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## Why Governments should Reject Land Commodification Efforts Orchestrated by the World Bank and the United States

*The development narrative continues to be revived despite its role in driving the current crisis and the millions of livelihoods it has destroyed through displacement and dispossession. The interests of the United States, with its inordinate financial and political power over institutions like the World Bank and the IMF, play a prominent role.*

The COVID-19 virus has for some time eclipsed the escalating climate and environmental crisis facing the world. Alarming rates of deforestation, desertification, environmental degradation, and pollution continue to threaten the biodiversity of our planet as well as the health and livelihoods of billions.

Yet, instead of taking meaningful action, governments, corporations, and international institutions are actually “doubling-down,” wanting to exploit more land through a euphemism-based narrative of putting it to “productive use” in the name of economic “progress” and “development.” All over the world, governments are pressed to invite international investors to exploit more land and resources for logging, ranching, plantations for oil palm, timber and other crops, as well as mining, oil and gas.

However, an obstacle to this expansion has been the land tenure regimes prevailing in many countries and the rights they provide to the people living on the coveted lands. As much as 65 percent of the world’s land area is still stewarded by communities under customary systems. (1) Indigenous people and local communities have been proven to be effective stewards of their land, managed under a variety of communal and collective tenure systems. Traditional Indigenous territories cover 22 percent of the world’s land surface, which contain a remarkable 80 percent of the global biodiversity. (2) Many formerly colonized countries have adopted dual systems of land tenure that recognize customary land laws while also establishing that all land is owned by the state. (3) This situation is seen as a constraint for investors and businesses. As put by the World Bank, “undocumented [land] rights pose challenges and risks to investors,” (4) and in the case of Africa, the continent is “held back by land ownership confusion.” (5)

### ***Driving Dispossession***

A recent report by the Oakland Institute entitled *Driving Dispossession: The Global Push to “Unlock the Economic Potential of Land* (6), details the various ways by which governments - willingly or under the pressure of **financial institutions** and so-called **donor countries**- attempt to privatize land and make it available for exploitation. These include land reforms, changes in laws and regulations, use of new technology for land registration, as well as the removal of safeguards in place to protect Indigenous People and the environment.

Importantly, the report shows that **US interests play a prominent role** in these efforts through a variety of channels. **The Millennium Challenge Corporation** (MCC), a US government entity with the stated mission to “reduce poverty through growth,” has a documented history of pushing countries to transfer land from family farmers to investors for industrial agriculture. In Sri Lanka, the

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MCC compact intends to map and record up to 67 percent of the country to “promote land transactions that could stimulate investment and increase its use as an economic asset.”

Like the MCC, and in contradiction with its own research, which has long recognized the value of customary systems, the US development agency (**USAID**) also plays a major role in financing and leading private titling projects worldwide. US corporations are increasingly involved as well, bringing in a technology called “blockchain” as the magic bullet to secure land tenure. Blockchain is a digital ledger that keeps track of transactions with “blocks” of information that store data such as the date, time, amount, and participants of a transaction in a chronological “chain.” It is a distributed ledger, which means whenever a transaction occurs, it must be verified by a network of thousands or possibly millions of computers around the world before the transaction can be recorded as a block on the chain. This makes it virtually impossible to alter transactions retroactively. (7)

Proponents of using the blockchain technology for land administration argue that it has the potential to improve the security and transparency of land registries by storing all information on property boundaries and owners in an immutable, online source. However, the application of the technology requires countries to move towards systems of private land ownership, which will require registration and digitalization.

The blockchain-based land titling program in Zambia led by a subsidiary of the US online retailer **Overstock.com** demonstrates how blockchain is actually used to privatize land and access natural resources. Patrick Byrne, the former CEO of Overstock.com made his motivations clear when he said that the goal of the project was to unlock trillions of dollars in global mineral reserves that are inaccessible due to unclear land governance systems. In 2018, Overstock.com signed an agreement with the World Bank to collaborate on similar projects in dozens of other countries but so far the Bank has refused to make this agreement public.

The US has also inordinate financial and political power over international institutions such as the **World Bank** and the **International Monetary Fund (IMF)**, both of which promote policies and regulations to privatize the commons for the benefit of the private sector. In Ukraine for instance, the IMF conditioned desperately needed financial support upon the creation of a land market. After years of international pressure, and in the midst of the Covid-19 pandemic, the country adopted a law creating a land market in March 2020 despite the opposition of over 70 percent of the population.

When it comes to seizing and privatizing land in the Global South, the World Bank is a key instrument of the corporate agenda championed by the US, which is the primary donor of the institution.

Funded by the **Bill & Melinda Gates Foundation**, the **US** and the **UK**, the World Bank's **Enabling the Business of Agriculture (EBA)** program is supposed to support the New Alliance for Food Security and Nutrition, an initiative launched by the **G8** to promote private sector-led agricultural development in Africa.

