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Transnational Farmland Acquisition in the International Political Economy: Towards a Better Understanding of Theory, Approach, and Governance

Scott Y. Lin

Abstract

A new wave of transnational farmland acquisition recently emerged, giving rise to two questions: What are the approaches in this wave of farmland acquisition and have relevant regulations been created for governance? Theories of international political economy are used to analyse the acquisition race, with two findings. First, grain-importing countries in Asia and the Persian Gulf region tend to use economic nationalism to conduct acquisition. Developed countries in the West tend towards liberalism, with market interests being the driving force behind acquisition, and the civil society of host countries in the South generally embraces both Marxism and liberalism, hoping to evaluate the acquisition process from perspectives of human rights and responsible farmland investment. Second, the existing governance regulations tend to favor investor countries' interests, leaving host countries' food security insufficiently protected.

Keywords: transnational farmland acquisition, food security, international political economy, bilateral investment treaties, governance.

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I. Introduction

Globalisation has created a new wave of global farmland acquisition. Traditional produce-importing countries and resource-abundant countries work closely together, with the former wanting to control produce sources and financing of agribusiness and the latter targeting new global agricultural business opportunities in hopes of meeting the increasing global demand for agricultural produce by leasing or buying farmland abroad. There is an apparent tension in the involved countries' approach: it is called *farmland investment* by investor countries and *farmland grabbing* by farmers in host countries.

GRAIN is the first global civil society organisation (GCSO) concerned with transnational farmland acquisition.¹ Its investigation of more than 100 cases of farmland acquisition globally indicates the Persian Gulf countries and grain-importing countries in Asia have become significant investors in the latest wave of transnational farmland acquisition. Their investments would potentially damage the host country's food and job security, and long-term sustainable development. The 2011 Oxfam report shows that 227 million hectares of farmland have been leased or sold globally since 2001 with the phenomenon increasing rapidly after the 2008 food crisis.² According to Land Matrix's data, half of the top 10 countries that acquired the most farmland between 2000 and 2016 were major grain-consuming countries in Asia. These five Asian countries accounted for about 40 per cent of the overseas farmland traded.³ Also, between 2005-2009, of the 41 countries involved in transnational farmland acquisitions, 10 were principal grain-importing countries in Asia accounting for more than half of the farmland acquired.⁴ In addition, although some Western countries are listed as major players in transnational farmland acquisition, their demand for grain has not shown any rapid increase. As such, their role is

¹ GRAIN, 'Seized: The 2008 Landgrab for Food and Financial Security', *GRAIN Publication*, 24 October 2008, <http://www.grain.org/article/entries/93-seized-the-2008-landgrab-for-food-and-financial-security#sdfootnote6sym> (accessed January 12, 2017).

² Bertram Zagma, *Land and Power: The Growing Scandal Surrounding the New Wave of Investments in Land*, *Oxfam Briefing Paper 151* (Oxford: Oxfam International, 2011).

³ See The Land Matrix Global Observatory, 'Web of Transnational Deals', <http://www.landmatrix.org/en/get-the-idea/web-transnational-deals> (accessed January 12, 2017).

⁴ Maria Cristina Rulli, Antonio Savioli, and Paolo D'Odorico, 'Global Land and Water Grabbing', *Proceedings of the National Academy of Sciences of the United States of America (PNAS)* 110, no. 3 (2013): 892-7.

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similar to that of financial intermediary platforms providing agribusiness financial commodities to the world as investment which may ultimately jeopardise the food security of host countries.⁵

The World Bank (WB) supports transnational farmland acquisition from the viewpoint of international development.⁶ The WB suggests there are plenty of marginal or empty lands in the world, estimating the land area to be between 445 million and 1.7 billion hectares. These, it maintains, could be developed through international investment to confront food, energy, and climate change crises. As such, investors and hosts are encouraged to establish market governance to promote transnational land investment.⁷ Economic regimes like the G7 and the Organisation for Economic Co-operation and Development (OECD) have followed the WB's vision of agricultural-led development, believing also in the premise that Southern countries' poor management of land created food insecurity and that transnational farmland investment would not create global development issues. Associated countries, especially those in Africa,⁸ are thus advised to strengthen their domestic regulation of transnational farmland investment so that their agribusiness can receive investment and spur development⁹ although voices critical of the WB's vision have also emerged.¹⁰

The foregoing indicates that transnational farmland acquisition is still controversial in terms of interpretation of this wave, the approaches, and the creation of global governance regulations. There are divergent views over the GCSOs' concern for food security¹¹ and the

⁵ Friends of the Earth, *What's Your Pension Funding? How UK Institutional Investors Finance the Global Land Grab* (London: Friends of the Earth Trust Limited, 2014), <http://www.foe.co.uk/sites/default/files/downloads/whats-your-pension-funding-how-uk-institutional-investors-finance-global-land.pdf> (accessed January 12, 2017).

⁶ Klaus Deininger and Derek Byerlee, *Rising Global Interest in Farmland: Can It Yield Sustainable and Equitable Benefits?* (Washington, DC: The World Bank, 2011).

