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Land Grab in Kenya: Risks and Opportunities

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Introduction

Agriculture has direct linkage to food security, while mining and tourism are indirectly linked to food security through their competing demands for land use and their potential to supply incomes for food consumption. Agriculture supports more than 70% of Africa's population. The sector employs the largest number of workers and generates a significant share of GDP in most countries. The main purpose of agricultural production are to meet food security needs, supply inputs to the agricultural industry and earn the much needed foreign exchange (ECA 2004). In Africa, land is regarded not simply as an economic or environmental asset, but as a social, cultural and ontological resource. Land remains an important factor in the construction of social identity, the organization of religious life and the production and reproduction of culture. The link across the generations is ultimately defined by the complement of land resources which families, lineages and communities share and control.

In Kenya, agriculture remains the backbone of the economy contributing to approximately 25% of the GDP and employing about 75% of the labour force (Alila and Atieno 2006). Over 80% of the Kenyan population live in the rural areas and derive their livelihoods directly or indirectly from agriculture. Small-scale farmers, popularly referred to as smallholdings, are particularly important; they are estimated to employ 60% of the labour force, produce about 70% of the marketed output, and produce most of their own food (Nyikal 2007). The development of small holder agriculture is therefore interlinked to poverty reduction since most of the vulnerable groups like the pastoralists, the landless and subsistence farmers depend on agriculture as their main source of livelihoods.

However, in the past decade or so, the convergence of global crises in food, energy, finance and the environment has driven a dramatic revaluation of land ownership. Powerful transnational and national economic actors from corporations to national governments and private equity funds have search for "empty" land often in distant countries that can serve as sites for fuel and food production in the event of future price spikes. This is occurring globally, but there is a clear North-South dynamic that echoes the land grabs that underwrote both colonialism and imperialism. In addition, however, there is South-South dynamic today, with economically powerful non-northern countries such as Brazil and Qatar getting significantly involved. The land and water and labour of the global south are increasingly being perceived as sources of

alternative energy production (primarily biofuels), food crops, mineral deposits (new and old), and reservoirs for environmental services (Saturnino et al. 2011: 209). The pace and the extent of these land deals has been rapid and widespread (GRAIN 2008). In these large scale land acquisition sub-Saharan Africa has become an attractive destination (Cotula et al. 2009), due to the perception that the continent contains large amounts of apparently vacant farmland and weak land right protection.

Today, farmland grabs are moving fast, contracts are getting signed, bulldozers are hitting the ground, land is being aggressively fenced off and local people are getting kicked off their territories with devastating consequences. As expected these new land deals have increased competition over land access and use particularly between smallholder agricultural producers and the new corporate. This new and direct competition with local users for land, which previously mainly sustained local livelihoods, has led several non-governmental organizations and media to label the land deals "land grab" in order to emphasize that the foreign investors are "stealing" the land from the local poor people (Friis & Anette 2010:6). It is important to note that the World Bank has instead referred to these land deals as agricultural investment given the perceived benefits of these land deals (World Bank 2010). Generally, land grab refers to the purchase, concession or lease of vast tracks of land by wealthier food insecure nations and private investors from mostly poor developing countries on a long term basis in order to produce food crops and biofuels for export.

These land transactions are highly opaque and a few details have been made public. What is known, however, is quite striking- particularly the scale of these activities. The International Food Policy Research Institute estimated that 15 to 20 million hectares of farm land have been subject to negotiations or transactions over the last few years (Kugelman 2009). The UN-FAO study in 2009 looked at five sub-Saharan countries: Ethiopia, Ghana, Madagascar, Mali and Sudan and found documented evidence that 2.4 million hectares of land had been transferred in land deals since 2004. In Congo Brazzaville, President Sassou-Nguesso ceded 10 million hectares of fertile land to South African farmers to grow staple food crops for export alongside 70,000 hectares granted to the Italian oil company to plant oil palm monoculture plantations for agro-fuel production. One of the largest and the most notorious deals is one that ultimately collapsed: an arrangement that would have given the South Korean firm Daewoo a 99- year lease to grow

corn and other crops on 1.3 million hectares of farmland in Madagascar- half of that country's total arable land.

