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Abstract

This paper explores the Pakistani government's 2009 agricultural investment policy package — a response to increasing foreign investor interest in agricultural land — and considers the likely implications for local communities. By analysing the policy pertaining to the categories of cultivated and uncultivated land, the paper explores possible consequences that peasant farming communities and grazing communities face. The policy's dependence on arbitrary and anti-poor colonial-era laws and processes places the policy squarely in established centre–periphery relations rooted by colonial-era politics of land ownership. Thus, the offer of agricultural land to foreign investors is both an unprecedented international land grab and a development in ongoing land appropriation by influential people through state apparatuses, continuous with colonial practices. This in turn has spurred community responses within the same dynamic of colonially rooted centre–periphery conflict; community responses revolve around various ethnic separatist movements that originated in earlier colonial politics. Apart from the precarious balance of social and economic power in Pakistan — evident in the making and implications of the agricultural investment policy — the findings point to an urgent need for the Pakistani government to address environmental and food security issues.

About the author

Antonia C Settle is a Research Associate at the Sustainable Development Policy Institute, Islamabad, Pakistan where her research has focused on critical perspectives to development issues. In 2011, Antonia returned to Australia where she is currently working on her PhD at Sydney University. Antonia's research interests focus on political economy approaches to globalised financial relations and economic development.

Acronyms

ADB	Asian Development Bank
AMP	Anjuman-e-Mazarin Punjab
BOI	Board of Investment
IFC	International Finance Corporation
MOU	Memorandum of Understanding
NGO	non-governmental organisation
SAAG	Sustainable Agriculture Action Group
SDPI	Sustainable Development Policy Institute
UN DESA	United Nations Department of Economic and Social Affairs
WFP	World Food Program
WTO	World Trade Organisation

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1. Introduction

Investor interest in agriculture has risen sharply since the food price shock of 2008, which saw the price of basic food commodities skyrocketing across global markets. Private investors, including hedge funds and investment banks, have established funds to acquire agricultural land (UN DESA 2010; McNellis 2009). Some countries, such as water-poor Middle Eastern states, have national policies setting out strategies to invest in foreign agricultural land acquisition in tandem with private investors, while phasing out thirsty crop cultivation at home. These developments in investor policy reflect both the pursuit of profit in rising food prices and strategic manoeuvring by food insecure states. Either way, rising demographic and environmental pressure on food supplies, expanding speculation in food markets (Ghosh 2010; Clapp 2009), and factors like a push towards portfolio diversification after the recent financial crash (McNellis 2009), underlie the push towards foreign agricultural land acquisition for the cultivation of food staples.

Pakistan remains an important destination for such investment. In 2009, the Zardari government offered a competitive investment package and one million acres of land (Research and Markets 2009) in an appeal to international agricultural investors. Bakr 2009 and Sadeque 2009 report that the government has offered a further 6 million acres, while Pakistani and international business press have reported various negotiations involving Middle Eastern funds, for plots of land of up to 80 000 hectares (Kerr and Bokhari 2008).

Drawing on primary and secondary sources and field-based interviews, this paper explores the government's agricultural investment policy package and considers the effects on communities located on the land offered for lease by the federal government's Board of Investment (BOI). Referencing colonial relations and local social formations, the paper identifies the land surveyed and released on offer to foreign investors in terms of two categories:

- agrarian land under the title of state farms; and
- land issued as uncultivated state land.

While state farms are concentrated in Punjab, particularly in the poorer Southern half of the province, vast stretches of 'cultivable waste' are found mainly in Balochistan, as well as the desert regions along the Indian border, namely Thar and Cholistan, in Sindh province and southern Punjab respectively. The paper will highlight specific cases considered representative of broader cases in interspersed text boxes.

The paper goes on to discuss likely impacts on those local communities on or near the land being offered to foreign investors and the responses of those communities to the policy. The government's agricultural foreign investment policy falls into historical patterns of centre-periphery relations, which represent the pervasiveness of neo-patrimonial relations and reproduces colonial policy and practice in Pakistan. The agricultural investment policy is an important example of policy being directly linked to the colonial foundations of the state, which perpetuates the disenfranchisement of economically peripheral communities. The response of local communities thus falls into established patterns of resistance to historical centre-periphery dynamics. These dynamics are expressed by:

- various separatist movements in peripheral locations; and
- as a rising peasant movement in the centre itself.

Beyond the precarious balance of social and economic power in Pakistan, evident in the construction and implications of the policy, the findings of this research point to an urgent need for the Government of Pakistan to address environmental and food security issues.

Finally, this paper argues that the legal system in Pakistan is not only arbitrary, but also suffers from an historical bias against poor communities. Government's agricultural foreign investment policy depends on arbitrary, anti-poor laws and processes established in the colonial era, which is not only unjust but also adds to the burgeoning forces of instability in Pakistan by provoking ethnic fractionalisation in the face of anti-democratic policy processes that threaten to alienate local communities from the land and worsen the strain on wider land and water resources.

2. Foreign agricultural investment in Pakistan as consensus policy

The 2009 policy package announced by the Zardari government offers competitive incentives to foreign investors in agriculture, hinged on the unprecedented release of vast tracts of state land to foreign investors. This policy builds on established consensus on promoting corporate farming between major parties at federal and provincial level, and in the military. The policy also responds positively to the World Bank Group's International Finance Corporation (IFC) and Foreign Investment Advisory Service, which have been influential in shaping Pakistan's agricultural investment environment (Centre for Human Rights and Global Justice 2010: 73; Mittal & Daniel 2010) and is in line with adjustments required by the World Trade Organisation's (WTO) Agreement on Agriculture (Ahmad 2003).

Corporate farming policy in Pakistan has tried to establish industrial farming in a bid to modernise the agricultural sector, most of which is family-based subsistence and smallholding agriculture, characterised by social formations including feudalism, landlessness and tribal structures. The Zardari Government's 2009 policy represents a major push towards the long-standing goal of corporate agriculture in Pakistan and is unique in releasing vast stretches of land to foreign investors.

