. According to Pakistan Board of Investment there is 22.45 million hectares under cultivation area available for foreign investors, of which 16.5 million hectares is only in Punjab\(^7\) and more on this the global food crisis 2008 triggered more land deals in Third World Countries to ensure food security. In this move, Pakistan adopted Cambodian role model, providing the legal cover that farmland investors look for. However, the Pakistan CAF goes beyond legal the protections. It also offers generous financial incentives such as 100 per cent foreign equity; exemptions on land transfer duties; and customs-duty-free, sales-tax-free on agricultural machinery imports\(^8\) and even the security of farmlands.

According to reports and officials statements, the major investment interest in Pakistan agriculture is shown by Gulf states to ensure their food security, and this has been attracted through roads shows in Gulf region countries by the Pakistan Ministry of Investment offering millions of acres of farmland availability to potential investors in capital abundant food scarce region of the Middle East\(^9\). One would be highly disgraced to know the statement of strengthening Qatars’ Food security program by the minister of Pakistan\(^10\) in a situation when peoples in Thar (Sindh) are facing drought\(^11\) and famine like situations with couple of hundreds death toll of children, and facing acute starvation by human and livestock, on the other side millions flood affected peoples still are in a struggle of survival in a situation of food insecurity, hunger and displacement.

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\(^8\) Going gaga over land: Michael Kugelman (Dawn, Thursday, 17\(^{th}\), 2009)

\(^9\) Farmland: Selling sensitive ideas, Afshan Sabhoi, May 04, 2009 Daily Dawn


Having such a critical conditions Pakistan government would have to stop all such barbaric deals but the show is – still on.

**Corporate Greed for Land**

As a result of road shows, Saudi Arabia is in talks with Pakistan to lease an area of farmland nearly twice the size of Hong Kong in a bid to ensure food security\(^\text{12}\). In another land deal, a Chinese company shows interest in initially getting 10,000 acres of land on lease. The company would grow different fruits and vegetables.\(^\text{13}\) Beside this, reports also revealed that the Ministry of Investment (MoI) has decided to offer one million acres of farmland for long-term investment or sale to foreigners and an Emirates Investment Group\(^\text{14}\). A successful deal during June, 2010 was also approved by the Government of Punjab to lease land area of 100,000 acre at Bahawalpur, Cholistan under Corporate Farming Ordinance\(^\text{15}\).

According to a report, a United Arab Emirates (UAE) based company signed a MoU with Government of Baluchistan for the lease of 150,000 hectares near Mirani Dam; similar to this a Dubai-based investment group also acquired 324,000 hectares of Pakistani farmland\(^\text{16}\). Another Qatar based Meat and Livestock Company (Mawashi) is reported to invest one billion dollars into corporate farming in Pakistan. They negotiated with the Sindh government to lease around 12,140 hectares in Shikarpur, Larkana and Sukkur Districts of Sindh province\(^\text{17}\). Beside this, a Malysian Palm Oil Company FELDA seeks to lease 30,000 hectares of land for planting palm oil in Pakistan\(^\text{18}\).

\(^{14}\) [http://sappk.wordpress.com/2009/05/14/moi-decides-to-sell-1m-acres-of-farmland-to-foreigners/](http://sappk.wordpress.com/2009/05/14/moi-decides-to-sell-1m-acres-of-farmland-to-foreigners/)
\(^{16}\) Roots for Equity, off collusions and collaborations: A case of Land Grab in Sindh, Pakistan, October, 2012. P.07
Land for Luxuries

The game of greed has not stopped over there – it goes on as local and international land mafia who has eyed on Iceland pockets of the country for the construction of Iceland Cities, destructing mangroves & endangering species as well indigenous societies. According to a report, MoI between a group of Abu Dubai and Bharia Town has been signed to construct mega cities on the Iceland of Karachi, according to deal 35 billion dollar investment would be carried out in Sindh, and some 10 million dollars would be utilized on the schemes of Lahore and Islamabad\textsuperscript{19}.

In another deal of Port Qasim Authority (PQA) Sindh, PPP and MQM seems eager to sell out Iceland of Sindh to foreign investors for the construction of “Diamond Bar Iceland.”\textsuperscript{20} Newspapers reports disclosed that a MoI was also signed in Islamabad between Mr. Thomas Karmen (a giant American land grabber) & CEO of Bahria Town, the said agreement is about 20 million dollars investment for the construction of mega cities on the Iceland of (Bundal & Buddo) near Karachi.\textsuperscript{21} Investing in housing schemes and construction projects is one of the best strategies to turn black money into white; such a case is of the “Zulfiqarabad Mega City” project, approved as Zulfiqarabad Development Authority Bill in 2012 by the government of Sindh and the project would be completed with joint venture of a Chinese Company and Government of Sindh.