Generally, the most common characterization of this trend portrays capital rich Arab Gulf states and the prosperous countries of East Asia preying on the world's farmland. By the end of 2008, China, South Korea, the United Arab Emirates, Japan, and Saudi Arabia controlled over 7.6 million cultivable hectares overseas- more than five times the usable agricultural surface of Belgium. There is also European Union involvement in land grab in Africa with six European countries of Italy, Norway, Germany, Denmark, the United Kingdom leading the group. While these investments tend to flow from wealthier to poorer countries, its by no means limited to a north - south pattern; a number of developing countries are also actively investing in their regions and a cross the globe. For example, India has Soybeans and flower projects in Brazil and Kenya respectively.

Table 1: Examples of Media Reports on Overseas Land Investments 2006- 2009

Country Investor	Country Target	Plot Size (Hectares)	Current Status	Source of Information
Bahrain	Philippines	10,000	Deal Signed	Bahrain New Agency February, 2009
China	Philippines	1,240,000	Deal Signed	The Inquirer, January 2009
Jordan	Sudan	25,000	Deal Signed	Jordan Times November 2008
Libya	Ukraine	250,000	Deal Signed	The Guardian November 2008
Qatar	Kenya	40,000	Deal Signed	The Daily Nation January 2009
Saudi Arabia	Tanzania	500,000	Deal Signed	Reuters Africa April 2009
South Korea	Sudan	690,000	Deal Signed	Korea Times June, 2008
United Arab Emirates	Pakistan	324,000	Under Implementation	The Economist, May 2008

Source: International Food Policy Research Institute

Whilst many of these deals are for food cultivation, there is a growing interest in growing crops for fuel- agro- fuels particularly to supply EU markets. Such include: sugar cane, sweet sorghum, maize, castor oil, oil palm, jatropha and cassava. Presently, it is being estimated that of

the land deals in Africa 30% has been allocated to food crops, 21% to cash crops and 21% to biofuels with the rest distributed among conservation or game reserves, livestock and plantation forestry (Deininger 2011: 223). These figures also differ as qualitative case studies undertaken in Tanzania and Mozambique tend to suggest that the two have enthusiastically embraced biofuel production (Cotula et al. 2009). The scale of investor ambition is huge, with a medium project size of 40,000 ha and a quarter of all projects involving more than 200,000 ha. Some of the African countries involved in these deals include: Ethiopia, Madagascar, Sudan, Tanzania, Mali, Mozambique, Uganda, DRC, Nigeria, Zambia, Ghana, Malawi, Senegal, Kenya, Liberia, the Republic of Congo, Angola, Cameroon, Egypt, Zimbabwe, Algeria, Libya, Morocco, Mauritania, Namibia, Niger, and Zanzibar. These land lease or land purchase agreements raise a number of troubling issues and questions concerning local food security. Around the world, there have been strong reactions from states, corporations, and civil society groups. Some see land grabs as a major threat to the lives and livelihoods of the rural poor, and so oppose such commercial land deals. Others see economic opportunity for the rural poor, although they are wary of corruption and negative consequences, and so call for improving land market governance. Of course between these two positions is a range of intermediate views offered by other groups (Saturnino et al. 2011; Borras 2010).

Proponents of land grabs list possible benefits for the rural poor, including the creation of potentially significant number of farm and off- farm jobs, development of rural infrastructure, and poverty improvements such as construction of schools and health facilities. Other positive spillovers may include resources for new agricultural technologies and practices as well as future global price stability and increased production of food crops that could supply local and national consumers in addition to overseas consumers. Others see these opportunities as unwarranted optimism, emphasizing the threats that the land acquisition presents to peoples livelihoods and ecological sustainability (IFPRI 2009:2). The radical changes these deals are likely to bring to both modes of production and agriculture supply chains means they may be yet another nail in the coffin of smallholder agricultural producers. Moreover, these deals may not be made on equal terms between the investor and the local communities. The bargaining power in negotiating these agreements is always on the side of the foreign firm especially when its aspirations are supported by the host state or local elites. The smallholders who are being displaced from their land cannot effectively negotiate terms favourable to them when dealing

with such powerful national and international actors, nor can they enforce agreements if the foreign investor fails to provide promised jobs or local facilities (IFPRI 2009: 2).