⁷ Klaus Deininger, 'Challenges Posed by the New Wave of Farmland Investment', *Journal of Peasant Studies* 38, no. 2 (2011): 217–47.

⁸ A report by the International Institute for Sustainable Development (IISD) especially indicated the African countries should enhance their state capacity among governments and parliamentarians to better negotiate investment deals; see IISD, 'Making Investment Work for Africa: A Parliamentary Response to "Land Grabs"', *IISD Library*, April 2012, <http://www.iisd.org/library/making-investment-work-africa-parliamentarian-response-land-grabs> (accessed May 12, 2017).

⁹ Matias E. Margulis, Nora Mckeeon, and Saturnino M. Borrás JR, 'Land Grabbing and Global Governance: Critical Perspectives', *Globalization* 10, no. 1 (2013): 17.

¹⁰ Discussions can be seen at Ruth Hall, 'Land Grabbing in Southern Africa: The Many Faces of the Investor Rush', *Review of African Political Economy* 38, iss. 128 (2011): 193–214.

¹¹ For related food security discussion, see Peter Rosset, 'Food Sovereignty and Alternative Paradigms to Confront Land Grabbing and the Food and Climate Crises', *Development* 54, no. 1 (2011): 21–30; Tania Murray Li, 'Centering Labor in the Land Grab Debate', *Journal of Peasant Studies* 38, no. 2 (2011): 281–98; Olivier De

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WB's claim that farmland investment would enhance development.¹² Therefore, this paper adopts theories of international political economy to analyse contemporary farmland acquisition. Theories of international political economy are often categorized into three contending perspectives—economic nationalism, liberalism, and Marxism. Each of the theories is frequently adopted to explain and even predict international events and is supported by a prominent international political economy scholar: Strange supports economic nationalism,¹³ Keohane, liberalism,¹⁴ and Cox, Marxism,¹⁵ but all are of the view that each country in the international political economy uses the three perspectives to mobilize support for particular development actions.

Further, in the agricultural development field, the three perspectives have been used since the 1980s to better understand the food crises of the 1970s and 1980s. Arguing from a Marxist perspective, Friedmann signalled that widening and deepening capitalist relations have caused food to become a commodity, resulting in the rise of a United States (US)-centred international food order.¹⁶ However, the 1970s food crises forced Japan to start its overseas farmland investment in Brazil to break through the US soybean embargo and caused the Third World to implement food self-sufficiency policies to decrease reliance on US-imported wheat.¹⁷ Consequently, Japanese adoption of economic nationalism and the Third World adoption of socialism marked the fall of the US-centred international food order. Nevertheless, to tackle the 1980s food crises, the Uruguay Round of the General Agreement on Tariffs and Trade (GATT)

Schutter, 'How Not to Think of Land-Grabbing: Three Critiques of Large-Scale Investments in Farmland', *Journal of Peasant Studies* 38, no. 2 (2011): 249–79; and Farshad Araghi and Marina Karides, 'Land Dispossession and Global Crisis: Introduction to the Special Section on Land Rights in the World-System', *Journal of World –System Research* 18, no. 1 (2012): 1–18.

¹² For related development discussion, see Beth Robertson and Per Pinstrup-Andersen, 'Global Land Acquisition: Neo-Colonialism or Development Opportunity?', *Food Security* 2, no. 3 (2010): 271–83; Cecilie Friis and Anette Reenberg, *Land Grab in Africa: Emerging Land System Drivers in a Teleconnected World*, Global Land Project Report No. 1 (Copenhagen: University of Copenhagen, GLP-IPO, 2010); and Connie Carter, 'Consent not Coercion: Rethinking the Taking of Land for "Development"', in *Land Grabs in Asia: What Role for the Law*, ed. Connie Carter and Andrew Harding (New York, NY: Routledge, 2015): 1–23.

¹³ Susan Strange, 'Protectionism and World Politics', *International Organization* 39, no. 2 (1985): 233–59.

¹⁴ Robert O. Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy* (Princeton, NJ: Princeton University Press, 1984).

¹⁵ Robert W. Cox, *Production, Power, and World Order: Social Forces in the Making of History* (New York, NY: Columbia University Press, 1987).

¹⁶ Harriet Friedmann, 'The Political Economy of Food: The Rise and Fall of the Postwar International Food Order', *American Journal of Sociology* 88, Supplement: Marxist Inquiries: Studies of Labor, Class, and States (1982): 248–86.

¹⁷ Friedmann, 'The Political Economy of Food: The Rise and Fall of the Postwar International Food Order', 280–81.

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extended food corporate power relative to national power so greatly in the 1990s. The contemporary 'corporate food regime' dominated the international food market.¹⁸ Through the platform of neo-liberal policies and programs, large food corporations, generally based in North America and Europe, have centralised international food supply chains and controlled international food transactions.¹⁹ While the East Asian countries were re-applying economic nationalism in state-supported agribusiness enterprises and investments for their national food security concerns,²⁰ Latin American countries were embracing Marxism, especially the food sovereignty movements, to safeguard their national and local food security.²¹ Evidently, historical power dynamics continue to have geographic influence on the development of international political economy.