Benazir Bhutto's government first introduced corporate farming in the late 1990s. It declared corporate farming an industry and approved 19 multi-national companies for business (SAAG 2009). A major boost to the policy framework came in 2001-2, when General Musharaf's government passed the Corporate Agricultural Farming policy and Corporate Farming Ordinance, which provided a legislative basis, along with a series of tax breaks to potential investors.

Finally, the Zardari government's 2009 package, offered through the BOI, deepened the competitive nature of investment terms. The package overrode landholding caps established through previous land reform policy by offering a reported 7 million acres of Pakistani land to foreign investors under 49–99 year lease agreements (Sadeque 2009). As part of the launch of the policy, the Federal Investment Minister announced that a security force of 100 000 would be established to protect the investments (The Economist 2009). The package was accompanied by several trade show presentations by the Pakistani government in various Middle Eastern countries which were — contrary to previous attempts to lure investors into Pakistan's agricultural sector — followed by a series of negotiations, for the most part with Middle Eastern investors.

Although the package was released by the federal government, land ownership in Pakistan is under provincial government jurisdiction. The 2009 package can thus be understood as a cooperative effort whereby the federal government:

- laid down the legislative framework;
- established incentives that include federal tax breaks (e.g. tax free machinery imports) in the package; and
- promoted the package internationally.

Provincial governments, on the other hand, undertook to survey land in their provinces available to promote through the federal BOI. The two biggest provinces, Punjab and Sindh, also launched their own foreign investment policy based on the federal package (e.g. the Punjab government's dairy development policy). Pakistan's other provinces have not openly supported the national policy — which may signal discord between federal and provincial tiers of government, especially in Balochistan — but they did initially survey land available for promotion through the BOI.

The Investment Minister has defended the policy, saying that low productivity in the agricultural sector due to a lack of capital justifies the policy. He said foreign investment can provide capital in agriculture, livestock and dairy to bring about major advances in production. Citing low rates of land use, the government has targeted:

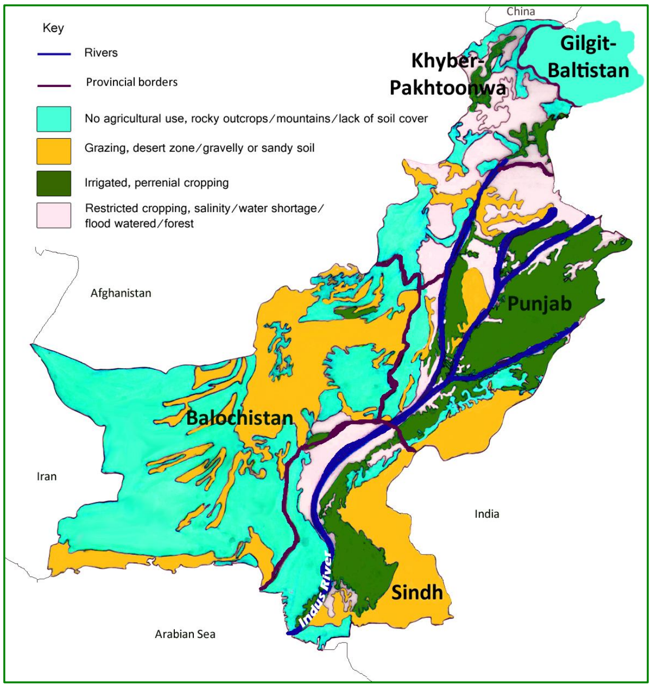
- 'cultivable waste' for investment, and
- opportunities for technology transfer to poor farmers (Reuters 2009).

3. Categories of land available for foreign investment

The government's policy of promoting large-scale agricultural land acquisition by foreign investors targets two categories of state land for 50 or 99 years leases[1]:

- 50 and 15 000 acres of land presently allotted as state farms, already equipped with some infrastructure; or
- 500 and 350 000 acres tracts of marginal semi-arid land not subject to individual property rights.

Figure 1: Land use and soil types in Pakistan, 2012



3.1 State farmland

A vast network of government farms — established during colonialism and the first two decades of Pakistan — exists across the country, mainly in Punjab. These include experimental stations and seed, crop and livestock farms operated by various government departments, such as agricultural and livestock departments. In Punjab alone, over 70 000 acres of land is officially constituted as state farmland and is on offer to foreign investors[2]. These state farms in Punjab are home to more than a million tenants and their families (AMP 2010). In Khyber-Pakhtoonwa (formerly North West Frontier Province) 5 268 acres[3] of state farmland have been offered, while at least 16 753 acres have been offered in Balochistan (BOI 2009a). Figures for Sindh province, however, have been removed from the BOI's website in a policy reshuffle in which a Land Bank is being established to facilitate the sale of state land. The BOI's website details acreage and infrastructure on available livestock farms in Punjab and suggests that links can be made with local producers through breeding or milk and meat processing (BOI 2009c).

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[1] A small proportion of state farms are offered on 30 year leases.

[2] This figure is the sum of state farm acreage offered for long-term lease in Punjab, as per the BOI's website (BOI 2009c). Another 50 000 acres of Punjabi farmland is controlled by the military, as the military farms on land formally owned by the state. Military farms were mainly established to source agricultural products for the military in the colonial era (Dawn 2010), but they are seemingly not being targeted for foreign investment and are not included in the 70 000 acre figure. For details about military farms, see Siddiqa (2007).

[3] This figure is arrived at by adding livestock farms on the BOI's website (BOI 2009b) and the list of seed farms reproduced in Bhandar Hari Sangat (forthcoming), also sourced from the BOI's website. The list downloaded by Bhandar Hari Sangat, accessed in November 2009, is no longer available on the website.

On government farms, weak governance and high incidences of corruption has led to underfunding and the consequent failure of many ventures. As a result, much of the land owned by state farms is farmed by hereditary small farmers who may or may not pay rent in cash or kind to the state. The state's actual farming activities on state farms are limited — typically related to small-scale commercial production, not the original farm policy goals of experimenting and preserving various livestock breeds and seeds.