According to Zulfiqarabad Development Authority, the city will be built into the deltaic region of four taluks of Thatta District such as KharoChhan, Ketibander, Shah Bander and Jati. The city will utilize about 199 dehs or 70 percent of the land in the four coastal sub-districts. Total population living in the site area is about 280000 people\textsuperscript{22}. Coastal societies and their representative organization Pakistan Fisher Folk forum (PFF) conceives this scheme as the big land grab of Asia.

\textsuperscript{19} Roots for Equity, Chronology (haal ahwal) January – April, 2013 p.2
\textsuperscript{20} Roots for Equity, Chronology (haal ahwal) May – August, 2013 p.1
\textsuperscript{21} Roots for Equity, Chronology (haal ahwal) January – April, 2013 p.3
\textsuperscript{22} www.escr-net.org/.../PFF%20Concerns%20on%20Zulfiqarabad.pdf
“According to a PFF position paper, this project will pose existential threat to endangered Indus delta, Mangroves, various fish species and deltaic heritage. It will displace more than three hundred thousand people. Most among those are indigenous Fisherfolk. It seems very self deceptive approach that this establishment of this city will stop sea intrusion. It addition, It will cause potential disasters due to seismic sensitivity of the project site and its coastal location”23.

**Issues and challenges**

**Water scarcity:** according to expert’s opinion, “Pakistan already suffers widespread water shortages, and could be water-scarce by 2020”. However, supplies could dry up much sooner if enormous quantities of water are siphoned off to support large-scale, water-intensive agricultural production schemes24. To understand the scale of Pakistan’s water shortages, take a look at Aquastat, the FAO’s water statistics database. Of all the nations most often associated with relinquishing farmland, only one — Kenya — has less water availability per capita than Pakistan’s 1400 cubic meters25.

It should be noted that Pakistan is one of the countries which seeks neoliberal aid for the construction of controversial mega dams and interprovincial water distribution & dam disputes since its inception have largely impacted on the political economy of agriculture. Making the situation more critical the downstream water shortage have caused sea intrusions destroying thousand hectors of cultivable land in District of Thatta, Badin, Jatti Kharo Chann. Beside this, local feudal control over water channels and canals with the collaboration of irrigation department has also created water shortage problems for tell end farmers in Sindh and other provinces of Pakistan.

**Food insecurity:** According to the World Food Programme, 77 million Pakistanis are already food-insecure, and many of them live in the country’s most volatile areas. Foreign land holdings could cause a flare-up of this food vulnerability powder keg at the

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23 Ibid, p.10  
24 www.dawn.com/news/843966/going-gaga-over-grain  
25 Ibid
worst possible time. 26 During the height of last year’s global food crisis, Pakistan imposed export bans to keep domestic food prices down. Not only this but the recent of move of Pakistan government of passing “Seed Act Amendment Bill – 201427” would also hamper the country’s’ food situation, providing favorable conditions for the plantation of genetically modified & high yielding variety seeds for the production of mega crops, that would definitely cause massive food insecurity and agro-ecological devastations.

Floods 2010, which hit many parts of the country, have also exposed the depth of poverty and deprivations in Pakistan due to feudal control over resources, specially the malnutrition conditions of women and children existing before the floods. According to a provincial government report based of a survey conducted with UN Children’s Fund (UNICEF) support, has revealed a grave nutritional crisis. The survey has found a global acute malnutrition (GAM) rate of 23.1 percent in children aged 6-59 months in flood-affected areas of northern Sindh and 21.2 percent in southern Sindh – rates above the World Health Organization’s 15 percent emergency threshold level28.

