

Land Acquisitions in Africa: A Return to Franz Fanon?

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ABSTRACT: *In order to understand the predicament facing Africa today, one has to return to a previous era when Africa faced its fight against colonialization. One hundred and twenty-five years after the Berlin Conference, a vast majority of African states remain in a position of social and political stagnation. Decolonization, which was supposedly based on the positive-sum incorporation of the newly-independent states into the international political arena, led to the dissolution of the rhetoric of “civilizing the barbaric masses”; and a new global endeavor emerged to “develop” the post-colonial state via its access to the absolute gains of the global political economy. For the majority of populaces of the Third World, however, the promises of social security, economic advancement, equal terms of trade, and the abandonment of force and racism did not shadow the decolonization process. In this context, Franz Fanon said that there is nothing save a minimum of re-adaptation, a few reforms at the top, a flag waving, and down at the bottom an undivided mass still living in the middle ages, endlessly marking time.*

KEY WORDS: *Africa today, decolonization, socio-economic and political development, and thesis of Franz Fanon.*

INTRODUCTION

As the global economy enters the second decade of the 21st century, world leaders are still grappling with the aftermath of the international credit crisis. Nevertheless, there is no doubt that a consensus has built around the issue that self-regulating unfettered markets are not the cornucopia that liberal economists would have us believe. Globalization may have produced spectacular growth, but in doing so it has also created abject poverty in many parts of the world, none more so than in Africa.

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In order to understand the predicament facing Africa today, one has to return to a previous era when Africa faced its fight against colonialization. Writing at the time, Franz Fanon described the colonial system as two worlds following the dictates of mutual exclusion:

The colonist's sector is a sector built to last, all stone and steel. It's a sector of lights and paved roads, where the trash cans constantly overflow with strange and wonderful garbage, undreamed-of leftovers. The colonist's feet [...] are protected by solid shoes in a sector where the streets are clean and smooth, without a pothole, without a stone. The colonist's sector is a sated, sluggish sector, its belly full of good things [...]. The colonized sector, or at least the "native" quarters, the shanty town, the Medina, the reservation, is a disreputable place inhabited by disrespected people [...]. It's a world with no space, people are piled one on top of the other, the shacks squeezed tightly together. The colonized's sector is a famished sector, hungry for bread, meat, shoes, coal, and light. The colonized's sector is a sector that crouches and cowers, a sector on its knees, a sector that is prostrate (Fanon, 1963:4).

Africa may have thrown the colonists out, but the continent still remains caught in the headlights of a global economic system that perpetuates these two worlds of glut and want, a world where new demands are being made in the name of the market. Fifty years after Franz Fanon wrote his lines, fund managers of Emerging Capital, a private equity company could announce: "*Africa is once again open for business*" (Weintstein, 2008:4). This followed the allocation of \$523 million that the company had raised to invest in Africa. This company, however, was not unique in its endeavours. The rise in oil and raw material prices had sparked a notable increase in foreign investment, and by the end of 2007, FDI flows to Sub-Saharan Africa had reached a record level of more than \$30 billion (Cotula *et al.*, 2009:25).

THE LAND OF AFRICA AND FOREIGN INVESTMENT

As early as 1999, UNCTAD (United Nations Conference on Trade and Development) reported: "*The potential for highly profitable foreign investment in Africa is enormous*" (UNCTAD, 2009). It had in fact been higher than in most other regions. In *Foreign Direct Investment in Africa: Performance and Potential*, United Nations Secretary-General, Kofi Annan, urged African leaders to change the "negative image [that was based] in wars and economic difficulties that afflict[ed] some countries", by opening up and attracting foreign investment into the resource-rich continent (Harsch, 1999:26). In the years that followed, many African countries implemented notable policy reforms, guided by the principles of neo-liberalism. In many

of these countries, the new liberal conditions brought with them increased growth and greater economic stability. The success of these countries led UNCTAD to conclude that FDI (Foreign Direct Investment) has a significant developmental impact on developing countries (Harsch, 1999:26). As a result, foreign investment gained enormous political clout, premised on the idea that it was “helping Africans help themselves” (Parris, 2008).

The reality of FDI then and now is that its effects differ vastly between nation states. As Sub-Saharan Africa became “the playground of neo-liberalism”, some nations emerged as dynamic “frontrunners”, while others saw little or no developmental consequence (Weintstein, 2008:3). The uneven results suggested that successful policy demanded more than just outward-oriented efficiency. In fact, the “frontrunners” of the 20th century (Botswana, Equatorial Guinea, Ghana, and Namibia, amongst others) shared several features: “stable and predictable macroeconomic environments, higher GDP (Gross Domestic Product) growth rates, a relatively well-developed infrastructure, and *efforts to improve the education levels and skills of their people*” (Harsch, 1999:26). It was the latter – the focus on building up a stock of human capital – that most markedly distinguished the “winners” in the race to attract FDI.