In 2019, a Oakland Institute report, *The Highest Bidder Takes It All: The World Bank's Scheme to Privatize the Commons*, denounced the unprecedented, aggressive attack on land rights driven by the project, which promoted large-scale industrial agriculture at the expense of farmers, pastoralists, and Indigenous Peoples. Through the EBA, the Bank recommended that governments formalize private property rights, ease the sale and lease of land for commercial use, systematize the sale of public land by auction to the highest bidder, and improve procedures for expropriation in order to put land to its “best use.” **It ignored the fact that billions of people live and work on these lands, which are essential for their livelihoods while representing ancestral assets with deep social**

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**and cultural significance.** Our findings generated outrage around the world and in a major development, the Bank eventually dropped the new land indicator in the 2019 EBA report. Instead, **it recognized the importance of customary land rights and announced that safeguards to protect these rights should be** “a development priority.” (8) The scrap of such indicator is a victory for billions of family farmers, pastoralists, and Indigenous Peoples around the world who rely on their land for their livelihoods, as well as for the 280-plus civil society organizations who have joined the [Our Land Our Business](#) campaign to push back against the World Bank.

However, beyond the rhetoric changes, as seen earlier, the Bank’s prescriptions on land privatization are still being applied at country level in different forms and the institution continues to finance programs that promote industrial agriculture and undermine customary land rights. In the Democratic Republic of Congo (DRC), the World Bank has for instance financed and guided the disastrous government’s plan to establish 22 agro-industrial parks across the country, leading to land grabbing and some US\$100 million of public funds wasted on implemented the first pilot park. (9)

The support to agro-industrial parks is consistent with the development model promoted by the World Bank around the world that encourages growth poles, development corridors and special economic zones as instruments to attract foreign investment. Instead of protecting community rights to land, governments are thus encouraged to operate on the deeply flawed assumption that “development” can only be achieved through granting corporate interests unfettered access to their resources as encouraged by the World Bank and so-called donor countries. The privatization of state and communally held land, done under the guise of “unlocking” land’s potential, caters to the needs of corporate interests at the expense of millions of livelihoods. Encouraging the creation of ‘land markets,’ the Bank can’t ignore that within a market system where land is nothing more than a commodity, corporations can price people out, resulting in eviction and dispossession, corporate concentration of land ownership, and environmental degradation.

This development narrative continues to be revived despite the role it has played in driving the current climate and environmental crisis and the millions of livelihoods it has destroyed through displacement and dispossession. The failure of the neoliberal economic model has never been clearer.

This ongoing commodification of land must be confronted with strong action to halt and reverse the privatization of the commons worldwide. Proven alternatives exist, and have been implemented successfully all over the world. Indigenous lands and waters represent 80 percent of the world’s biodiversity, and there is a growing understanding that local communities and Indigenous are effective stewards of these areas. They stand as the final line of defense against land grabbing and the destructive practices of governments and corporations that convert family farms, grasslands, and forests into monocropped industrial plantations, large ranches, and stripped earth mines.

The myth that secure tenure can only stem from private titles must be demolished. Rather than erasing local governance and negating Indigenous autonomy, governments must instead build systems that incorporate a diversity of ownership and governance systems, and focus on establishing a path that serves the people instead of one that takes the land away from them for the profit of corporations.

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(1) Rights and Resources Initiative. [Who Owns the World’s Land? A global baseline of formally](#)

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- [recognized indigenous and community land rights](#). September 2015. (accessed July 8, 2018).
- (2) Food and Agriculture Organization. "[6 ways indigenous peoples are helping the world achieve #ZeroHunger](#)." (accessed March 25, 2020). Customary tenure systems take a multitude of forms, which might reflect the systemic issues in societies, such as gender and minority group discrimination. But the goal of so-called land reforms undertaken by governments around the world is not designed to address these systemic issues.
- (3) Mousseau, F. [The Highest Bidder Takes it All: The World Bank's Scheme to Privatize the Commons](#), released by The Oakland Institute as part of the Our Land Our Business campaign, made up of 280 organizations worldwide, demanding an end to the Enabling Business of Agriculture program
- (4) UNCTAD & World Bank. [Respecting Land Rights and Averting Land Disputes. Responsible Agricultural Investment \(RAI\) Knowledge Into Action Note, no. 11](#). 2018. (accessed January 8, 2019).
- (5) "[World Bank: Africa held back by land ownership confusion](#)." BBC, July 23, 2013. (accessed January 7, 2019)
- (6) The Oakland Institute, [Driving Dispossession: The Global Push to "Unlock" the Economic Potential of Land](#), 2020.
- (7) See more in, WRM Bulletin 247, [Blockchain and Smart Contracts: Capital's Latest Attempts to Seize Life on Earth](#), 2020.
- (8) World Bank. [Enabling the Business of Agriculture 2019](#). Data on safeguards for land rights
- (9) The Oakland Institute, [The Bukanga Lonzo Debacle: The Failure of Agro-Industrial Parks in DRC](#).