As transnational farmland acquisition has become a major concern, Cotula points out that trends, scale, geography, and drivers of farmland acquisition exhibit strong historical roots too.²² This paper argues that the pathway chosen by each country in following with its historical background will not only shape the progression of the farmland acquisition race but also related governance mechanism. Pursuing a policy of economic nationalism, countries in Asia and the Persian Gulf region are leading the contemporary farmland acquisition race for food security reasons. Bilateral investment treaties (BITs), which are based on economic cooperation, have become the standard for governance regulations. Developed countries in the North pursue a policy of liberalism and acquire farmland through financing of agribusiness. The WB's Principles for Responsible Agro-Investment (PRAI) have become their basis for governance regulations. Most farmers from the Southern host countries favour cooperation with GCSOs, leaning towards Marxism and liberalism to supervise the transnational farmland acquisition based on norms of human rights and responsible farmland investment. Nevertheless, current governance regulations are in favour of protecting the rights and interests of investors, and

¹⁸ Harriet Friedmann, 'The Political Economy of Food: A Global Crisis,' *New Left Review* 1/197 (1993): 29–57.

¹⁹ Philip McMichael, 'A Food Regime Analysis of the 'World Food Crisis'', *Agriculture and Human Values* 26, no. 4 (2009): 281–295.

²⁰ Philip McMichael and Chul-Kyoo Kim, 'Japanese and South Korean Agricultural Restructuring in Comparative and Global Perspective', in *The Global Restructuring of Agro-Food Systems*, ed. Philip McMichael (Ithaca, NY: Cornell University Press, 1994): 21–52.

²¹ Marc Edelman, *Peasants against Globalization: Rural Social Movements in Costa Rica* (Stanford, CA: Stanford University Press, 1999); Marc Edelman, 'Food Sovereignty: Forgotten Genealogies and Future Regulatory Challenges', *Journal of Peasant Studies* 41, no. 6 (2014): 959–978.

²² Lorenzo Cotula, 'The International Political Economy of the Global Land Rush: A Critical Appraisal of Trends, Scale, Geography and Drivers', *Journal of Peasant Studies* 39, no. 3-4 (2012): 649–80.

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GCSOs are accustomed to only supervising the development of neo-liberalism, causing economic nationalism's investment processes to lack supervisory mechanisms; therefore, the food security of host countries are insufficiently protected.

This paper is organized as follows: The second section explains the main theories of the three schools of international political economy—economic nationalism, liberalism, and Marxism—and the effect they have on agribusiness development and food security. The third section uses these theories to analyse the purpose and approaches of the transnational farmland acquisition race. The fourth section reviews the promotions and restrictions that current governance mechanisms exert in each transnational farmland acquisition approach. Finally, the fifth section explains the future challenges of the transnational farmland acquisition race.

II. International Political Economy, Agricultural Development, and Food Security

2.1 Economic Nationalism

Originating in 18th-century Europe, economic nationalism pinpoints states as important economic actors effecting modernisation.²³ This school considers certain special industries (such as manufacturing and military) as strategic industries crucial to national development. The wealth these industries create far exceeds that of other industries (such as agriculture); thus, it is paramount to intervene through state power in these related special industries to create a more secure foundation for rapid modernisation.

Developing countries, especially those in East, Southeast, and South Asia,²⁴ often adhere to the development model of economic nationalism. However, the content of this development model invariably champions the West's modernised lifestyle as the ultimate model for development. Therefore, most modernisation projects study the West's development path, emphasizing national infrastructure, the development of an agricultural modernisation project, urbanisation of surplus agricultural population, and the establishment of financial and trade

²³ For an early analysis, see Alexander Hamilton, 'Report on Manufactures', in *The Theoretical Evolution of International Political Economy: A Reader*, eds. George T. Crane and Abba Amawi (New York, NY: Oxford University Press, 1791/1997): 37–47; Friedrich List, 'Political and Cosmopolitical Economy', in *The Theoretical Evolution of International Political Economy: A Reader*, eds. George T. Crane and Abba Amawi (New York, NY: Oxford University Press, 1885/1997): 48–54.

²⁴ Cumings calls countries following this development model 'bureaucratic-authoritarian industrializing regimes'. See Bruce Cumings, 'The Origins and Development of the Northeast Asian Political Economy: Industrial Sectors, Product Cycles, and Political Consequences,' *International Organization* 38, no. 1 (1984): 1–40.

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systems.²⁵ Consequently, these concepts have prompted developing countries in Asia to develop and embrace more features of an industrialised society and urbanisation. Johnson made the case that the economic development miracle in Japan could be explained by the state's intervention in the market, with assistance rendered to specific industries and the theory of developmental state²⁶ underpinning the modernisation process. The theoretical framework of modernised countries forged by the extensive involvement of the governments in the markets has been borrowed assiduously by other economic nationalism scholars to analyse the rise of East and Southeast Asian countries.²⁷ Even though the wave of economic nationalism and the developmental state theory²⁸ came under heavy criticisms and challenges following the 1997 Asian financial crisis,²⁹ both the ascent of China³⁰ and the re-emergence of the school of state capitalism after the 2007-2009 financial crisis³¹ have resulted in the economic nationalism development model being taken seriously again. The model has even been replicated by and expanded to encapsulate countries in South Asia and the Persian Gulf region.³²

However, if a country draws from its domestic agricultural resources to support other specific industries, the result is that the country's food security will become exceedingly dependent on support from the international trade market. Consequently, in the mid-1970s, Japan

²⁵ W. W. Rostow, 'The Stages of Economic Growth', *The Economic History Review, New Series* 12, no. 1 (1959): 1–16; Alex Inkeles and David H. Smith, *Becoming Modern: Individual Change in Six Developing Countries* (Cambridge, MA: Harvard University Press, 1974).