The UNCTAD report explains that since natural resources are among the key determinants for attracting foreign investment, strategic policy is vital to ensure sustainability over time, and thereby combat the so-called “resource curse”. Successful nations “have therefore used revenues derived from the extraction of these resources to fund the creation of other assets” – for example, in Botswana, revenues from the mining sector have been tactically invested to build up human capital – and thus make the country attractive to even more investment (Annan, 1999:25).

Their stories suggest that favourable economic environments for FDI, as in the African frontrunners, involve a measure of state-led “compensation” to secure human capital and sustainable growth. In countries without such hybrid policies, the effect of increased FDI may not have the same positive-sum results. More troublingly, as L. Weintstein purports, rapid and unbridled liberalisation in some parts of the continent is actually “turning Africa into a one-way conveyor belt of raw materials” (Weintstein, 2008:7).

The agriculture sector, in particular, has been an area of increased attention and much dissonance over the last few decades. The attractiveness of farmland in Africa is twofold: *first*, it is highly fertile in numerous regions; and *second*, it is incredibly inexpensive. These ideal investment conditions have led to the growing privatization of arable land, usually by foreign firms. In five of the most popular destinations for FDI – Sudan, Ethiopia,

Madagascar, Mozambique, and Tanzania – national inventories record a staggering 2,492,684 hectares of land allocated for agricultural investment, with thousands of hectares unreported and even more pending (Cotula *et al.*, 2009:41). In the years since 2004, and particularly in the wake of the global economic crisis, “investment funds have recently begun applying the most basic formula in the world: Man must eat” (Knaup & von Mittelstaedt, 2009; and <http://www.spiegel.de/international/world/0,1518,639224,00.html>, 7/9/2009).

ON THE LAND ACQUISITIONS

One of the major motivations behind the growing number of land acquisitions is the issue of food security. The global population is expected to reach nine billion by 2050 and already, food production is struggling to keep up with rising demand (Biney, 2009; and <http://www.africafiles.org/article.asp?ID=21803>, 10/10/2009). In addition, increasing urbanisation means that a greater share of the global population is beginning to depend on food purchases. Roughly 60 percent of the global demand comes from nations that are dependent on imports for their food (Cotula *et al.*, 2009:53). For these net food-importers (particularly nations like the Gulf States, which are oil-rich but essentially desert), Africa’s fertile land is hugely appealing. Though many wealthy nations (South Korea, for example) can easily afford to import food, the uncertainty of the global markets makes land acquisitions pivotal for securing food supplies for their own people.

More recently, government consumption targets for biofuels have also been a driving force behind foreign agricultural investment. Though this type of investment is generally said to be premised on environmental concerns, it is likely, too, that energy security has played an important role. Volatility in the oil price over the last few years has led nations to pursue alternative energy sources for long-term sustainability. Additionally, projections of dwindling supplies of non-renewable energy sources have led nations to pursue biofuel expansion. Importantly, some biofuel feedstocks like bioethanol or biodiesel compete for land use with staple foods, thereby further increasing the food price. The change in land use exacerbates the problem of food security, but as yet, this has not tempered the rate of land acquisitions; in fact, quite the opposite.

The rhetoric of foreign investors is rife with claims about “fighting hunger” and it may be true that agricultural investment is driven by food security and sustainable energy concerns. At the heart of this FDI, however, lies a simple incentive: investors are hungry for profits. With the prices of agricultural commodities rising rapidly, and the relative inelasticity

of staple foodstuffs, agribusiness is becoming increasingly attractive to foreign firms. This competitive acquisition of land by the private sector is driven by consideration of food prices in the short run, but more specifically by expectations of high returns in the long run. Investors across the world refer to Africa as the “alpha country” – where alpha denotes an investment for which returns exceed risks. Africa’s profitability has spurred an international race to secure its fertile land; a “game of real-life monopoly” (Knaup & von Mittelstaedt, 2009; and <http://www.spiegel.de/international/world/0,1518,639224,00.html>, 7/9/2009).