Box 1: Fazilpur Livestock Farm, South Punjab

Near Rajanpur in the Seraiki tribal belt of Southern Punjab, the 3 500 acre Fazilpur livestock experimentation farm at Rakh Pazal Pur Chak Khas is like other state farms, advertised for 99 year lease on the BOI's website. The offer lists the farm as available on a Joint Venture/ Public–Private Partnership basis and suggests 'bring[ing] the milk producer of area (sic) in marking (*sic*) network of milk/ meat processing industry' (BOI 2009c: 8). The offer does not stipulate local employment, limits on expatriating produce, conditions on water use, or detailed demands for links with the local economy.

The farm, established in 1958 and under the management of the Punjab Livestock Department, no longer conducts livestock experimentation but uses about a third of the land to produce and sell milk (work carried out by day labourers and managed by an onsite manager, employed by the provincial Department of Livestock). Villages, graveyards, mosques and two schools stand on the farm's land, while almost half of the land is used by farmers whose descendants have farmed the land for generations, some of whom pay cash rent to the state and others who do not pay. Onsite local communities use 800 acres of uncultivated farmland for grazing animals. These farmers are extremely poor, with little access to healthcare and poor access to education as teachers are absent at local 'ghost schools' (presently the government boys' elementary school is abandoned, while the girls' elementary school is functional).

With the support of the farm manager, these farmers applied in 2007 for formal recognition of their right to the land as hereditary farmers because they farm on land which is surplus to the farm's dairy production. The Provincial government rejected their claim, stating that the farmers are illegal encroachers 'not with clean hands'. The legal basis of the government's response is that the farmers are not sharecroppers — the only category of hereditary farmers protected from arbitrary eviction by Pakistani law — unless local records show that they have been sharecropping for several decades.

In April 2010, the farmers were informed by the Director of the Livestock Department that the farm would be sold to Saudi investors and that they would soon have to leave the land. The eviction of resident communities is suggested by the details of the BOI offer, which lists acreage, infrastructure, cattle head count and regional population, but does not refer to the resident community. These communities have very little power to negotiate their future and promise to commit suicide with their children, rather than give up their hereditary land, villages and graveyards. The political and economic marginalisation of peasants on Fazilpur farm extends to the local community in the surrounding area.

No details are available about the BOI's envisaged joint venture or their suggestion that foreign investors bring local producers into their marketing network of milk and meat processing. In light of the historical disenfranchisement of the peasant class — especially severe in the South of Punjab — it is unlikely that local peasant communities will benefit from loosely defined local links with 'milk producers of the area'.

Affected communities: Peasant communities in the Indus valley

Villages and graveyards — mainly of settler families who emigrated with the Colonial government's canal colonisation of vast tracts of Punjab and Sindh — can often be found on state farms (AMP 2010). Typically, these communities are extremely poor, with little access to healthcare and formal education due to their inability to pay medical and school fees and/or the absence of government staff and equipment at local health units and schools.

As a social class, peasant communities, especially in Southern Punjab and Sindh, were disenfranchised by semi-feudal landlords whose power was galvanised by the colonial legacy. The peasant class was frozen out of land ownership by the British land settlement policy that entrenched the power of landlords (Gazdar 2009; 2004), many whom had acquired large estates during the period of political instability immediately before colonisation (Siddiqui 1997:46). In most of the Indus river basin, in the interest of maintaining colonial power the Colonial government introduced private property rights, granting title to influential families and assuming state ownership of uncultivated land while distributing newly cultivable land opened up by the vast expansion of the irrigation network (Gazdar 2009). In what is now southern Punjab, the colonial government patronised the princely ruler of Bahawalpur State, and feudal relations persist in the region despite the dissolution of royal rule in the 1950s[4].

The historical disenfranchisement of peasant communities thus weakened their bargaining position in the tussle over land ownership, reflected in starkly unequal land ownership patterns: the wealthiest 4% of rural households own over half of all cultivated land; 49% of rural households are landless and access to land is declining as the cash economy expands at the cost of sharecropping (Gazdar 2009; Khan & Khan 2002: xxv).

Underlying dynamics: historical patterns of centre-periphery land appropriation

The government allots land to influential individuals using the colonial land settlement policy, which:

- allotted uncultivated land to formal state ownership;
- legislated for compulsory acquisition of a set proportion of newly redeemed agricultural land for military purposes; and
- established the precedent of systematic land allotment, now understood as a legitimate right in military and senior bureaucratic circles.

Issuing state farms on long-term leases to foreign investors represents a new step in the state's continued practice of appropriating land for influential individuals and the military. The British introduced norms of gifting land to officers and members of the judiciary and bureaucracy, and used the Land Colonisation Act (1904) to allot 10% of all newly cultivatable land (open to cultivation by expansion of the canal network) to the military (Siddiqa 2007). Despite changes in government type (military and civilian) the legal practices and statutory framework remain in place. Land allotted to individuals and the military became state-owned under the colonial land settlement policy and was often registered as communal land under state control (ActionAid, no date). Frequently, allotments to officers and other influential individuals displaced communities that had been on the land for generations, but the courts continue to uphold a strict legal interpretation of ownership which allows allotments (Gaadi 2010)[5].

In other cases, the state uses the Land Acquisition Act (1894) to facilitate the acquisition of private land to benefit powerful individuals. Current examples of this include the Chashma Right Bank Canal project, which displaces local people and has questionable eventual benefits. The Chashma project was funded and later condemned by the Asian Development Bank (ADB 2006). This case is particularly interesting as it taps into colonial narratives of canal irrigation and prosperity (Farooq 2010) — representing the wider use of canal irrigation projects, an important tool of the former Colonial government, to extend state power (Gilmartin

[4] The princely state of Bahawalpur controlled most of Southern Punjab until 1956 after which the land was generally issued directly to the state as communal land under state control or distributed to influential families, largely from upper Punjab, through canal colonisation undertaken during the World Bank sponsored 'green revolution' (Gaadi 2003).

[5] Dundhi Estate, near Rajanpur in southern Punjab is one recent example of an allotment requiring displacement, supported by the courts (Ahmad 2010).

1999). Aside from problematic compensation as per the Land Acquisition Act (1894) for those displaced by the physical canal, the Chashma canal project pushes local people off the land, establishing a binding cash economy dependent on irrigation tax payments by replacing indigenous flood water canal systems. The Chashma canal benefits larger farmers to the detriment of subsistence farmers (Farooq 2010).