Recent debates on land grab in sub-Saharan Africa have been anchored on how to ensure a win-win situation for both the investors and the local communities. A dual approach has been proposed to help address the threats and tap on the opportunities related to land grab. First the threats need to be controlled through a code of conduct for both the investor and the host government. Second, opportunities or what the World Bank calls "yield gaps" needs to be facilitated by appropriate policies in the countries which are target of these land grabs (IFPRI 2009). The World Bank has thus been a leader in this initiative by providing seven principles for responsible agricultural investment insisting that the new agricultural investment recognize and respect existing rights to land and natural resources, as well as generate desirable social and distributional impacts. However, these principles have been critiqued by many commentators including the civil society groups arguing that "the set of principles, however, are not embedded in a political analysis of how they might actually work in practice...it does not address the fundamentally important question of who wins, who loses, and why, and what are the social, political and ecological drivers and consequences of these processes?" (Saturnino et al. 2011: 210). The World Bank itself could not find any convincing examples of "wins" for poor communities or countries, only a long list of losses.

With all the talk of "win-win" outcomes ringing hollow against the reality of impacts of these deals on local communities, smallholder agricultural producers and workers, some governments, such as Argentina, Brazil and New Zealand, are responding with promises of legislation to cap or discipline foreigners' abilities to acquire domestic farmland. Others, such as Cambodia, Ethiopia and Ghana, are using legal and brute force to suppress local contestation. In the run-up to the 2012 elections in Mali, the opposition Party for National Renewal has challenged President Touré to disclose all details of land leases amounting to several hundred thousands of irrigated hectares granted in the Office du Niger. In Sudan, the most "land grabbed" country in Africa, villagers are now rising up against the government in Khartoum for having seized their lands. There are some who believe that promoting transparency in land acquisition deals can somehow lead to "win-win" outcomes. However, even if done "transparently," the transfer of large tracts of land, forests, coastal areas and water sources to investors is still going to deprive smallholder farmers, pastoralists, fisherfolk and other local

communities from crucial, life sustaining resources for generations to come. In many countries, there is an urgent need to strengthen systems that protect land tenure of peasants and small-scale food producers, and many social movements have been fighting for recognition of their rights to land for many years.

Drivers of Large Scale Land Acquisitions in Africa

While it is acceptable that thorough theoretical understanding of the motives behind the rampant land grab and land changes in Africa still remain to be established (Lambin and Geist 2006; Cecilie and Anette 2010), this paper will be guided more by globally and the empirical established direct (proximate) and indirect (underlying) driving forces in addition to asking 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 that has been created? .

Generally, the motives behind the rampant land acquisition a cross Africa are diverse (Cotula et al. 2009; Shepard and Mittal 2009). Studies such as Cotula et al. (2009) Land Grab or Agricultural Opportunity? Agricultural Investment and International Land Deals in Africa and World Bank (2010) Rising Global Interest in Farmland: Can it Yield Sustainable and Equitable Benefits seem to identify the following interrelated factors as the main drivers of land grab particularly in Africa. These include food security, biofuels, non-food agricultural commodities, private sector expected returns, emerging carbon markets, enhanced agricultural technology, availability of underutilized farmland, and the host country incentives. Historically, today's land lust seems a re-appearance - in a new form - of a phenomenon that had occurred in Africa. In the 19th century, European colonialism gobbled up farmland in Africa under the pretext that Africa had cheap, idle and underutilized land for prospective European investors. The colonizers appropriated much of the most fertile land for themselves, pushing local population onto marginal land for their own production. However, overseas land investments differ from their predecessors in significant ways. Their scale is much larger; they emphasize staples instead of cash crops; they are concluded on the basis of agreements instead of through the barrel of a gun; and they are spearheaded by more government led investment than in the past (Shepard and Mittal 2009). Nevertheless, beneath this rush is the historical warped notion of Africa having underutilized land up for grab. In explaining their interest in Africa, the manager of a major private investment fund involved with land acquisition was quoted as saying that "Africa has most of the underutilized fertile land in the world" (Jung-a et al. 2008); the chief executive of