The evidence is plentiful. In 2008, a Chinese businessman secured 10,000 hectares of land in Cameroon for rice production (Grain, 2008; and <http://www.grain.org/briefings/?id=212>, 10/9/2009). Later that same year, three Gulf firms created an Islamic investment fund, AgriCapital worth \$1 billion, which purchased land internationally to produce food for the desert region, as well as to fund research in biotechnology (Grain, 2008; and <http://www.grain.org/briefings/?id=212>, 10/9/2009). At the same time, the Saudi Ambassador to Brazil was actively launching a joint agribusiness venture, “in which Brazil [would] provide the land and know-how, Saudi Arabia the capital and Singapore the logistics” (Grain, 2008; and <http://www.grain.org/briefings/?id=212>, 10/9/2009). And in Mozambique, joint partnerships were being negotiated with the Chinese government to develop rice production, while investments were being made in infrastructure, research, and training (Grain, 2008; and <http://www.grain.org/briefings/?id=212>, 10/9/2009). Further specific examples, include GEM Biofuels’ 50 year lease of 450,000 ha in Madagascar, UK Energy Firm CAMS Group’s 45,000 ha lease in Tanzania, Varun Agriculture SARL’s lease of 170,000 ha in Mozambique, and US Based Jarch Capital’s land acquisition in southern Sudan (Cotula *et al.*, 2009:38).

These cases, and many others, are examples of FDI (Foreign Direct Investment) that stand to create a “win-win” situation for source and host country alike, offering joint projects that could develop human capital, transfer technology, and provide significant opportunities for growth and profitability. On face value these developments seem very promising for African nations which previously lacked any considerable comparative advantage in terms of international economic competitiveness. In addition to much needed FDI, the possible positive spillovers include increased infrastructural development, job creation, exposure to new technologies, and an increased standard of living for local communities. However, within the context of Africa’s all but absent institutional framework, such investments may be ruinous in nature. In several countries, the effects

of liberal reform have been distressing. Large-scale acquisitions can (and often do) result in the local population being dispossessed of their land and in their losing access to resources that are crucial for their food security and their livelihoods (Weintstein, 2008:10). In a 2008 report, Grain warns that there is a real risk of both the food and the profits from these agricultural projects “being siphoned off to other countries”, and that they may not necessarily bring “development” to local communities (Grain, 2008; and <http://www.grain.org/briefings/?id=212>, 10/9/2009). Even more worryingly, intensive farming may have widespread ecological ramifications (Weintstein, 2008:4).

A lack of a credible institutional framework in fact forms the point of departure for the United Nations’ Food and Agricultural Organization’s (FAO) report on African land deals. Yes, Africa’s land remains cheap, relatively speaking, and there is a perceived abundance. Nevertheless, despite the prospects of positive spillovers and new FDI, institutional and legal mechanisms remain paramount in securing the rewards of investor commitments. In their absence the question remains whether costs and benefits are fully acknowledged, or whether political expediency and desperation for FDI takes precedence over the public interest and sustainability. According to the FAO’s report, many African states have been reluctant to accumulate the value of these land deals in terms of land fees, and have instead placed added emphasis and value on the monetary spillovers of investment levels, employment creation, and infrastructure development. The lack of institutional capacity, however, entails that these “commitments tend to lack teeth in the overall structure of documented land deals” (Cotula *et al.*, 2009:16).

Laws and procedures are also extremely important in assessing the full impact of land acquisitions, as well as incorporating civil society – an area in which many African states lack competency. For example, can African states effectively analyze the degree to which land acquisitions will impact upon local producers and communities who depend on subsistence agriculture for domestic food security and general livelihood? Can African states assess contracts and business models that embody the myriad issues related to these acquisitions? The dynamics include the impact and displacement of local subsistence farmers (especially if future production is likely to be capital intensive), the environmental impact, and even the degree to which acquisitions affect the cultural and traditional significance of the land itself. In addition, use rights, registration procedures, compensation requirements, and productive use legislation must all be present to fully protect the local communities from negative externalities.

Perhaps most importantly, transparency and checks and balances are crucial in preventing corruption and money laundering that sabotage the public interest. In light of Africa's historical development and the institutional complexity of these deals, it is not surprising that the FAO found that approximately all contracts tended to be "short and simple compared to the economic reality of the transaction" (Cotula *et al.*, 2009:7). Devinder Sharma of the Forum for Biotechnology and Food Security recently stated that as foreign countries move to control production and secure food imports, the "outsourcing of food production will ensure food security for investing countries but will leave behind a trail of hunger, starvation and food scarcities for local populations" (Sharma, 2009; and <http://farmlandgrab.org/5819>, 13/7/2009). This is particularly pertinent given the long term nature of these land leases. Fifty – and even 99 – year land leases are likely to be both politically and socially unsustainable unless local welfare is guaranteed (Cotula *et al.*, 2009:8). Within the contextual environment of abject poverty, increased population growth and density, famine, water scarcity, and environmental degradation, one can only but speculate to the degree to which these investments may inevitably impact upon Africa's already volatile socio-political climate.