²⁶ Chalmers Johnson, *MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925-1975* (Stanford, CA: Stanford University Press, 1982).

²⁷ Adrian Leftwich, 'Bringing Politics Back In: Towards a Model of the Developmental State', *Journal of Development Studies* 31, no. 3 (1995): 400–27; Peter Evans, *Embedded Autonomy: States and Industrial Transformation* (Princeton, NJ: Princeton University Press, 1995); Meredith Woo-Cumings ed., *The Developmental State* (Ithaca, NY: Cornell University Press, 1999).

²⁸ Although economic nationalism and developmental state theory both agree on the state-led development strategy, the latter emphasizes state-owned and state-supported enterprises and investments to sustain state-led development.

²⁹ Eul-Soo Pang, 'The Financial Crisis of 1997–98 and the End of the Asian Developmental State', *Contemporary Southeast Asia* 22, no. 3 (2000): 570–93; Linda Weiss, 'Developmental States in Transition: Adapting, Dismantling, Innovating, not "Normalizing"', *The Pacific Review* 13, no. 1 (2000): 21–55.

³⁰ Seung-Wook Baek, 'Does China Follow "the East Asian Development Model"?', *Journal of Contemporary Asia* 35, no. 4 (2005): 485–98; Mark Beeson, 'Developmental States in East Asia: A Comparison of the Japanese and Chinese Experiences', *Asian Perspective* 33, no. 2 (2009): 5–39.

³¹ Ian Bremmer, 'The Return of State Capitalism', *Survival: Global Politics and Strategy* 50, no. 3 (2008): 55–64; Aldo Musacchio and Sergio G. Lazzarini, *Reinventing State Capitalism: Leviathan in Business, Brazil and Beyond* (Cambridge, MA: Harvard University Press, 2014); Scott Y. Lin, 'State Capitalism and Chinese Food Security Governance', *Japanese Journal of Political Science* 18, no. 1 (2017): 106–138.

³² Prithvi Ram Mudiam, 'The Democratic Developmental State: The Indian Experience', in *The Feasibility of the Democratic Developmental State in the South*, ed. Daniel A. Omoweh (Dakar, Senegal: CODESRIA, 2012), 89–106; Martin Hvidt, 'Economic and Institutional Reforms in the Arab Gulf Countries', *The Middle East Journal* 65, no. 1 (2011): 85–102.

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began to sign BITs with other countries, including the provision of direct and indirect financial assistance, investment in foreign agriculture, and acquisition of foreign agricultural enterprises. Thus, a vertical foreign food supply chain was established, not only to safeguard the domestic food supply (particularly of soybean) but also to bolster sales in the global grain market.³³ A small number of Gulf countries followed a similar economic nationalism development model in the 1970s by establishing a national development fund to invest in foreign farms and gain direct control of overseas agricultural resources, particularly wheat production in Africa, to feed their own populations.³⁴

Therefore, the development blueprint of economic nationalism with regard to the governance of international investment, especially investment that threatens to deplete resources and jeopardise food security, is often driven by responses grounded in realism.³⁵ The resource depletion crisis caused by transnational farmland acquisition, however, is often classified as a cross-border, cross-generational issue in urgent need of international cooperation. The promotion of market economy principles by the school of liberalism arose, as a result, to resolve the aforementioned conundrum resulting from economic nationalism.

2.2 Liberalism

Liberalism originated in 19th-century England, and its early followers believed that any industry, whether manufacturing or agricultural, offers international competitiveness and guarantees a country's continued development.³⁶ In other words, any industry, as long as it possesses price superiority and competitive products, should be encouraged to participate in international trade. A country's industry classification selection and trade market intervention should be as limited as possible.

Even though the belief that liberalism promotes state modernisation development did not gain traction after World War II, it experienced a remarkable revival in the late 1980s. Towards

³³ Mary G. McDonald, 'Food Firms and Food Flows in Japan 1945–98', *World Development*, 28, no. 3 (2000): 487–512; Frances M. Ufkes, 'Trade Liberalization, Agro-Food Politics and the Globalization of Agriculture', *Political Geography* 12, no. 3 (1993): 215–31; Philip McMichael and Chul-Kyoo Kim, 'Japanese and South Korean Agricultural Restructuring in Comparative and Global Perspective'.

³⁴ Eckart Woertz, 'Arab Food, Water and the Big Gulf Landgrab that Wasn't', *Brown Journal of World Affairs*, 18, no. 1 (2011): 119–32; Eckart Woertz, 'The Governance of Gulf Agro-Investments', *Globalizations* 10, no. 1 (2013): 87–104.