Landlessness & unemployment: About 50 percent Pakistan rural families are landless and if the land grab menace not halted prematurely, it would trigger droves of land deals, acute resource shortages. A Land deal does not mean just compromise smallholder livelihoods it also cause widespread displacement as is in the case of Zulfiqarabad Mega City. Due to intensive use of farming machinery in corporate farming there would be lesser need of land labor, ultimately exacerbating the situation of unemployment. The employment status of rural agrarian societies of Pakistan is already jeopardized after the heavy floods of 2010, and land grab deals could make it crucial further more. For further example details of employment status and landlessness of corporate farming companies, review (Off collusion and collaboration: A case of Land Grab in Sindh, Pakistan.29

26 Ibid 
28 http://www.unicef.org/pakistan/media_6750.htm 
29 www.panap.net/sites/default/files/casestudy-sindh-land-grabbing.pdf
Agro-ecological degradations: maximizing their profit greed, the corporate farming companies massively use heavy machinery, chemical fertilizers, chemical pesticides, herbicides and extensive dams and irrigation system and all such benefits, concessions are frequently provided in CAF Ordinance, ultimately posing threats to soil fertility, micronutrient deficiency, water logging and salinity, genetic erosion, biomass reduction, nutritional imbalance, health hazards, pesticides contamination of food soil, water, human as well animal life with effect on greenhouse and atmospheric pollution\(^3^0\).

**Resistance**

Moving ahead towards building the resistance that could be instrumental for fairer and just land laws & polices was never ignored since the history of Pakistan. Sindh Hari (Peasant) Movement immediate after the inception of Pakistan came forward as strong small and land less peasants’ resistance movement that organized farmers of the country at gross root level on issues around the tenancy act, distribution of lands and bonded labor as well. In addition to this, many farmers’ organization, civil society groups and networks like, Hari Bhandar Sangat, SCOPE, Pakistan Kissan Itehad, Pakistan Kissan Mazdoor Tahreek as well Sindh Land Reform Movement (SLRM) actively arrange campaigns\(^3^1\) issues around land reforms and redistributions of land, but the dilemma is that all these initiatives are taken in isolation which need to be united.

However many of them like, Roots for Equity, Pakistan Kissan Mazdoor Tahreek, Sustainable Agriculture Action Group (SAAG), Pakistan Fisher Folk Forum (PFF) Anjuman Mazareen – e – Panjabe, National Peasant Coalition of Pakistan and others are actively engaged on the issues pertaining to land grabbing, corporate agricultural farming, seed act bill and land reforms & most of the organizations operate from big cities and their presences at gross root level is very meager. Many of them carry out through reaches on agrarian justice, and collaborate with international peasant and labor forums, movements & networks to highlight and share the issues with international community. The most critical element lacking behind by the organizations (except few like Roots for Equity) is to politicize the peasant communities on issues

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\(^3^0\) Tahir Hussain: Corporate Agriculture Farming: What this mean for Pakistan. P.8  
\(^3^1\) http://www.dailytimes.com.pk/national/01-Jan-2014/rally-demands-land-reforms-land-for-peasants
driven by neoliberal policies, the role of IFIs and WTO even or local root cause of their socio-economic deprivations.

In addition to this, many Nationalist Political pressure groups like Qyoomi Awami Tahreek, Sindh Taraqee Pasand Party (STP), Sindh National Movement (SNM) and others are also engaged to create pressure on government to abandon barbaric policies and agreements such as land investment deals. Most of them are engaged to stop deal on selling Iceland to foreign investor, Zulfiqarabad Mega City Project issue was highly condemn in those campaigns, even they also hit oil and gas corporations on the issues of CSR, Royalties and other concessions. However, fewer of them also took firm stand for the reinforcement of peasant's rights and land reforms.

**Conclusion**

The state of colonialism is alive for the plunder of resources through the MNCs and TNCs under the cover of barbaric regulatory laws of the World Bank, the IMF and the WTO that bound the Governments of the Third World Countries to maneuver local laws like Corporate Agriculture Farming Ordinance, promulgation of Seed Act Bill and other such polices, endangering the resources, the survival and the dignity of nations that are already controlled by feudal elite class; and for them - to ensure peoples control over the natural resources (especially the agricultural lands) mean to politically strengthen the rural agrarian societies & enabling them to seek solutions of their socio-economic deprivations, & this could be only possible through the resistance of a strong and united peoples movements, networks & civil society organizations.
PCSC works to;

Document and disseminate progressive research & analysis in a popular and understandable manner, focusing on social injustices, economic disparities, ecological degradations & climate change;

Organize, network & collaborate with peoples & movements for the better understanding of the impacts of Globalization, Corporate Control and Neoliberal policies on people’s peace & sustainable development at local, national and international level;

To build the capacity of people to hold power accumulators accountable about their socio-economic & political rights enabling them to actively participate in a process of decision & policymaking for achieving and exercising those rights.

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