This anomaly has been flagged. Championed by the Japanese government, the land-investment issue emerged at the G-8 Summit in L'Aquila, as the group proposed the introduction of a code of conduct for land deals, so as to secure the rights of local communities. The problem remains insidious, however, due to a lack of information regarding these deals, their potential fallout in recipient countries, and the inevitable limit to which foreign governments can promote socially responsible investment within Africa's political environment. This makes the drafting of any code a difficult and potentially unenforceable procedure.

The recent developments surrounding the foreign purchase of land in Africa thus seem to fall within a general pattern of practice that has resulted in the increased economic marginalization of certain nations within post-colonial Africa. In an era of globalization, the only way where developing countries can narrow the gap between the North and the South is by harnessing the opportunities created by an open world economy. In theory, trade helps produce rapid growth, and rapid growth helps the poor by providing more employment, generating resources that can be used for anti-poverty programs, and by improving the access of poor families to public services such as education and health (Panagariya, 2003). Theories, however, which envision such a neat sharing of the benefits of trade presuppose some degree of equality between trading partners,

some degree of stability in the prices of traded goods, and an efficient and perfectly operating market.

Unfortunately, in the real world, these conditions do not hold, and the reality of what free trade means for developing countries is often a lot nastier than it looks in an economics textbook. For a start, economists are still unsure about what really causes growth. On their own admission, not enough is understood about it to claim that it is even partially caused by trade liberalization. While it is possible to show that open economies generally do better than closed ones, the primary factors underlying economic success are difficult to identify. In other words, economists are not sure whether richer countries have opened up to trade because their economies are strong enough to operate successfully in world markets, or whether those economies became strong by opening up to trade in the first place. As Rodriguez and Dani Rodrik has emphasized that a positive correlation between levels of trade liberalization and capita per GDP shows only that countries become more open as they become richer – it is not a simple matter of cause and effect (Rodriguez & Rodrik, 1999).

Considering the above, it is not unforeseen that individuals such as Uwe Hoering label recent land investments as part of “a new form of agrarian colonialism” (Godoy, 2009; and <http://jwww.ipsnews.net/africa/nota.asp?idnews=46557>, 13/7/2009). Combined with a limited negotiation capacity, rapid liberalization of future Economic Partnership Agreements (EPAs) may thus continue to remain uninhibited by investment commitments. If developed nations are to remain true to the rhetoric of sustainable upliftment in Africa through positive exposure to international trade and investment, considerable attention needs to be given to the degree to which Africa’s institutions deal with the fair distribution of economic transactions.

The recent Madagascar case provides some valuable insight for analysis on what has gone badly awry. In 2008, Daewoo Logistics Corp, a South Korean firm, signed one of the most controversial foreign land acquisition agreements. The 99-year lease, signed by Madagascar’s then President, Marc Ravalomanana, secured Daewoo’s right to produce exportable food on 1.3 million hectares (ha) of Madagascan soil; roughly half the nation’s arable land. The deal sparked large scale public uprisings in subsequent months, which some have argued was a contributing factor to the coup led by Andry Rajoelina in March 2009. Despite Andry Rajoelina’s supposed intentions to expel Daewoo, the company continues to clandestinely hold some 200,000 ha of land. E.B. Kapstein’s theory on virtuous circles provides a general framework to investigate the Madagascan case. E.B. Kapstein

suggests: “*It is only when countries already have an existing stock of human capital that they are able to reap the rewards of FDI*” (Kapstein, 2002).

Without this minimum threshold, FDI will fail to benefit the host country, instead providing the advantage to foreign investors. Madagascar is in fact a pertinent example of an underdeveloped country, lacking the minimum threshold requirement of human capital, which is built on skills, education, stock of technology and social welfare. Moreover, as outlined by K. Saggi, local firms can only enhance productivity and technology by “observing and imitating their foreign affiliates” (Saggi, 2002:209). The key challenge to this transfer is “reverse engineering”, often required by effectively imitating foreign technologies. For Madagascar, there are two notable factors that prevent the country from enjoying these spillovers: the agricultural system and technological deficiencies.