³⁵ For a realist critique, see: Eric Helleiner, 'International Political Economy and the Greens', *New Political Economy* 1, no. 1 (1996): 69–70.

³⁶ For an early analysis, see Adam Smith, *The Wealth of Nations* (New York, NY: Penguin, 1776/1982).

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the end of the Cold War, the US and Britain vigorously promoted the neo-liberal paradigm of development under the influence of Friedrich Hayek and Milton Friedman. As a result, the privatisation of state assets, liberalisation of trade and industrial activities, relaxation of state control, reduction of tax items and quotas, curtailing of state expenditure, and suppression of labour movements have become the cornerstone characteristics of neo-liberalism-driven development, a major force shaping economic globalisation.³⁷ Underpinned by important international organisations (IOs), especially the World Trade Organization (WTO), the International Monetary Fund (IMF), and the WB, these neo-liberal frameworks of development engendered a number of international economic cooperation mechanisms and culminated in a series of free trade agreements in the 21st century, not only to promote the economic development of the countries concerned but also to accelerate the blurring of national boundaries.³⁸ Discussions of a state's functions gradually segued into the theory of the competition state, an indication that the state will intervene in the market in a limited capacity. However, the purpose of state intervention in the market is no longer to support a particular industry; instead, the state serves as the regulator of the market to boost the country's competitiveness and attract more economic investment.³⁹ Even though the 2007-2008 financial crisis slowed the inexorable march of neo-liberal globalisation, contemporary neo-liberal development concepts remain quite popular.⁴⁰

Agricultural development within the liberalism framework is driven by the market orientation process; food security is seen by liberalism as a market security issue rather than a national security issue. One example is the recent rapid increase in Australia's food production, which illustrates how the economic interests of liberal markets can promote food production and solve the issue of global food production security.⁴¹ Australia's grain market has benefited of late from countries around the world reducing agricultural tariffs and importing large quantities

³⁷ Manfred B. Steger, *Globalism: Market Ideology Meets Terrorism*, 2nd edition (Lanham, MD: Rowman & Littlefield, 2005), 11–2.

³⁸ Peter Dicken, *Global Shift: Mapping the Changing Contours of the World Economy* (New York: Guilford Press, 2007), 190–2.

³⁹ Philip G. Cerny, 'Paradoxes of the Competition State: The Dynamics of Political Globalization', *Government and Opposition* 32, no. 2 (1997): 251–74.

⁴⁰ Yale H. Ferguson and Richard W. Mansbach, *Globalization: The Return of Borders to a Borderless World?* (New York: Routledge, 2012), 5.

⁴¹ Geoffrey Lawrence, Carol Richards, and Kristen Lyons, 'Food Security in Australia in an Era of Neoliberalism, Productivism and Climate Change', *Journal of Rural Studies* 29 (2013): 30–9.

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of grain crops from Australia. In addition, countries are investing in Australian agribusiness for the simple fact that grain crops are profitable. Finally, the Australian government is canvassing international investment funds through the commodification process of agricultural resources (such as water and land) and further developing farming techniques and farmlands for cultivation. Thus, the current grain production of Australia suffices to feed not only the 22 million people within the country but also as many as 40 million people overseas and may play a more important role in future food markets.

In addition to Australia's very own success story, the affordability and stability of food production nowadays are also the result of the corporate food regime dominated by broader neo-liberal projects promoted by financial institutions (such as WB, IMF, and WTO) and agribusiness multinational corporations (from seed technologies to cropping systems, food processing, food manufacturing, and food distribution).⁴² In particular, the implementation of neo-liberal projects by the corporate-financial powers regime stipulated that nations worldwide must reduce government protection of agriculture and open up their markets to private corporations for agricultural investments and trade. Through a combination of drastic neo-liberal measures, market forces could be introduced to promote local agricultural development and safeguard global food security.⁴³ The WB's recent policy report also found that market forces drove countries around the world to make transnational farmland investments from 1961-2007 and significantly contributed to food production.⁴⁴ The rise of the new transnational farmland investment movement after 2008 was also fuelled by soaring global food prices. Thus, the WB concluded that global population growth, economic growth, changes in eating habits, the loss of agricultural production elements to urbanisation, the decline in incremental agricultural technology-enabled output, the effect of climate change on food production environments, and the decrease in farmland used for food crops as farmers switch to biofuel crops will cause global food prices to continue to rise and encourage the trend of contemporary transnational farmland investment.⁴⁵ Therefore, to reach the FAO's goal of feeding the world's population, the world's food production must increase by 70 per cent by 2050. The WB considers transnational farmland

⁴² Philip McMichael, *Food Regimes and Agrarian Questions* (Canada: Fernwood Publishing, Halifax and Winnipeg, 2013).

⁴³ Philip McMichael, *Development and Social Change: A Global Perspective* (Thousand Oaks, CA: SAGE, 2012).

⁴⁴ Deininger and Byerlee, *Rising Global Interest in Farmland*, 10-1.

⁴⁵ *Ibid.*, 13-5.