another fund emphasized that “land values are very, very inexpensive” (Henriques 2008). As observed by Cotula et al 2009: 62, empirical data on land availability in Africa remains limited – as even where land is underutilized and seems abundant, it is still likely to be claimed by somebody. In other words, concepts such as available, idle, waste land used to justify land allocation to investors therefore need critical analysis. A warning by IFPRI (2009) that in most instances, however, there is some form of land use, often by the poor for the purposes such as grazing animals and gathering fuel wood or medicinal plants. These uses tend to be undervalued in official assessment because they are not marketed, but they can provide valuable livelihood sources to the poor. Large Scale Land Acquisition may further jeopardize the welfare of the poor by depriving them of the safety net function that this type of land and water use fulfils. It can therefore be concluded that the land grab are driven not by the availability of underutilized land in sub-Saharan Africa but by the fact that in Africa these investors can easily exploit corrupt or highly indebted governments with little ability to regulate the transactions or prevent buyers from targeting the poorest rural communities, expelling people with non-traditional land title from their land (World Bank 2010).

While it cannot be denied that, the food price crises of 2007-2008 had significant impact on the world food system forcing a number of countries to rethink their food security by acquisition of farmland in developing countries, it is equally evident that the increased pressures on natural resources, water scarcity, export restrictions imposed by major producers when food prices were high, and the growing distrust in the functioning of regional and global markets, have pushed countries short in land and water to find alternative means of producing food for their hungry and swelling populations (IFPRI 2009). There are a number of factors threatening food supply and security globally (Shepard and Mittal 2009). These include; skyrocketing food prices in 2008 that increased import bills and inflation rates, harsh and unpredictable climatic conditions, and poor soils and scarce land and water in many areas, combined with economic and demographic growth – have led many nations, particularly in the Middle East and Asia to reexamine domestic food security policies. For example, while cereal agriculture in the Gulf countries is in irreversible decline, the population of the region will double from 30 million in 2000 to nearly 60 million by 2030. Food inflation has been a serious issue in several Gulf states, with higher food prices driving inflation in the wider economy. These price rises are particularly problematic in relation to the large migrant blue-collar workforce in smaller Gulf States, and there are concerns about social unrest. Consequently, many governments in this region are looking to stabilize food

supplies by acquiring foreign lands for food production in the hopes of averting domestic social unrest and political instability over food price and supply. These states have moved quickly to extend control over food producing lands abroad. Qatar, with only 1% of its land suitable for farming, has purchased 40,000 hectares in Kenya for crop production and recently acquired holdings in Vietnam and Cambodia for rice production, and in Sudan for oils, wheat and corn production. Other countries such as United Arab Emirates, China, Japan, and South Korea are also seeking to acquire land as part of a long term strategy for food security (Shepard and Mittal 2009).

The surging demand for agro-fuels and access to new sources of raw materials for manufacturing goods is also driving land purchases. The term agro-fuels describe the liquid fuels derived from food and oil crops produced in large-scale plantations - styled industrial production systems. These agro-fuels are blended with petrol and diesel for use primarily as transport fuel. Bio-fuels on the other hand, refer to the small-scale use of local biomass for fuel. The demand for agro-fuels has increased rapidly over the past several years as oil dependent countries establish ambitious targets for agro-fuels production and for incorporating biodiesel and bioethanol with traditional transport fuels. Often, these are pursued to ensure energy security, rural development, and export development (Dufey et al. 2007). Presently, European companies appear to dominate the land acquisition for agro-fuels in Africa. UK company Sun Biofuels has acquired land in Ethiopia, Tanzania, and Mozambique to grow jetropha, while the UK based CAMS Group bought about 45,000 ha in Tanzania to produce ethanon from sweet sorghum. German company Flora Eco has spent \$ 77 million in land purchase in Ethiopia for bio-fuel production using contract farming. In the Unites States of America, Renewable Fuel Standard aims to increase ethanon use by 3.5 billion gallons between 2005 and 2012, and the European Union, aims to increase the proportion of biofuels used in land transport to 10% by 2020. With these and other impetuses, the use and production of biofuels has skyrocketed over the past several years, such that the quantity of US corn used to produce ethanol increased by 53 million metric tons between 2001- 2007.