Although these cases fall outside of the agricultural acquisitions by foreign investors under scrutiny in this paper, they represent trends in countless examples since colonial times; current allotments of land — both to influential people and for new canal projects — represent a continuity with colonial practice. These cases also reflect the failures of the colonial legal system — including the Land Acquisition Act (1904), which continues to facilitate state appropriation of private land — and the judicial system's failure to challenge powerful interests. Due to the dominance of powerful landed families in politics, corruption, high costs associated with the judicial system, and police brutality, the peasant class has little recourse to formal state systems.

A primary dynamic underlying the ongoing expropriation of peasant land revolves around centre-periphery relations. As suggested above, the centre — mainly the military's homelands in upper Punjab (also the most fertile and productive region of Pakistan) — has since colonial times systematically appropriated land in the periphery. In post-colonial times, this land is mainly found in the arid and semi-arid belt of southern Punjab (home to the indigenous Seraiki-speaking community) and in mineral-rich Balochistan. Both regions are crucial for current agricultural foreign investment.

Conflict (of varying intensity) between upper Punjab and peripheral regions, based on claims of historical exploitation, is reflected in the number of independence movements found in every province beyond Punjab and in southern Punjab. Southern Punjab seeks its own provincial status and is home to a movement demanding separate provincial status based on the ethnic character of the region and its impoverished economic and human development status in comparison to the northern half of the province; the crucial source of conflict between northern and southern regions lies in the advantageous upstream position of upper Punjab in the Indus River irrigation network. Sindh and Balochistan are also home to independence movements[6], as is Khyber-Pakhtoonwa (formerly North West Frontier Province).

Upper Punjab is the wealthiest and most productive region (see *Figure 1*), home to the military and bureaucracy, and known as the power centre of the oft-cited 'Establishment'. Southern Punjabi communities and leaders, like those in Balochistan and Sindh, are suspicious of the central Punjab government's expansionary tactics and resent Punjabi migrants, called 'settlers'. All community leaders from regions outside central Punjab that were interviewed for this study shared the perception that northern Punjabis are continuing the past practice of appropriating southern land (e.g. Chahnyo 2010; Nasir *et al* 2010; Bugti 2010; Khan 2010). So, although the strategy of selling off state farms to foreign investors is unprecedented, state sale of state farms continues historical appropriation policies by the centre of periphery lands.

3.2 Uncultivated land

The second category of land targeted for acquisition is marginal land not subject to individual property rights, much of which lies in the desert regions along the Indian border in Punjab and Sindh and in the vast arid lands of Balochistan (see *Figure 1*). Hundreds of thousands of acres of land in this category are targeted through highly secretive deals, through the BOI's offer of specific smaller plots and through special policy packages (e.g. the Punjab government's issue of 100 plots of 500 acres for corporate farming in the desert region of Cholistan (see *Box 2*) near the Indian border in Southern Punjab). Although this land is often

[6] The Sindhi independence movement is characterised by populist rhetoric and largely revolves around ongoing conflict relating to irrigation water access between Sindh and Punjab. The Balochis are waging a war of liberation against the Pakistani state, (see below).

cultivated, especially with rain-fed agriculture, it is on offer to foreign investors on the premise of it being uncultivated state land available and amenable for commercial cultivation. Several communities report that Board of Revenue surveyors told them in 2009 that they would be forcibly evicted from state land in the future as the land was in the process of being leased to foreign investors (Janjhi 2010).

Much, but not all of the targeted land has been displayed on the BOI's website at various times since late 2009 as land on offer for lease to foreign investors. BOI documents detail some 27 000 acres of cultivable land on offer to foreign investors in Sindh, 21 000 of which is owned by the Forest Department and leased to tenants on condition that they maintain one third of land as forest (Bhandar Hari Sangat forthcoming). These figures do not include state farms in Sindh (also on offer), nor hundreds of thousands acres in Thar desert region, for which at least one Memorandum of Understanding has been signed[7]. In Punjab, over 31 000 acres of 'uncultivated' state land were listed as available, ranging from 500 to 11 500 acres (BOI cited in Bhandar Hari Sangat, forthcoming), and the Punjab government announced that almost 50 000 acres of 500 acre allotments are available to foreign investors, amongst a rumoured 6 million acres available in the Cholistan desert region (Janjhi 2010). In Balochistan, the BOI listed various land available for investment, including individual plots of up to 380 000 acres (1 500 km^2), totalling 500 000–1 million acres.

Although the press reports at least five or six sets of negotiations, mostly with Middle Eastern investors, for land on the scale of tens of thousands of acres, few details are available. While two of these deals are traceable — a 200 000 hectare stretch of Balochistan and 150 000 acres in Thar desert on the Pakistani side of the Indian province of Rajastan — both have been cancelled. In both cases, reliable sources claim that cancellations were due to extraneous circumstances, not unfeasibility of the investments, suggesting that these lands lie open to other investors. Fragmented information suggests that several deals are underway, for example, with Qatar and Bahrain, and many more are likely in process without the public knowledge.

Box 2: Corporate farming in Cholistan desert, Southern Punjab

In January 2010, the Punjab government announced a policy package to promote corporate farming in Cholistan, the desert region through which the Indian border runs in southern Punjab (see *Figure 1*). The package is based on the federal BOI package and offers 95 parcels of 500 acres for corporate livestock or poultry farming on 50–99 year leases. The conditions stipulate that an equivalent investment of at least ₨300 000 (£2 000) per acre must be undertaken in the first four years, and the rent stands at about £3 per acre per year. Tax exemptions regarding the federal investment package apply. While there is no stipulation for local employment or limits on produce repatriation, the policy seeks investors that will incorporate cross breeding with local cattle into their production. Water is not guaranteed but neither is it restricted and the right to exhaust water supplies is stipulated.

The Cholistan package includes five parcels of 500 acres for local corporate farming on a cooperative model, a programme for 6 000 acres for agricultural university graduates and a promise of an upcoming policy to distribute 77 000 acres to poor Cholistanis (Dawn 2010).
The region is home to Seraiki speaking communities, which include nomadic communities that graze cattle and practice small-scale rain-fed cultivation. The area is known for extreme poverty, low health and education statistics (particularly in the more remote parts), and relations between agricultural labourers and landowners akin to feudalism. According to interviews with community leaders in the area, local communities fear displacement, the loss of grazing land and declining access to water (already seriously problematic in drought years).