The first impediment to Madagascar’s “imitation” potential is the agricultural model used by local farmers. C. Makunike explains that Malagasy farming is based on labour-intensive agriculture models which are rudimentary, “old-fashioned and ineffective”, and while the local small-scale farmers have “locally-relevant farming expertise, they need various kinds of assistance to practice successfully and improve on it” (Makunike, 2009; and <http://africanagriculture.com/search/label/Madagascar>, 6/8/2009). The foreign agricultural model, on the other hand, is predicted on large-scale, capital-intensive inputs, the type of agribusiness that could have “adverse effects on rural livelihoods” (Daniel & Mittal, 2009:24). The Daewoo deal focused on corn as its primary agricultural produce: while the plant is a staple for South Koreans, rice is the crop that dominates existing Malagasy farms. As C. Makunike suggests, this “dominance is deep-rooted and may prove hard to break” (Makunike, 2009; and <http://africanagriculture.com/search/label/Madagascar>, 6/8/2009). Therefore, despite the possible transfers from the high-tech firm, integrating Daewoo’s advanced technologies into local and traditional Malagasy farms would be a difficult, if not an impossible task. According to analysts, one way in which this problem could have been combated is if Daewoo had constructed nuclear farms on which thousands of Madagascan farmers were contracted. By doing so, agribusiness “could have been structured to have a teaching/demonstration component to assist the [Malagasy] famers to learn new techniques”. However, C. Makunike observes, “these elements were largely missing in the way the proposed Daewoo deal was structured and marketed” (Makunike, 2009; and <http://africanagriculture.com/search/label/Madagascar>, 6/8/2009). Thus, the Daewoo deal – if it were accepted

– offered little promise in terms of the demonstration channel due to the difficulty in integrating two very different farming systems.

Moreover, it is arguable that Malagasies were ill-equipped to gain from the imitation effect, as they lacked the skills and expertise needed to emulate South Korean technologies. The UNDP (United Nations Development Programs) education index is highly indicative of Madagascar’s condition in this regard. Based on data on adult literacy rates and enrolment ratios, countries are ranked by measures of “knowledge”. Madagascar is ranked at position 150 out of 177 countries (below Congo, Kenya, and Zimbabwe, amongst others), and has a “knowledge” score of 0.60. Less than half of the population (45 percent) is enrolled in primary, secondary, or tertiary schools, and a considerable 32.7 percent of the adult population is illiterate (UNDP, 2009; and <http://hdrstats.undp.org/en/indicators/93.html>, 9/10/2009). These concerning figures suggest that the level of skills and expertise in the country are underdeveloped, particularly in comparison with South Korea’s superior education ranking.

The lack of skills and knowledge in Madagascar points to a substantial deficiency in human capital, and thus an inability to fully use the technological imitation. In this light, Madagascar exemplifies B. Xhu’s finding that “a country needs to reach a minimum human capital threshold level in order to benefit from technology transfer” – a level that is rarely attained amongst LDCs (Xu, 2000). As Kinoshita explains, potential labour-related gains from FDI are realized through the “turnover” effect – when knowledge is transferred by the physical movement of workers; and the “training” effect – where local workers can acquire new skills. This hypothesised effect rests on the assumption that the workforce is both capable of acquiring these skills and that workers are offered the opportunity to do so by the foreign firm. Although the proposed Daewoo deal pledged to bring with it thousands of jobs for the Malagasy unemployed; the state of the local workforce meant that this promise would be severely compromised by socio-economic problems.

The UNDP Human Development Index showcases Madagascar’s position in this regard – painting rather a distressing picture. Madagascar ranks 143 out of a list of 177 in the UNDP index, placing it near the bottom of the list of ranked countries (UNDP, 2009; and <http://hdrstats.undp.org/en/indicators/93.html>, 9/10/2009). Based on social and health indicators, the index reveals underdevelopment and widespread poverty in the country. The index also highlights the following statistics on Madagascar’s human development: an infant mortality rate of 74 per 1,000 live births; 38 percent of the population is undernourished; and only 50 percent has access to

clean drinking water. Furthermore, the probability of death before the age of 40 is 24.4 percent; only 34 percent of the population has access to improved sanitation facilities, the maternal mortality rate is 470 per 100,000 live births, life expectancy is 58.4 years; and 85.1 percent of the population lives on less than \$2 a day (Estandards Forum, 2008; and http://www.estandardsforum.org/secure_content/country_profiles/cp_110.pdf, 10/10/2009). The figures highlight the dire economic and social conditions of the country; however, the real imbroglio for Madagascar is how these conditions translate through FDI. The poor health and social underdevelopment of the workforce means that Madagascar is severely compromised in terms of human capital. Without the required level of human capital, the country is unable to effectively use its training or turnover potential, and thus is stymied in its path to development (Xu, 2000).