Attracted by this huge demand and market, private and government sponsored investors mainly from OECD member countries - are targeting vast tracks of land to produce crops for agro-fuels in developing countries which generally have comparative advantage in such

production due to low labor and land costs, and in some cases, land availability. To gain acceptance, these companies emphasize the environmental and social benefits of their business, working with the local community, creating employment, and helping to develop the local economy. The totality of all these have given birth to what has commonly been labeled “the biofuels complex” (Saturnino et al. 2011:576), in which the recent expansion of industrial biofuels expresses several trends in global political economy. These include the global commodification of time honored local energy supplements and the consolidation of corporate power in the energy and agribusiness sector. The biofuels revolution responds to an assumed “energy crisis” as the cost of capital input (production, processing and transport), rises in an age of peaking oil supplies. In addition, a desire to reduce on Middle Eastern Oil drives governments to develop an industrial biofuels complex which delivers energy security. At the same time, biofuels represent a new profitability frontier for agribusiness and energy sectors beset with declining productivity and/or rising costs (Magdoff 2008; McMichael 2009; Houtart 2010; McMichael 2010). Biofuels are also presented as a route to reducing or transforming energy use patterns in ways that can ameliorate environmental concerns without affecting economic growth (Saturnino et al. 2011:576). It is however important to point out that existing studies have shown that biofuels production has the potential of undermining food production (Weis 2010) and accelerate deforestation trends (Gouverneur 2009).

While securing food supply is seen as the dominant driver to large scale land acquisition in Africa, the role of private investors is also critical. The hunger for investors who view farmland as investment poised to produce significant returns, is also fueling the land grab. Many wealthy investors have turned their attention to agricultural acquisitions over the course of the past two years. These groups include; Morgan Stanley, Goldman Sachs, BlackRock Inc, Qudra Abu Dhabi based Investment Company, Swedish Investment Group, and British Investment Group among others. These investors anticipate to benefit from soft commodity markets through investment in land, farming and associated activities. The principle actor facilitating these land deals is the International Financial Corporation, the private sector arm of the World Bank Group, which finances private investment in developing world by advising governments and businesses and encouraging “business enabling environment” in developing countries. The IFC is thus the leading promoter of land policy reforms in developing countries to remove red tape that could inhibit foreign direct investment. In addition, the IFC has been working with

developing countries to change land laws to increase permissible quantity of land under foreign ownership and develop simple and transparent procedures for investor to acquire and secure property rights at a reasonable costs. The IFC and some donor governments have also convinced the developing countries to view foreign investment as capable of bringing new technologies, developing productive potential, facilitating infrastructure developments, and creating employment and supply of food to local markets (Cotula et al. 2009). In other words, that foreign investment in land can be a win-win situation for both the investor and receiving host country.

The Case of Kenya

It is important to point it out at the very onset that land grabs are relatively recent phenomenon. Details about the status of the land deals, the size of land purchased or leased, and the amounts invested are often murky, scarce and some reports are contradictory. Similarly, there are still relatively few scientific studies and reports about the magnitude and consequences of the deals in Africa. The deals have, however, gained significant attention in the international media and NGOs around the world, which remain the main source of information on the land deals so far (Smaller and Mann 2009). The few serious studies which have been undertaken seem to conclude that the unequal power relations in the land acquisition deals have the potential of putting the livelihoods of the poor at risk. Land grabbing forecloses vast stretches of lands and ecosystems for current and future use by peasants, indigenous peoples, fisherfolk and nomads, thus seriously jeopardizing their rights to food and livelihood security. It captures whatever water resources exist on, below and around these lands, resulting in the de facto privatization of water.