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investment a feasible proposal; therefore, market incentives must be provided to stimulate greater investment in food production. The WB has also championed the PRAI's agriculture investment program in the hope that it can reduce the negative effects of investment on food security, environmental ecology, and social development.⁴⁶

Early on, liberals realised that transnational farmland acquisition could bring about irresponsible investment behaviour, resulting in a host country's natural resources being misused and engendering development risk. As a result, liberals have vigorously defended the necessity of governance norms for cooperation. Although liberalism acknowledges the core belief of realism that international politics is in a state of anarchy, it also believes that anarchy does not necessarily limit international cooperation. On the contrary, liberalism asserts that international anarchy merely illustrates the imperfect norms for global governance. As a result, the reinforcement of international communication can alleviate international suspicions.⁴⁷ However, the social exploitation process behind free market competition and the fact that Western countries dominate the agenda-setting process of international regimes have been conveniently overlooked by liberal scholars; in stark contrast, Marxism attaches great importance to these factors.

2.3 Marxism

The Marxist school, which began in the 19th century,⁴⁸ asserts that the wealthy and influential bourgeoisie will seek to infiltrate state apparatus, multinational corporations (MNCs), and IOs so that the decision-making processes of government and companies must always cater to the capital re-accumulation of the bourgeoisie with vested interests. Since the industrial revolution in the 18th century, the bourgeoisie has wielded great powers across the Northern developed countries and dominated global development through governments, IOs, and MNCs. They have created a structure in which the Southern periphery countries depend on the Northern core countries, which continue to shape global development.

The development view of Marxism is that today's globalisation is a more profound revival process of imperialism or colonialism, in which the bourgeoisie have forged a closer relationship within the governmental organisations and corporations that dominate local, national,

⁴⁶ Ibid., xxvii.

⁴⁷ Robert Marshall Axelrod and William Donald Hamilton, 'The Evolution of Cooperation', *Science* 211, no. 4489 (1981): 1390–6.

⁴⁸ For an early analysis, see Karl Marx and Friedrich Engels, 'The Communist Manifesto', in *Karl Marx: Selected Writings*, ed. David McLellan (New York, NY: Oxford University Press, 1848/2000): 245–272.

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and global development trends.⁴⁹ The archetypical case is that of the global development pattern being controlled by the 37,000 MNCs hailing from the core countries. These MNCs expend great effort on controlling the meetings and agenda setting of organisations such as the WTO, IMF, and WB. Therefore, they can mandate the periphery countries to open up their markets with their financial clout. Doing so enables the policies of liberalisation and privatisation to benefit MNCs and allow them to further dominate global development. They exacerbate the North-South gap and the disparity between the rich and the poor.⁵⁰ Thus, the so-called globalisation is only a strategy by the strong core countries to compel the weak periphery countries to open up markets and thus render the core countries stronger and the periphery countries weaker.⁵¹ In addition, the core countries have made the capital and interests of MNCs increasingly dependent on one another through the aforementioned governance mechanisms. Therefore, contemporary globalisation has not led to a repeat of the conflict structure in the late 19th century, in which imperialist countries competed for resources. On the contrary, the interdependent relationship of cross-capital investing has consolidated the cooperative relationship among the core countries to dominate global development.⁵²

The agricultural and food industries in the developing countries have been regarded by Marxists as the sacrificial industries and the target of exploitation by the bourgeois. Especially after World War II, the governments of the US and Western European countries have successively passed farm bills and food export subsidies under pressure from agribusiness MNCs, thereby allowing a small number of these agribusiness MNCs to control the global food market. In the US market, for example, the top four food companies in the late 20th century accounted for 81 per cent of the beef market, 59 per cent of the pork market, 50 per cent of the chicken market, 60 per cent of the food storage facility market, 61 per cent of the flour market, 80 per cent of the soybean market, 81 per cent of the corn export market, and 65 per cent of the soybean export market. In addition, Wal-Mart and Carrefour monopolised the channels for the global food

⁴⁹ For related discussion, see David Harvey, 'Globalization in Question,' *Rethinking Marxism: A Journal of Economics, Culture & Society* 8, no. 4 (1995): 1-17.

⁵⁰ James Petras and Henry Veltmeyer, *Globalization Unmasked: Imperialism in the 21st Century* (New York: Zed Books, 2001): 54-5.

⁵¹ Dicken, *Global Shift*, 174.

⁵² Leo Panitch and Sam Gindin, 'Global Capitalism and American Empire', in *The New Imperial Challenge. The Socialist Register 2004*, ed. Leo Panitch and Colin Leys (New York: Monthly Review Press, 2004), 1-62.