The Madagascan case also sheds light on the role of institutions in FDI. Arguably, it is precisely the *lack* of institutional capacity that perpetuates a vicious rather than a virtuous circle, ensnaring infant economies in an underdevelopment trap. In *Land grab or development opportunity?*, L. Cotula *et al.* identify institutions as one of the primary causes for lost spillovers from FDI in developing countries (Cotula *et al.*, 2009:7). On agricultural investment in Africa, the authors say that “many countries do not have in place [institutional] mechanisms to protect local rights and take account of local interests, livelihoods and welfare”. Furthermore, they claim that the position of the local population is critically undermined by a “lack of transparency and of checks and balances in contract negotiations” as well as “corruption and deals that do not maximise the public interest” (Cotula *et al.*, 2009:7). In Madagascar, there is both a weak system of property rights and a notable lack of transparency within the polity. The first problem, according to L. Cotula *et al.*, is the lack of private ownership of land across Madagascar, and indeed across Africa at large. According to the World Bank estimate, “only between two and 10 percent of the land is held under formal tenure” (in Cotula *et al.*, 2009:75). In lieu of an official system, rural farmers operate under a *de facto* or “customary” tenure system, creating a false sense of legitimacy and security. L. Cotula *et al.* caution, however, that “even where private ownership is formally recognized, most of the land is controlled by the state” (Cotula *et al.*, 2009:75). As a result, most leases of land are government-allocated, like the 99-year Daewoo lease. In many of these deals, as in the Madagascan case, official monetary compensation for the land is negligible. For Daewoo, no rent requirement whatsoever was reported, promising “employment generation and infrastructure

development” in its place as “broader economic benefits” (Cotula *et al.*, 2009:78). Nevertheless, these lofty promises were brought into critical light when the terms of the contract were revealed, particularly Daewoo’s plans to bring in South African workers instead of employing local farmers.

THE PROBLEM OF TRANSPARENCY AND CORRUPTION

The issues of transparency and corruption run parallel to the institutional demands of property rights and tenure systems. A. Biney writes that the *lack* of transparency and checks and balances in contract negotiations like the Daewoo deal compound the problems of agribusiness. He notes that “*there are often huge gaps between what is on the statute books and the reality on the ground*” and that “*this creates a fertile ground for corruption*” (Biney, 2009; and <http://www.africafiles.org/article.asp?ID=21803>, 10/10/2009). In Madagascar, particularly during the Ravalomanana regime, most of the information on agribusiness projects was not made publicly available. Furthermore, the government was alleged to have “muffled dissent and the free press” (Maunganidze, 2009:3). As a result, not only was civil society largely excluded from agricultural investment deals, but so too were the people who would be directly affected by land acquisitions.

At the time of the agreement, while local farmers struggled to acquire title deeds for land, “Daewoo Logistics seem[ed] to have benefited from preferential treatment, allowing it quick access to the deeds”. At the same time, transactions between the Ravalomanana government and the South Korean company were made “in the greatest secrecy”; as a result, “suspicions arose as to the personal enrichment of a small number of high-ranking government officials” (Benjamin, 2009; and <http://www.peuples-solidaires.org/article920.html>, 9/10/2009). Ravalomanana’s extravagant personal purchases did little to dispel mistrust. In 2008, the President bought a \$60 million private jet to be used as his official presidential aircraft (Maunganidze, 2009:3). The government’s budget transparency also left much to be desired. One of the most contentious terms of the land deal – that Daewoo would incur no actual fee for the exchange – was denied vehemently by Ravalomanana. In light of these institutional obstacles, L. Cotula *et al.* express concern over “the weakness of provisions within national law for local people to steer development options and defend their own land rights” (Cotula *et al.*, 2009:49). When institutions fail to provide the requisite security for the domestic population, foreign investment may create a breeding ground for resentment and social unrest.

In order to understand the nature of this social unrest, one has to revisit the political development of Africa at large in order to ascertain how

African institutions have coped with problems of institutional development and modernization. For it is here that the success or failure of the recent phenomenon of acquiring African land rubs against the reality of African development.

At independence, Africa was riddled with problems of underdevelopment and the call for the economic liberation of Africa was answered through a Socialist ideology. The leading lights were Senegal's Léopold Senghor, Guinea's Ahmed Sékou Touré, Ghana's Kwame Nkrumah, Mali's Modibo Keita, and Tanzania's Julius Nyerere. In Ghana, for example, Nkrumah set up new structures for the Trade Union Congress by making the T.U.C. an integral part of his political party. The General Secretary of the T.U.C. became a member of the party's central committee and "the energies and potentialities of all workers [were] collectively directed towards the economic reconstruction of Ghana" (Lloyd, 1967:239). In addition, Nkrumah founded the Ghana Workers' Brigade whose members were engaged in public works. In line with Socialist traditions, Nkrumah also called for state control of all industry and commerce as limited foreign exchange at the time was spent primarily on importing luxuries used by the elite instead of on more useful machinery. As such, fifty state corporations were set up in Ghana and many made huge losses as the bureaucrats not only had little aptitude for business, but also because state controls led to bribery and corruption, rampant red-tape, and the resultant loss of efficiency.