It has also emerged that the violation of international human rights law is an intrinsic part of land grabbing through forced evictions, the silencing (and worse) of critics, the introduction of non-sustainable models of land use and agriculture that destroy natural environments and deplete natural resources, the blatant denial of information, and the prevention of meaningful local participation in political decisions that affect people's lives. Moreover, giving land away to investors will result in a type of farming that will have much less powerful poverty-reducing impacts than if access to land and water were improved for the local farming communities. It directs agriculture towards crops for export markets, increasing the vulnerability to price shocks

of the target countries; and even where titling schemes seek to protect land users from eviction, it accelerates the development of a market for land rights with potentially destructive effects on livelihoods. This paper will look at the cases on Dominion Farms Limited, the Qatar Tana River Delta, and the Karuturi Global deals to assess and comment on these observations.

While land grab is a recent phenomenon, in Kenya it can be traced to the period of British colonialism, and resurfaced recently in 2004 when Dominion Farms Limited a subsidiary of Dominion Group of Companies, based in the US, was leased about 2,300 hectares within the fertile River Yala Swamp at the ludicrous rate of €12,000 a year to produce rice, vegetables and fish. In addition, it said it would rehabilitate at least one school and one health facility in each of the Siaya and Bondo districts. The land in question was trust land under the custody of Bondo and Siaya county councils. However, the community benefited from the resource base of this area through a combination of economic activities such as extensive small-scale farming, livestock keeping, and hunting of wild animals, collection of firewood, papyrus reeds, herbal plants, and sisal (Food First Information and Action Network, 2011). The Yala swamp thus supported several communities that utilize the wetland's natural resources to support their families and secure their livelihoods. The issue came to media attention when the company went against the Memorandum of Understanding signed between the firm, the local council and the ministry of lands stipulating that the company would confine itself to the 2,300 hectares, the firm has since expanded its activities and is reportedly using more than 65 percent of the swamp's total area to conduct agricultural activities.

In May 10th 2011, the Food First Information and Action Network, held a symposium in which several impacts of the project on the community livelihoods were identified. The deal, which granted the company a 25-year lease has seen community land submerged by water due to the hydro electric generation plant constructed by the company on the River Yala, according to community representatives. This has resulted into people's homes and farms being flooded, and the loss livestock. The representatives allege that over 500 families are facing forced eviction by the company, which seeks to expand its activities. The case of Erastas Dildo, 33 year old from Yala River Swamp is an example of how these large scale land acquisition operates. Dildo is a small scale farmer who owns three hectares of land. It is fertile land, where the corn turns bright green and grows two meters (6.5 feet) tall, where the cattle are as fat as hippos and the tomato plants bend under the weight of their tomatoes. There are three small brick houses on the

property. Erastas harvests his corn twice a year, and vegetables and tomatoes grow year-round. One hectare produces €3,600 worth of corn a year, a lot of money by Kenyan standards. But things changed when Erastas was contacted by Dominion Farms. Dominion, which plans to grow rice, vegetables and corn on the land, wants to include Erastas Dildo's three hectares in its venture. The Dominion representatives offered to pay him about 10 cents per square meter. Erastas turned them down, and now they are making life difficult for the farmer. Their most effective weapon is a dam they have built. When Erastas tried to harvest his corn last year, it was under water. The Dominion are playing with the water level to get rid of Erustas and when that doesn't work, Dominion sends in bulldozers, thugs and sometimes even the police (Business Week, November 25, 2009)

Gondi Olima working with Friends of Yala Swamp observed that under its contract, Dominion agreed to renovate at least one school and one medical facility in each of the two local districts. They drove out 400 families instead. According to Olima, at first the Dominion venture created new jobs, as day laborers were hired to clear the site with machetes, but then the company brought in more and more equipment...now they have so many machines that workers are no longer needed (Business Week, November 25, 2009). Land grabs thus have the potential to dispossess small scale farmers on a large scale and because more than 60 percent of the population in Kenya are small farmers, large-scale land acquisition could be disastrous for the population. Those who lose their fields lose everything.