[7] Thar land has been the subject of at least one Memorandum of Understanding (MoU) concerning 150 000 acres, reported in the press in April 2009. The arrangement, with a Canadian bio-fuel company has been put on hold indefinitely. Although the circumstances around which the MoU has been cancelled are not clear, the protest of local community representatives does not appear to have played a role in the cancellation (Altaf 2010; Anjum 2010). This is confirmed by sources inside Abraaj.

The package is widely interpreted in terms of historically exploitative relations between Punjabi speakers and indigenous Seraiki communities, evident in high levels of Punjabi land ownership in the region and the comparative wealth and power of the Punjabi-speaking community. Therefore much mistrust surrounds the package; local communities expect manipulation and disenfranchisement as a result of the policy. Community leaders point out that distributing land to agricultural graduates will not benefit Cholistanis since there are very few, if any, Cholistani agricultural graduates. Most graduates are Punjabis coming from agricultural universities in upper Punjab. Furthermore, if land is distributed to poor Cholistanis, they expect it will be the least valuable land.

Community leaders point out that the board of the 'local' cooperative–corporate farms were appointed by the provincial government, so they suspect the boards to sabotage the success of cooperative–corporate farming in order to dismiss local organisations' claims that they should be supported in using 500 acre leases. Other community leaders point out that the contractual details are fallible and the demand for links with local cattle herders will be easily skirted. They expect investors will likely import hundreds of millions of dollars 'worth' of redundant machinery (on a tax free basis) to make up the minimum investment requirements, as happened in similar schemes elsewhere in Pakistan (Sharif 2010).

It is difficult to assess the likely impact of the policy. It is clear that Seraiki leaders have a great deal of resentment towards Punjabi land owners and decision makers and that this conflict affects the way the Seraiki interpret the land allotment package. Local communities see extensive Punjabi involvement in the bureaucracy, police, military and Cholistan Development Authority as threatening. Although the issue has been picked up by the Seraiki movement, and non-governmental organisations (NGOs) such as the Cholistan Development Council, community leaders fear the vast power disparity between local communities who graze and live on the land and the Punjabi-dominated organs of the state, which are mobilising to grant land and water rights to foreign investors.

Affected communities: Grazing communities in peripheral desert regions

Generally, grazing communities occupy land in semi-arid and arid regions, some of whom are nomadic and only practice cultivation in the advent of rain. These regions are sparsely populated by usually extremely poor communities, with the lowest educational and health standards in Pakistan. Their land tenure is often linked to ancient systems of grazing, water access and rights of passage accepted across local communities. Severe poverty and lack of education hinders these peripheral communities from participating in formal political processes, dominated by landed families (often from upper Punjab) and tribal leaders.

In Balochistan, land was not subject to individual property rights under the British land settlement policy, but was designated tribal land under the control of tribal chiefs and remains as such (Gazdar 2007). Colonial land settlement thus formally institutionalised the subservient position of local communities to the will of tribal chiefs. Tribal chiefs, many of whom are Provincial Government Ministers, are in many cases known — like some Sindh feudal landlords — for brutal repression; they may be easily co-opted into selling communal land against the community's wishes since, like peasant communities on state farms, they wield little power in conflict against the elite classes.

In desert regions along the Indian border, land was usually either under Princely rule[8] (issued in post-Colonial times as state controlled 'waste' or communal land), or was directly allotted as uncultivated, and thus state land, by the Colonial government. Settled and nomadic grazers and rain-dependent subsistence

[8] See footnote 4.

farmers in these peripheral regions also do not enjoy meaningful political representation. For example, Cholistan desert communities in southern Punjab maintain little political representation, because the area is split over three electoral districts. Moreover, Punjabi settlers dominate institutional power, including the police, bureaucracy, major political parties and the Cholistan Development Authority (which presides over leasing desert land to foreign investors). Punjabi dominance limits local representation of indigenous Cholistanis (Nasir et al 2010).

Underlying dynamics: Centre-periphery relations and geo-strategic interests

Complex dynamics underpin Federal Government plans to establish foreign owned industrial farms on arid lands. The Punjab government's policy on Cholistan — issuing 47 500 acres of 500 acre plots to corporations (see *Box 2*) — is widely interpreted as representing the centre–periphery dynamic between southern and upper Punjab. Similar suspicions about upper Punjabi domination are echoed in Thar desert region (Chahnyo 2010; Kazi 2010; Malik 2010) and Balochistan (Bugti 2010), because communal grazing lands were not granted tenure security under British law (unlike cultivated land), and because the land (particularly in Balochistan) has high geo-strategic importance. The Minister of Investment's announcement during a Middle Eastern tour, that a 100 000 strong security force would be deployed to protect foreign investments, reflects the widely recognised military support for the government's foreign investment policy (The Economist 2009). Such a security force would strengthen the military presence along the Indian border (especially in the restive region of southern Punjab) and in Balochistan.

Land acquisitions in Balochistan are particularly problematic because the province is still a crucial site of conflict and an important sphere of military, intelligence agency and federal government activity. Balochistan, which constitutes over half of Pakistani land but is home to only 6% of the Pakistani population, has vast mineral deposits and through the strategic port of Gwadar, provides a gateway to the Persian Gulf — of particular importance to the Chinese. Balochistan remains largely under tribal structures, has the least state infrastructure and the lowest human development ratings of Pakistan's four provinces (Gazdar 2007). The Baloch have been waging a liberation war against the Pakistani state since the 1960s. This conflict continues, with frequent assassinations of Punjabi 'settlers', kidnappings and sabotage of energy infrastructure, as well as brutal repression by the military intelligence services including routine disappearances (Asian Human Rights Commission 2010). Commercialising this land under securitised industrial farms over hundreds of square kilometres would entrench federal control over Balochistan and hinder the realisation of political separation.