Notwithstanding the lack of efficiency in state-led commerce and industry, the terminology of Marxism proved useful to Africans in portraying the evils of a capitalist society through symbols such as "the exploitation of the underdeveloped world" (Lloyd, 1967:239). Lenin's organizational concepts of the party also proved to be a useful point of departure. In this regard, African definitions of socialism were drawn from the economic realities of the African states themselves, where race and ethnicity overlaid and complicated class and economic interpretations. In most cases the economies were already state-controlled as a result of the colonial legacy.

The experiment in this first wave of African socialism failed as African governments absorbed the means of production into the public sector. As Irving Markovitz avers that:

[...] the steady growth of the "public sector", the continual expansion of government expenditures for administration, and the rising costs of maintaining political officialdom at ever higher levels of "comfortable" living are among the most striking phenomena of the post independence period (Markovitz, 1977:207-208).

Gerard Chaliand, writing in the *New York Times*, put numbers to Markovitz's critique. Surveying the budgets of the new African states, Chaliand revealed that almost half (47.2 percent) of Senegal's budget for 1964-1965 was devoted to administrative salaries; not a single Dollar was spent on direct investment. The administration in the Cameroons absorbed more than eighteen times the money spent on capital expenditure. The civil service in the Central African Republic absorbed 81 percent of the budget. In Congo-Brazzaville, the almost 11,000 state employees among a population of 826,000 received 62 percent of the budget. In the Ivory Coast in 1964, 15,000 civil servants, less than 0.5 percent of the total population, absorbed 58 percent of the national budget. Dahomey took the record, spending 64.9 percent of its budget on civil service salaries. Between 1959 and 1962, administrative costs rose 80 percent in Guinea, 60 percent in Mali, and a comparable percentage in Ghana. In December, 1974, Nigeria increased the wages of its civil servants by as much as 133 percent in order to "combat the effects of inflation" (Chaliand, 1974).

Ruth First, writing with some heat in *Power in Africa*, argues that in one year, six times as much was spent importing alcoholic beverages as on importing fertilizer in the fourteen former French colonies; perfume and cosmetics absorbed half as much as machine tools; and five times as much was spent on importing private cars as on importing agricultural equipment. She notes without amusement that:

[...] the resources of the new states were being devoured by a tiny group whose demands distorted the budgets and economies of the states they governed [...]. The cost of African presidential and ministerial establishments was probably higher, in relation to national income, than the cost to France of the Court of Louis XIV in 1789 (First, 1970:110).

Africa's second historical wave had far more violent overtones. The general consensus places Chinese ideology at the head of this movement as the factional infighting between Mao and Khrushchev reached new heights in the skirmish to arrest the mantle of who would be the new spiritual leader of the international socialist movement following the death of Stalin. Mao had already preached his famous doctrine that "power came through the barrel of a gun" and volumes have been written on his scathing attacks on the Soviet Union's slide into "bourgeois" ineffectiveness. Indeed, Kenneth Jowitt has always been convinced that the vitriolic relations between China and the Soviet Union at the time had pushed Khrushchev into his crazy escapades in Cuba in order to show China that he could put the US "Paper Tiger" to the sword (Jowitt, 1979:134).

FRANZ FANON AND THE AFRICAN LIBERATION MOVEMENT

In African terms, Franz Fanon and Amilcar Cabral must be considered the intellectual leaders behind the movement to liberate Africa from

the remnants of colonial domination, but later in the South, Robert Mugabe, Samora Machel, Agostino Neto, and the leading cadres in the ANC's military wing were the major exponents of the movement to free Africa through violent rebellion. Notwithstanding Franz Fanon's rhetoric, in reality most of the sub-Saharan African countries did not have to go through a sustained, violent war in order to gain independence. In Ghana, Mali, Nigeria, and Tanzania, for example, the most radical nationalist leaders could create a mass base of support through the use of ideology. Exceptions could be found in the Cameroons, where a well-organized guerrilla movement mounted operations against the colonial power until violently suppressed. In Kenya, the Mau Mau uprising, although defeated, forced the British to a final political settlement and in Algeria the Front de Libération Nationale (FLN) led a sustained guerrilla war against France. The FLN's most celebrated intellectual, Franz Fanon, who joined the movement in 1955, wrote widely on the development of the liberation struggle. His most celebrated book, *Les Damnés de la Terre*, published by Jean-Paul Sartre, argued that the most heterogeneous ideas are yoked together by violence. Furthermore, his ideas on black consciousness later influenced Steve Biko in South Africa and his great contribution to revolutionary movements in Africa was his recognition of those inhabitants of colonized countries who were not involved in industrial production, particularly peasants living outside the cities.