In the Siaya District of Kenya, families say Dominion hasn't offered as many jobs as it claims in the six years since it arrived. Villagers accuse it of polluting water and sickening farm animals (Silver-Greenberg Jessica, Business Week November 25, 2009). Charles Onyango Apiyo, 39, raises cattle in Siaya. A year ago, he says, 10 of his cows wandered onto Dominion property. The entire herd of 150 was confiscated by company employees and taken to a police station. The cattle were held for almost two weeks, during which time 20 died. More perished from dehydration on the trek back to his land. However, Dominion Farms denies the farmers' accusations and points out that it has already built eight classrooms, donated gateposts and awarded educational scholarships to 16 children, as well as providing beds and electricity for a hospital ward. Dominion President Calvin Burgess boasts that his company provides employment for hundreds of local residents and has reduced instances of malaria. In addition, Dominion plans to sell rice to African governments and export farm-raised fish to Europe (Silver-Greenberg Jessica, Business Week November 25, 2009).

A similar scenario emerged in 2008 when the president announced that the Qatar government will be given 40,000 ha in the Tana river Delta in return for building a modern \$ 2.4 billion port in Lamu. The delta, is one of Kenya's last wildernesses and one of the most important bird habitats in Africa, is the flood plain of the Tana river, which flows 1,014km from Mount Kenya to the Indian Ocean. The Tana River Basin encompasses 126,028 km² in the eastern part of Kenya, an area currently suffering from extreme drought. It supports a population of approximately 15 million people, with 10 million living within the basin. In the lower catchment, irrigated agriculture is practiced on the river's riparian land. Flood recession farming is practiced on the rivers floodplains. The Tana Delta is a key ecological resource. It is a source of fish for the local communities, a lifeline for the coastal agricultural community and a source of pasture for the pastoralists during the dry seasons. It is also an important habitat for some endangered species of birds, monkeys and fish.

On signing the land deal, the Kenya government argued that the second port was to complement Mombasa, which serves as a gateway for goods bound for Uganda and Rwanda and is struggling to cope with the large volumes of cargo. By building docks in Lamu, Kenya hopes to open a new trade corridor that will give landlocked Ethiopia and the autonomous region of Southern Sudan access to the Indian Ocean. Qatar was to use the land to grow vegetables and fruits. In addition to Qatar, the government also gave Kenya owned Mumias Sugar Company and another foreign company about 66,000 hectares for biofuels. Here again, the subsistence agricultural communities were forcefully removed from the Tana Delta to pave way for the production of vegetables, fruits, sugarcane and Jetropher. The Tana Delta Qatar project is not only pushing people off plots they have farmed for generations, stealing their water resources and raising tribal tensions that many fear will escalate into war, but also destroying a unique wetland habitat that is home to hundreds of rare and spectacular birds (<http://www.guardian.co.uk/world/2011/jul/02/biofuels-land-grab-kenya-delta?intcmp=122>, 12th Sept. 2011)

The extent of the destruction of region's biodiversity was well captured by Mr. Francis Kagemu, of Nature Kenya saying that "No proper research has been done into what wildlife is here, and now the habitat is disappearing there is no evidence of what we are losing... You don't need to be a scientist to see the situation here is critical and the land grab is terrible. This is supposed to be the wet season. The elephants have already gone, the hippos are going, birds are less and less." Similar observations were made by Mr. Gamba Manyatta arguing that "This is not a good

place. Children have died, we have typhoid and malaria now. We were healthy before and our children went to school. This river is the drainage and pesticides from all the big farms. The proper river has been diverted to irrigate them and now we just get their poison. When we were evicted they showed us the maps, and we saw many more villages who don't yet know they are to be evicted too. Where will they all go? (www.guardian.co.uk/world/2011/jul/02/biofuels-land-grab-kenya-delta, 12th Sept. 2011). These testimonies suggests that the land grab projects have the likelihood of devastating the social fabric and livelihoods of communities in the Delta and destroy unique wetland and floodplain ecosystems.