Box 3: Balochistan and Abraaj Capital

In September 2009, Middle Eastern press reported that Abraaj Capital (a Middle Eastern investment firm) and the Chief Minister of Balochistan had signed a Memorandum of Understanding for 200 000 acres of land near Mirani Dam. It was previously reported that while the Pakistani government was preparing its investment package, Emirate investors (including Abraaj) acquired 800 000 acres of land in Pakistan for agribusiness, but this has not been verified (Kerr & Bakhari 2008). The 150 000 hectares near Mirani dam may be a part of the 800 000 acre deal, which appears to have been negotiated with the Emirate government; Emirate Sovereign Wealth Funds, amongst other private investors, are likely to be part owners of the portfolio under which the Balochi land falls. This included a major corporate social responsibility package to build local hospitals and schools, and an unspecified ratio of a joint £12 million Abraaj–state irrigation scheme (Sadeque 2009).

Although the precise location of the land is unknown, the area consists of vast plains of desert land, sparsely populated by Baloch grazers — among the poorest communities of the poorest province in Pakistan. As Gazdar (2007) explains, informal law and customary practices based on communal resource ownership and tribal authority, govern daily life. The Abraaj deal suggests substantial dislocation of the local community as the land stretches over more than

800km². Moreover, the underlying river system, upon which the canal network is based, is in crisis. Building a new canal is likely to be highly contentious, as water shortages in the canal network are already an important engine of inter-provincial and inter-regional conflict and limit agricultural production in downstream areas (Khan 2010).

Secrecy around the deal has ensured that the press has reported very little information, but local communities have mobilised to denounce the deal through the network of Balochi political parties (largely constructed around the struggle for independence from Pakistan). Baloch leaders promise a bloody death (along the lines of regular assassinations of Punjabi 'settlers') for foreign and non-Baloch Pakistanis brought into Balochistan for agricultural projects (Bugti 2010). Baloch parliamentarians and sources inside Abraaj claim the deal was cancelled in early 2010; local parties argue that community pressure led to the cancellation, while Abraaj representatives and the business community maintain the deal was cancelled due to Abraaj's recent acquisition of a large part of Pakistan's electricity sector. This suggests that this plot and other stretches of Balochistan remain available to foreign investors.

4. The narrative of development in Pakistan

Historical patterns of power disparity suggest that local communities will continue to have little recourse to justice in the face of looming displacement, resource degradation and expropriation. Framing the promotion of agricultural investment in a narrative of agricultural development points squarely towards a government concern with uplifting and empowering Pakistan's mass of rural poor. Indeed, information available on BOI's website about livestock farms includes a definite component of improving and dealing with local livestock in dairy and breeding (see *Box 1*). The development discourse is, however, widely mistrusted because government perfunctorily uses the rhetoric of solidarity with the poor in various policy packages, which in fact are aimed at personal enrichment and partisan consolidation, for example:

- using government subsidy schemes for chapatti bread, compressed natural gas (CNG) and other commodities to enrich influential individuals;
- welfare payments to poor families, distributed directly by individual parliamentarians and encompassing crude partisan politics of representation;
- drives to demolish illegal buildings;
- General Musharaff's Local Governance Ordinance (Cheema 2005), which consolidated central power;
- a series of historical land reform packages used to benefit large landholders; and
- allocating development budgets, which often benefit the villages of individual parliamentarians disproportionately[9].

These examples reflect the prominence of patronage relations in Pakistani politics and the use of claims of serving the poor. The tussle between the Pakistani state and tribal leaders in Balochistan involves the same discourse of local development and poverty alleviation, with each side claiming the other is hindering local development in order to maintain their positions of power over local communities. A series of federally established mega-projects are clearly aimed at servicing military and industrial interests, rather than the local communities announced as central beneficiaries at the project launches (Budhani & Mallah 2007).

Such patterns suggest that local interests will remain a low priority for decision-makers linked to foreign agricultural investment, which is being legitimised by a discourse of agricultural development and poverty relief for peripheral communities. Moreover, communities are being offered benefits from various government sweetener policies (see *Box 2*) and corporate social responsibility activities, which are unlikely to change structural power disparities, but play an important role in land acquisitions rhetoric.

[9] Each individual case has been covered in the press, e.g. the daily *Dawn*.

4.1 Potential impacts on local communities

Local communities are likely to be displaced by government's agricultural investment promotion. The sale of farms and vast stretches of other state land suggests that communities will be evicted from hereditary villages and grazing lands, as evidenced by BOI list's failure to include the resident population on state farms, although they list cattle headcounts and the regional population (BOI 2009c). Several communities on state farms have been told to prepare to leave because the land has been sold to foreign investors (Khan 2010; Janjhi 2010). Government rhetoric also suggests that, as per the colonial land settlement, it will continue not to recognise communities practicing small-scale, often rain-fed agriculture and grazing on large tracts of 'uncultivated' state land that it is trying to lease out.

As local researchers point out, for indigenous grazing communities this creates a livelihood and cultural problem, breaking up the rich culture of a centuries-old way of life for various tribal communities who maintain traditional livelihoods on peripheral land (SAAG 2009; Kazi 2010). Communities, including villages on the periphery of targeted land, may lose mobility and the grazing land that supplements meagre incomes. These communities may already be facing alienation from hereditary lands due to relentless government land appropriation in order to gift state land to influential individuals and the military.

The pursuit of local resources, especially water resources, is at the crux of land appropriation. The core issue of water preservation is explicitly traceable in the change in Saudi policy, for example, from self-sufficiency to outsourcing production of key staples like wheat. Saudi Arabia's policy of phasing out domestic wheat cultivation and shifting to foreign cultivation is a direct result of the lower water table threatening fragile fossil water resources, despite decades of well-funded domestic agricultural programs (Kotilaine 2010: 5). Yet the bulk of land on offer is available due to the lack of intensive cultivation that has historically brought land into the ambit of individual property rights; aside from state farms, land targeted for acquisition is almost, by definition, marginal land with stressed water supplies. The value in Pakistani semi-arid land lies in government willingness to allow unlimited exploitation of land and water resources.