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retail market and were thus able to exploit farmers.⁵³ Such centralisation processes within the agriculture market allow agribusiness MNCs to wield greater power; said MNCs have not only continued to monopolise the sales prices and put consumers in harm's way but also further suppressed the purchase prices on farms, turning farmers into the victims of the marketisation of agriculture.⁵⁴ Consequently, the state apparatus has become the actor that renders assistance to agribusiness MNCs instead of following the social-democratic agenda to protect the vulnerable farmers.⁵⁵ As a result, the Marxist agrarian theory of 'food sovereignty' began to be promoted, on the one hand, to protest the abolishment of governmental agricultural protection policies and, on the other hand, to rail against the import of US food products by the Central American states.⁵⁶

The land-grabbing process beginning in the early 21st century has been brought to the attention of GRAIN. GRAIN's investigative report pinpointed how the fundamental theory, capital source, and technical support behind the transnational farmland acquisition process since 2007 all came with the support of the WB, the academic community in North America, and Wall Street.⁵⁷ This farmland acquisition has enabled the bourgeoisie in developed countries to impose neo-colonialism on farmers in developing countries. Food and land security issues are thus viewed as contradictory problems in relation to production while the state and markets serve only as the colonial tools of the bourgeoisie. Interestingly, China is deemed as important as Western countries within GRAIN,⁵⁸ a reflection of the frantic acquisition of farmlands in South America, Southeast Asia, Africa, New Zealand, and Australia by ascendant Chinese agribusiness MNCs to grow and supply food to the voracious Chinese food market. These acts have given rise to the

⁵³ Mary Hendrickson, William D. Heffernan, Philip H. Howard, and Judith B. Heffernan, 'Consolidation in Food Retailing and Dairy', *British Food Journal* 103, no. 10 (2001): 715–28.

⁵⁴ Raj Patel, *Stuffed and Starved: From Farm to Fork, the Hidden Battle for the World Food System* (London, UK: Portobello Books, 2013), 102–3; Philip McMichael, 'A Food Regime Analysis of the 'World Food Crisis''.

⁵⁵ Douglas H. Constance, Mary Hendrickson, and Philip H. Howard, 'Agribusiness Concentration: Globalization, Market Power, and Resistance', in *The Global Food System: Issues and Solutions*, ed. William D. Schanbacher (Santa Barbara, CA: Praeger, 2014), 45.

⁵⁶ Marc Edelman, 'Food Sovereignty: Forgotten Genealogies and Future Regulatory Challenges', *Journal of Peasant Studies* 41, no. 6 (2014): 959–978.

⁵⁷ GRAIN, 'Slideshow: Who's Behind the Land Grabs?', *GRAIN Publication*, October 2012, <http://www.grain.org/article/entries/4576-slideshow-who-s-behind-the-land-grabs> (accessed January 12, 2017).

⁵⁸ GRAIN, 'Who Will Feed China: Agribusiness or Its Own Farmers? Decisions in Beijing Echo Around the World', *GRAIN Publication*, August 2012, <http://www.grain.org/article/entries/4546-who-will-feed-china-agribusiness-or-its-own-farmers-decisions-in-beijing-echo-around-the-world> (accessed January 12, 2017).

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new phenomenon of neo-colonialism, in which developing countries acquire overseas farmlands, including farmland in both developed and developing countries.⁵⁹

The cases of the Chinese agribusiness MNCs suggests that there exists no clear concept of state geography in Marxism. On the contrary, Marxism considers social interactions from the relations of production via which the bourgeoisie exploits the peasant class. The process of exploitation is thus transnational and universal. In addition, since the 1980s, neo-Marxists have engaged in animated discussions critiquing today's food and environment insecurity issues and pinpointed as the culprit unfair capital and social structures,⁶⁰ which pose numerous threats to the environment via the current modernisation process and jeopardize the rights to food of the peasant class. Today's neo-Marxism has even gradually incorporated the ecological modernisation theory and embraced the claim that debates on environmental issues should be reframed in terms of the social origin of the natural concept from a social constructivism viewpoint.⁶¹ The solution to transnational farmland acquisition is to reflect the multiple values of farmland through investment acts and to strengthen the legal protection of human rights, such as food rights and environmental rights, within the host countries. Table 1 lists the addresses and contents of the agricultural development and food security, according to the three perspectives of international political economy.

[Insert Table 1 here]

However, currently, the transnational farmland trades conducted by agribusiness MNCs are heavily protected by investor countries and governance norms. The following section addresses in details the protective regulations of transnational farmland acquisitions.

⁵⁹ For further comments on GRAIN's reports, see Scott Y. Lin, 'From Self-Sufficiency to Self-Supporting: China's Food Security under Overseas Farmland Investment and International Norms', *Issues and Studies* 51, no. 3 (2015): 89-129.

⁶⁰ Allan Schnaiberg, *The Environment: From Surplus to Scarcity* (New York: Oxford University Press, 1980); Stephen G. Bunker, *Underdeveloping the Amazon: Extraction, Unequal Exchange, and the Failure of the Modern State* (Urban, IL: University of Illinois Press, 1985).

⁶¹ Arthur P. J. Mol and Gert Spaargaren, 'Ecological Modernisation Theory in Debate: A Review', *Environmental Politics* 9, no. 1 (2000): 17-49; William R. Freudenburg, 'Social Constructions and Social Constrictions: Toward Analyzing the Social Construction on the "Naturalized" as well as the "Natural"', in *Environment and Global Modernity*, ed. Gert Spaargaren, Arthur P. J. Mol, and Frederick H. Buttel (London: Sage., 2000), 103-21.