In May and August/September 2009 FIAN International investigated four cases of land grabbing in Kenya and Mozambique in detail on the spot. The Kenyan investigation focused on the Yala Swamp and Tana River Delta. In all the cases, the FIAN Report noted that "Land grabbing denies land for local communities, destroys livelihoods, reduces the political space for peasant oriented agricultural policies and distorts markets towards increasingly concentrated agribusiness interests and global trade, rather than promoting sustainable peasant agriculture for local and national markets and for future generations". According to Tom Odenda, the coordinator of the Kenya Land Alliance "the evidence shows that there is no greater engine for driving growth and reducing poverty and hunger than investing in agriculture but it must ensure that people can access the food that is produced. What we are seeing is that the food is mainly for export. The state has become the agent of land lease and that is why the new constitution emphasizes that the land belongs to Kenyans ...we have no problem if the food was being produced for Kenya. Isn't it the height of recklessness in leadership for the government to give out land to Qatar when Kenya is food insecure and we are literally being fed? Where is the logic?" (http://www.newsfromafrica.org/newsfromafrica/articles/art_12021.html 12th Sept, 2011).

From behind the scenes, Indian government has been busy prioritizing agriculture as key area of engagement with Africa. Indeed, India is using all sorts of strategies to encourage Indian companies to buy mega farms in Africa to meet food shortages in India. Consequently, Indian firms have invested around \$3 billion in Ethiopia, Kenya, Mozambique, Senegal and Madagascar to produce a wide variety of food crops (rice, sugar cane, maize and lentils for their home market) and also crops that would be used to produce biofuel. The Indian government is actively encouraging investments in land acquisition programs by providing cheap lines of

credit to the governments of Ethiopia, Senegal, Kenya, Madagascar and Mozambique. Some of Indian leading companies in land grab include; Varun, Ruchi and Karuturi.

Presently, the biggest Indian company with significant investment in Kenya is Bangalore-based company – Karuturi Global which in 2007 bought farm land in Kenya to grow sugar cane, oil palm, rice and vegetables. Karuturi Global is currently among the leading producer of floriculture products in Kenya. The company is doing well in Kenya and Ethiopia because the two countries have duty free export status into the EU, freight costs are lower by over 25 percent due to lesser taxation. The labour costs are similar to India. Today, the company produces 555m stems per year, more than 95 percent of which are grown in Kenya and Ethiopia and are exported globally. It also plans to increase production of sorghum, sugar cane and palm oil – African expansion is now right at the centre of Karuturi’s long-term growth, which will see the company become a \$1bn multinational agricultural business by the middle of the next decade.

To integrate itself into Naivasha, the company started investments in “social infrastructure”. At any one time the firm employs between 4,000 and 5,000 workers, depending on seasonal requirements. Karuturi funds schooling for the children of its staff, through nursery, primary and secondary levels, and has expanded an existing health centre into a fully-equipped hospital. Karuturi Sports, a Kenyan Premiere League football team, plays on a watered pitch attached to the company’s headquarters complex.

Underneath the seemingly win-win situation, the presence of Karuturi Global in Naivasha has indeed led to serious environmental concerns around Lake Naivasha. These include loss of water, unsustainable increase of population, and the over-use of pesticides and fertilizers. These have been compounded by poor labour practices – stories are abound of flower farm workers suffering from chemical exposure and enduring long hours of low wages in the farm fields and processing facilities. Recently, hundreds of flower workers at a Naivasha flower farm downed tools to protest against low wages and poor working conditions, as labour unrest continued in the horticulture sector. The 800 workers from Vegpro farm accused the management of being insensitive to their plight. Workers at two other flower farms, Karuturi and Aquilla, have protested at what they termed poor terms of employment. According to one of workers, they are earning about \$ 1.2 a day, which is way below what is stipulated by the Labour regulations.

Conclusion

While the magnitude and effects of land grabs in Kenya have not been adequately studied, anecdotal evidence seem to suggest that a win-win situation may not be attainable in the near future. A number of the incentives offered by governments to attract foreign land investments reinforce the disadvantage of not only the smallholder producers but also the labour force – women. While new land investment have provided employment opportunities for women often these jobs are temporary, low paid and insecure. Women also suffer sexual exploitation and extra responsibilities.

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