Pakistan is already widely recognised as a severely water stressed country (World Bank 2007) and shortages of irrigation water are already a major source of conflict between communities; the encroachment of sea water into the Indus river delta is evidence of insufficient water flows at the tail end of Pakistan's elaborate irrigation system. Using sub-soil water is also problematic as it can lower the water table, causing salination and rising arsenic levels in ground water supplies. The complete exhaustion of the water table is already evident in some parts of Balochistan where deep tube wells can no longer reach water. In these and other drought-prone regions, the recent drought cycle has rendered wells dry, saline or with toxic arsenic levels, linked to overusing groundwater (van Steenbergen & Gohar 2005 Malik; Badrunnisa and Kazi 2007). Desert prone regions, including Cholistan and Thar along the Indian border, and various parts of Balochistan, are a major target for foreign investment.

Encroaching salinity in groundwater and the deepening water table in various regions severely affects local communities. Saline water produces poor yields when used in agriculture, including small-scale subsistence cultivation, and communities lose access to safe drinking water. With declining groundwater, non-mechanical means of acquiring water (on which communities depend) become unviable when the water table reduces to depths requiring mechanical tubewells. Moreover, as van Steenbergen and Gohar (2005) show, construction and energy costs for running tubewells rise sharply as the water table drops. Thus the lowering of the water table effectively prices local communities out of access to water — a problem already evident across Pakistan (Sustainable Land Management Project *no date*). Recent studies point to toxic arsenic levels, saline water encroaching into local wells, and drops in the water table necessitating mechanical tubewells in several regions specifically targeted for foreign agricultural investment, including:

- Khuzdar in Balochistan (Malik *et al* 2007), where the BOI advertised 22 000 acres for foreign investment (BOI 2009 cited in Bhandar Hari Sangat, forthcoming);

- Tharparka in Thar desert, Sindh (van Steenbergen & Gohar 2005) — one of three districts in Thar subject to a Memorandum of Understanding with a Canadian bio-fuel company[10];
- Cholistan (van Steenbergen & Gohar 2005) where 500 acre blocks on offer; and
- parts of Southern Punjab (see Pakistan Council for Water Resources Research 2003; 2004 cited in van Steenbergen & Gohar 2005) where several state farms and other state land are on offer, and negotiations are reportedly complete in at least three cases (Janjhi 2010).

Issues relating to long-term soil health further highlight local resource expropriation by foreign investors. Small farms in Pakistan employ labour-intensive techniques that use fewer fertilizer and pesticide inputs, and less water than large landholders (Altaf 2010). Higher input levels and water resources used by large farmers degrade the soil and water at a greater pace than that of small farmers (SAAG 2009). The environmental impacts of large, typically monoculture holdings on soil and water resources thus create a series of environmental issues, beyond the problem of livelihoods and culture associated with peasant farming and grazing communities.

Other potential impacts relate to regional and national food security — deteriorating at national and local levels in many of the regions targeted for large-scale acquisitions in Balochistan and along the Indian border (SDPI & WFP 2010). As more land is acquired under condition of full produce expatriation, state farmland and tracts of grazing land may no longer contribute to the local economy. In Balochistan, rising meat prices resulting from livestock exports gave rise to a Provincial Assembly resolution in mid-2010 that demanded a federal export-ban on Balochi cattle. The parliament noted that Pakistan is not self-sufficient in livestock and that exports put pressure on domestic buyers, already under economic pressure from ‘skyrocketing inflation’ and thus unable to buy and eat meat (Kasi 2010). Direct produce delivery from foreign owned farms in Pakistan to external markets could amplify local and national food inflation.

4.2 Legal implications and community responses

The legal implications of large-scale agricultural land acquisition under the investment package are largely unknown. However, the peasant class are often disadvantaged by the particulars of law based mainly on arbitrary colonial legislation introduced to meet various imperial ends. The judicial system is unlikely to undertake any historical shift to represent and support the interests of poor communities (Gaadi 2010), especially because the judiciary is also allocated land as a reward for service. Under Pakistani law, the Tenancy Act (1887) — relevant to some farmers on state farms — provides sharecropping farmers with some legal protection from eviction, but feudal and otherwise authoritarian social relations (Malik 1994) in much of Pakistan have led to vast discrepancies in applying the Tenancy Act (Malik 2010).

On targeted land, other communities seem to have little legal cover, including:

- sharecroppers on state farms who are not formally recognised in local land records;
- hereditary farmers on state land who pay cash rents or no rent; and
- nomadic and settled farming or grazing communities on or near state land.

Moreover, the Pakistani agricultural sector is exempt from labour laws and the legal framework for environmental protection and water-use laws is weak; foreign acquisitions are likely to benefit from such weak legal protection for local communities. This situation is complicated by the implications of international law over contracts between the Pakistan government and foreign investors (UN DESA 2010).

While local and international NGOs have undertaken limited research and discussion on the important agriculture and land use implications of the new policy, the media have paid little attention to the issue — partly due to scant information resulting from extreme secrecy around negotiations with foreign investors. The levels of secrecy (and the lack of community mobilisation in response to the policy) also suggest that

[10] The MoU with Kijani Energy was signed in April 2009 for 150 000 acres in Thar. Details of the exact location of the land have not been officially disclosed, but negotiations were conducted in three Thar districts, including Tharparka (van Steenbergen & Gohar 2005:18; Mirpurkass 2010).

farming and grazing communities on state land will likely be disenfranchised. Indigenous semi-nomadic communities on arid land are in a particularly difficult situation: desert regions such as Thar, Cholistan, Dadu and Khuzdar have extremely low social indicators (e.g. health and education levels), and have also been savaged by drought, resulting in declining livestock for subsistence, major water access issues and high levels of male migration (Malik et al 2007). These communities are not politically represented in the electoral system, which is dominated by powerful families and tribal leaders, and they are largely unaware that their hereditary land is listed as available for foreign investment (Nasir et al 2010).

But an important peasant movement has arisen in Punjab. With networks strengthened by the struggle for tenancy rights at Okara Military farm that started in 2000 (Human Rights Watch 2004), mobilising around the long-term leasing of state farms in Punjab centred on a 'Long March' to the provincial capital of Lahore in March 2010. The Long March secured a written statement from the Secretariat of the Chief Minister, ensuring that no state farms in Punjab on which hereditary sharecropping farmers live will be sold (AMP 2010). The movement's leaders greeted this as a victory, but recognise the anti-poor legal environment, and fear that sharecropping farmers may yet be co-opted into eviction, while non-sharecropping communities remain unprotected. Sharecroppers are the only potentially affected group potential affectees afforded any legal cover, as mentioned above with regard to the Tenancy Act.

