

Pakistan starts privatization of agriculture lands

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Arab companies rush for corporate farming in Pakistan to lock up scarce water resources in agriculture belts as Federal Government offers one million acres of agriculture land to Arab monarchs, giving way to new corporate feudal system of its own kind.

During the last couple of years the extraordinary increase in prices of staple commodities (wheat, rice, corn, soybeans and barley) have apparently compelled many states of the world including oil-rich Arab monarchies and Middle Eastern countries to grow their own crops to manage supplies to their domestic consumers and also to build stockpiles for bad times.

In pursuit of what is being termed as food security, some gulf countries including Saudi Arabia and UAE have targeted Pakistan to undertake corporate farming on its fertile lands. Prior to a huge investment in corporate farming these countries must have assessed the level of political instability and situation of war on terror in Pakistan. Contrary to conventional western investors, these Arab companies are not at all hesitant to launch projects in Pakistan.

A vital question arises whether it is a routine part of international investment in agricultural sector or a sense of global urgency of food security or is it Pakistan's particular unfavorable investment conditions which in another sense plays vacuum to some "sacred" Muslim States or is it a mixture of variety of factors which has pushed Gulf states to venture into corporate farming in Pakistan.

Whatever the case may be, the Federal and provincial government of Punjab will waste no time to offer the state land to Arab Monarchs. The top leadership of both major political parties i.e, Nawaz and Zardari, may definitely be eager to pay back the monarchs as the two are thankful to Saudi Arabia and Dubai for providing them refuge during days of exile.

According to latest newspaper reports, the Federal Government of Pakistan is going to offer one million acres of its agriculture land across the country to private investors and companies for lease or sale. According to Federal Minister of Investment, on 19th April, Pakistan's government is now in talks with Saudi Arabia, the United Arab Emirates, Bahrain and other Arab states, and very soon deals would be signed. Some private companies on behalf of UAE government have already purchased 800,000 acres of land in Pakistan, say newspaper reports. They have acquired more than 1.5 hectares of land in Balochistan near Mirani Dam to begin mechanized farming and expected to sign a memorandum of understanding with Balochistan government. UAE is also in negotiation with Sindh government to acquire land in Shikarpur, Larkana and Sukker. They also showed interest with governments of N.W.F.P and Punjab. In Punjab they want to invest in the area surrounding Mianwali, Sargodha, Khushab, Jhang and Faisalabad. The Government has not only agreed to sell the state land to UAE but also offering attractive legal and tax incentives. It will provide Arab investors with a legislative cover to protect them from changes in the government as parliament, it is learnt, would soon approve such legislation. Besides this, government is also going to develop a new security force of 100,000 men to be split among the four provinces to help stabilize the

investment by Arab Monarchs. This will cost the government about \$2 billion to pay the salaries and train the security force. The plan smells foul as no body knows the details regarding functioning of this force. Some human rights activists view that this force will be used to remove local communities from their lands, which they have been tilling for centuries.

Most conspicuous aspect of this policy is the absence of labor laws; Government has assured investors that labor laws will not be applicable to Corporate Agriculture Companies, which is a clear violation of Human and labor rights. It is also pertinent to mention that there will be no custom duty and sales tax on import of agricultural machinery, equipment, making significant decrease in tax collection. Dividends from corporate agriculture farms are also not subject to tax while remittance of 100% capital and profits are allowed. There will be no upper ceiling on land holding. This “grand” package of incentives strengthens perception about the nefarious proposal by the government of Pakistan to corporate companies.

The move has also raised a number of questions, suggesting the so-called policy aims at taking Pakistan back to the colonial regime when the British used to produce in Pakistan with cheap labor and shipped back to England. It seems Pakistan will be becoming another Brazil where large scale corporate farming is in vogue. It is not only causing environmental hazards, increasing dangers of genetically modified foods and accelerating massive deforestation but also causing threats to family farming and displacement of indigenous communities. Another vital aspect of this deal which needs attention is the “thirst for water”, which is a crucial commodity for Gulf countries. Facing severe scarcity of water the whole oil-rich Arab peninsula is thirsty for water and worried for their next generations. According to a World Water Forum report water resources beneath Arab region are depleting rapidly. Saudi Arabia may be the worst hit, whose water resources are going to be dried up within the next 50 years. UAE, Bahrain and Qatar are also facing similar challenges. Water table in Minah region has already dropped to horrible level. While Israel imports its total portable water from Turkey. So water situation for the gulf region is alarming. In view of this impending water crisis many countries have started stringent measures to safe their water resources and are evolving new agriculture policies with focus on banning crops, like sugarcane which consumed a lot of water, whereas Pakistan and especially Punjab have abundant resources of water. We have fertile plains with variety of crops enough to feed the planet. Even beneath our barren and uncultivable lands there are rich sources of sweet waters. Thus one can well imagine the reasons behind selecting Pakistan for corporate farming by the Arab Monarchs.

The emerging global water paradigm suggests horrific picture when water will be acquiring the status of rare commodity rather “new gold” in not-so-far future, and a few savvy countries and companies are already banking on it.

As food prices skyrocketed over the last two years, countries and state-sponsored companies were quietly snapping up land around the world. Few noticed when South Korea began investing in farms in Madagascar, or when China, Japan, Libya, Egypt, and Persian Gulf countries acquired farmlands in Laos, Cambodia, Burma, Mozambique, Uganda, Ethiopia, Brazil, Pakistan, Central Asia, and Russia. The purchases weren't about land, but water. For with the land comes the right to withdraw the water linked to it. And, because this water has no price, the investors can take it over virtually free. Their lusty rushing to lock up scarce water resources in agricultural belts is nonetheless disturbing.

In a sense, the great water grab is only prudent. Some 70 percent of all freshwater withdrawn for human use goes into agriculture, but underground aquifers are falling- in some regions by several meters per year - and rivers are running dry due to overuse. The worst problems are in some of the world's most important agricultural areas: Eastern Spain, Middle East, North Africa, parts of Pakistan, Northwest India, and Northeast China.

In the backdrop of global water politics the repercussions of corporate farming policy will be dangerous for Pakistan. There is strong apprehension that millions of small farmers who have been feeding the ever growing population of Pakistan may be deprived of their lands, as well as the national interest in food security will be put at stake. In its haste to reap short-term financial gains and to replenish its dwindling foreign exchange reserves, the government of Pakistan is ceding control over food, water, biodiversity and local economies to multinational companies. We must realize that the degree of our future stakes. "Our future food security will be in the hands of a few multinational companies."

This is a technical surrender of national sovereignty. Most of the food rights activists believe that corporate farming will transform the country's agriculture, from subsistence-based to corporate and export-oriented nature. This will encourage big landlords to convert to corporate farms, potentially immunizing their land from future agrarian reforms, and spurring new investments in capital-intensive technologies that will displace farm workers. Corporate farming will also displace subsistence farmers, forcing them out of a livelihood and causing massive rural unemployment. Subsistence farmers already maintain a precarious existence in Pakistan. About 80 percent of farmers have less than two hectares of land or are landless. Those who grow crops that will be forced into competition with a highly organized and capital-intensive corporate sector may find themselves unable to stay afloat. As a result many of these small farmers would sell off their land to private companies or big landlords.

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