In Portuguese Guinea, Amilcar Cabral attempted to create a political organization imbedded in a social organization that would ultimately enable his guerrillas to become responsible officials. In effect he aimed at meeting the material needs of the moment by awakening a new psychological consciousness. Amilcar Cabral noted as follows:

In order to further the important task of consolidating independence and insuring progress, the PAIGC is organizing an extensive program for the training of cadres (administration, production, health, tourism, etc.) and is putting it into effect as far as circumstances permit. It is eager to avail itself of every possible opportunity to proceed as rapidly as possible with the training of a large body of personnel, particularly at the intermediate level, so that there will be African civil servants ready to go into action immediately following liberation (Cabral, 1969:44).

Notwithstanding Amilcar Cabral's high ideals, in general African states became authoritarian, highly personal structures that had territorially extensive but relatively limited penetrative, administrative and coercive capabilities. Indeed, Thomas Callaghy argued that the colonial conquest state was adapted to new conditions, but was never restructured. Prolonged and intense conflict with the colonial powers might have forged distinctive

and coherent revolutionary politico-military organizations capable of successfully undertaking socialist transformation, but the nature of the independence settlement was such that little actual struggle took place. After independence there was a general move among African states to turn independence movements into one-party states that could be used to ensure survival of the new regimes and to mobilize the population for socioeconomic transformation (Callaghy, 1979:116).

Thus there remained, in Kenneth Jowitt's terms, "a striking juxtaposition of rhetoric and reality within Africa" as the gap between aspirations and achievements were caught up in low levels of commercialization and industrialization, shortages of trained manpower, a lack of natural resources, low levels of effective state power, small national markets, ethnic tribal fragmentation, and weak state structures (Jowitt, 1979:134). Whether newly emerging nations in Africa had followed the first wave of "Socialist ideology" or had formed due to the second wave of violent struggle against the colonial legacy, there remained a singular lack of success in moving beyond the initial transformation of independence to successful institutions of governance.

CONCLUDING REMARKS

Africa is now experiencing a new wave in its history of liberation. This third wave is based on the economic liberation of Africa, but certainly draws on the experiences of the past. The crucial difference lies largely in the fact that rhetoric lies more closely to reality and is largely dependent on the vision of former South African President, Thabo Mbeki, and his inner circle of cadres who followed the ideals of Mbeki's mentor Oliver Tambo. Mbeki sought to reorganize Africa in both economic and political terms. Now the question that has to be asked is whether Mbeki's vision of a new Africa can deal with land acquisitions by foreign firms and governments given the propensity not only for unrest, but also for violence.

One hundred and twenty-five years after the Berlin Conference, a vast majority of African states remain in a position of social and political stagnation. Decolonization, which was supposedly based on the positive-sum incorporation of the newly-independent states into the international political arena, led to the dissolution of the rhetoric of "civilizing the barbaric masses"; and a new global endeavor emerged to "develop" the post-colonial state via its access to the absolute gains of the global political economy. For the majority of populaces of the Third World, however, the promises of social security, economic advancement, equal terms of trade, and the abandonment of force and racism did not shadow the

decolonization process. Returning to Franz Fanon: “*there is nothing save a minimum of re-adaptation, a few reforms at the top, a flag waving: and down at the bottom an undivided mass, still living in the middle ages, endlessly marking time*” (Fanon, 1963:47).

As Sartre notes, the leader, who awakened the political consciousness of the people, refuses to break up the national bourgeoisie and now calls upon the people to become “drunk on the remembrance upon the epoch which led up to independence” (Sartre in Fanon, 1963:136). This pacification of the people precludes the restructuring of Africa’s socio-economic and political way of life. Recent land acquisitions do not seem to deviate from this status quo. Carried out by administrative elites in partnership with foreign conglomerates, the transactions can occur within an institutional vacuum that precludes the full acknowledgement of the public interest and allows for the norm of self-aggrandizement to continue.

Those who laud the new development of African agriculture based on foreign land acquisitions need to understand that this new scramble will only come at the expense of Africa’s “undivided mass”. Many African nations have neither the institutional capability to monitor these developments successfully nor do they sit well with the ideology of the past. Africa will still remain marginalized, raped by new colonists and an entire new cycle of violence can be the only outcome.

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