Resistance to foreign land acquisition is also likely in Balochistan, where, a long and brutal struggle against the Pakistani state has established convoluted and violent networks of collective action, including vast state-sponsored terror campaigns carried out by military intelligence agencies. Thus, the severe law and order situation is often articulated as the business community's main concern regarding foreign land acquisitions in Balochistan.

5. Conclusion

World Bank (2007) and SDPI/WFP (2010) studies found that the interlinked issues of water and food security are at a crisis point in Pakistan. In seeking lucrative and strategic agricultural investment, the government signals its stance on these urgent environmental issues. The investment package discussed in this paper reflects and implies a lack of government strategy on climate change and food security[11]. The package also reflects elitism in Pakistani politics, perpetuating historical disenfranchisement of economically peripheral communities.

Since colonial times, the government has assumed the right to arbitrarily parcel out land. The survey and privatisation of land into a hierarchy of tenure titles, was established by:

- colonial land settlement legislation and processes[12] ;
- processes of gifting of land in exchange for political support; and
- the construction of vast perennial canals in semi-arid regions.

Yet these methods of land settlement depended on the assumption that rain- and flood-water fed subsistence farming and grazing do not constitute authentic land use. By bringing water to the soil through new canal construction, the state produced commercially cultivable land — a new commodity created and owned by the government, to be given away to influential families and the military at the state's discretion and through formal state procedures.

The same blindness towards grazing and rain-fed agriculture is crucial to the government's investment package, where the long-term lease of 'wasteland' is considered a new economic pie instead of a crucial resource for peripheral communities. Exploiting groundwater for corporate farming in Balochistan and the Indian border desert regions does not bring an unused resource into use but appropriates a resource

[11] For example, the budget allocation for current expenditure on Environment Protection in the federal Fiscal Year 2010/11 budget is a mere 10% of the Recreation, Culture and Religion budget and less than double the allotment for developing the Pakistan School of Fashion Design, Lahore.
[12] There was a documented system of land title in Mughal times, but not on the scale of the British land settlement policy.

already in use by marginalised communities who are not politically represented. Using the same logic and legislative base as the colonial land settlement, the BOI's investment package pushes people off hereditary land due to their lack of individual title — a legal framework that becomes an arbitrary demand, in the historical context of strengthening empire, not local interests.

By putting stress on already stressed water supplies, the process also prices local communities out of water access, where groundwater exploitation diminishes ground water supplies beyond the manual extraction methods needed by local communities. Expanded water exploitation makes indigenous means of subsistence access to water unviable — a continuation of the colonial era replacement of indigenous flood water canals with taxed, perennial canals and the World Bank sponsored 'green revolution' in southern Punjab in the 1950s, 60s and 70s. Taxation pushes poor, peripheral communities into a cash economy which they cannot afford and thereby pushes them off the land. As noted above, communities in the targeted arid, peripheral regions are among the poorest communities in an already extremely poor country.

The dangers of displacement, loss of livelihoods and degradation of water resources threatened by the government's program of agricultural acquisitions are thus seen by local communities as being part of centre-periphery conflicts, already articulated by separatist movements in Balochistan, Sindh and southern Punjab. The government's policy package of arbitrary, anti-poor laws and practices, rooted in the colonial era, which transfers resources from peripheral communities to foreign investors, will ultimately add to the burgeoning forces of instability in Pakistan.

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LDPI Working Paper Series

A convergence of factors has been driving a revaluation of land by powerful economic and political actors. This is occurring across the world, but especially in the global South. As a result, we see unfolding worldwide a dramatic rise in the extent of cross-border, transnational corporation-driven and, in some cases, foreign government-driven, large-scale land deals. The phrase 'global land grab' has become a catch-all phrase to describe this explosion of (trans)national commercial land transactions revolving around the production and sale of food and biofuels, conservation and mining activities.

The Land Deal Politics Initiative launched in 2010 as an 'engaged research' initiative, taking the side of the rural poor, but based on solid evidence and detailed, field-based research. The LDPI promotes in-depth and systematic enquiry to inform deeper, meaningful and productive debates about the global trends and local manifestations. The LDPI aims for a broad framework encompassing the political economy, political ecology and political sociology of land deals centred on food, biofuels, minerals and conservation. Working within the broad analytical lenses of these three fields, the LDPI uses as a general framework the four key questions in agrarian political economy: (i) who owns what? (ii) who does what? (iii) who gets what? and (iv) what do they do with the surplus wealth created? Two additional key questions highlight political dynamics between groups and social classes: 'what do they do to each other?', and 'how do changes in politics get shaped by dynamic ecologies, and vice versa?' The LDPI network explores a range of big picture questions through detailed in-depth case studies in several sites globally, focusing on the politics of land deals.

Agricultural land acquisition by foreign investors in Pakistan: Government policy and community responses

This paper explores the Pakistani government's 2009 agricultural investment policy package – a response to increasing foreign investor interest in agricultural land – and considers the likely implications for local communities. By analysing the policy pertaining to the categories of cultivated and uncultivated land, the paper explores possible consequences that peasant farming communities and grazing communities face. The policy's dependence on arbitrary and anti-poor colonial-era laws and processes places the policy squarely in established centre–periphery relations rooted by colonial-era politics of land ownership. Thus, the offer of agricultural land to foreign investors is both an unprecedented international land grab and a development in ongoing land appropriation by influential people through state apparatuses, continuous with colonial practices. This in turn has spurred community responses within the same dynamic of colonially rooted centre–periphery conflict; community responses revolve around various ethnic separatist movements that originated in earlier colonial politics. Apart from the precarious balance of social and economic power in Pakistan – evident in the making and implications of the agricultural investment policy – the findings point to an urgent need for the Pakistani government to address environmental and food security issues.

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Future Agricultures PLAAS Institute for Poverty, Land and Agrarian Studies ISS International Institute of Social Studies ICAS Initiatives in Critical Agrarian Studies Polson Institute for Global Development