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III. International Political Economy and the Governance Regulations for Transnational Farmland Acquisition

3.1 Economic Nationalism

During the 21st century, the robust growth of developing countries coincided with the rapid depletion and deteriorating quality of the world's agricultural resources (especially farmlands and water resources). Countries in Asia that pursued the developmental state theory in the last century have joined the foreign farmland acquisition movement largely to protect their domestic food security.⁶² China exemplifies the global farmland acquisition process with its acquisition of excessive quantities of farmland, serious consideration of national security and strategy, and application of BIT standards.⁶³ Therefore, systems like the food production dependency of the South on the North have been reformed, giving rise to multipolarity structures and challenging the existing structure, including contemporary global food governance.⁶⁴ Investigations by Borras Jr. *et al.* further revealed that such countries as China, middle-income great powers, and Persian Gulf countries have become major transnational farmland investor countries.⁶⁵ They have gradually become the regulators of the international food regime of flex crops (such as maize, soybean, palm tree, and sugar cane) for multiple uses.⁶⁶ Thus, McMichael asserts that Southern countries will soon come to grasp the more essential factors of agricultural production because of transnational farmland acquisition and will gradually break away from the dependence on the Northern-dominated international food trade. The G20 would thus replace the

⁶² The major factor that drives Asian countries, including East Asian, Southeastern Asian, South Asian, and the Persian Gulf states, to participate in the foreign farmland acquisition movement is their food security concerns; see Scott Y. Lin, 'An Asian Way to Safeguard Food Security—Transnational Farmland Investment', *Asian Perspective* 41, no. 3 (2017): 481–518.

⁶³ Uwe Hoering and Nora Sausmikat, *Agriculture in China: Between Self-Sufficiency and Global Integration* (Essen, Germany: Asienstiftung/German Asia Foundation, 2011), 147–64; Irna Hofman and Peter Ho, 'China's 'Developmental Outsourcing': A Critical Examination of Chinese Global 'Land Grabs' Discourse', *Journal of Peasant Studies* 39, no. 1 (2012): 1–48.

⁶⁴ Matias E. Margulis and Tony Porter, 'Governing the Global Land Grab: Multipolarity, Ideas, and Complexity in Transnational Governance', *Globalization* 10, no. 1 (2013): 65–86.

⁶⁵ Saturnino M. Borras Jr., Jennifer C. Franco, and Chunyu Wang, 'The Challenge of Global Governance of Land Grabbing: Changing International Agricultural Context and Competing Political Views and Strategies', *Globalization* 10, no. 1 (2013): 161–79.

⁶⁶ These uses primarily include simultaneously such functions as food, feed, and fuel; see Saturnino M. Borras Jr., Jennifer C. Franco, S. Ryan Isakson, Les Levidow, and Pietje Vervest, 'The Rise of Flex Crops and Commodities: Implications for Research', *Journal of Peasant Studies* 43, no. 1 (2016): 93–115; Gustavo de L. T. Oliveira and Mindi Schneider, 'The Politics of Flexing Soybeans: China, Brazil and Global Agroindustrial Restructuring', *Journal of Peasant Studies* 43, no. 1 (2016): 167–194.

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agricultural trade regime of the G7 or the WTO and become a new agribusiness regulator.⁶⁷

McMichael even uses the term 'security mercantilism' to describe the movement in which Southern countries in Asia utilize the emphasis of economic nationalism on national security to actively acquire agricultural resources.⁶⁸ As a result, economic nationalism is morphing into neo-colonialism.⁶⁹

Cotula claims that BITs, which arose in the mid-1990s, have provided the basis for international laws, encouraging the trend towards transnational farmland acquisition.⁷⁰ Moreover, BITs can provide the governments of investor countries with a steady environment beneficial for foreign investment. Therefore, enterprises from the investor countries are protected by law when investing in foreign markets where a BIT has been signed. This mechanism encourages transnational farmland acquisition. The contents of most BITs include tax breaks, low-interest loans, customs preferences, high-level foreign aid, and assistance through implementation of the national strategy. In the 21st century, South-South BITs have increased to keep pace with the traditional North-South BITs. By the end of 2014, there were more than 3,000 BITs, nearly half of which were South-South investments, demonstrating that the Southern countries have gradually become transnational farmland investors and hosts. According to Lin, the reach of China's overseas investment has even expanded to include the farmlands of Northern countries such as Australia and New Zealand, and the contents of China's BITs, which ensure that foreign agricultural resources will be diverted to China, allow investment by state-owned enterprises (SOEs) and sovereign wealth funds (SWFs), free-trade agreements, and currency swap agreements.⁷¹ At the same time, Cotula concludes that Chinese SOEs and SWFs

⁶⁷ Philip McMichael, 'The Land Grab and Corporate Food Regime Restructuring', *Journal of Peasant Studies* 39, no. 3-4 (2012): 681-701.

⁶⁸ Philip McMichael, 'Land Grabbing as Security Mercantilism in International Relations', *Globalization* 10, no. 1 (2013): 47-64.

⁶⁹ For related discussion, see Hairong Yan and Barry Sautman, 'Chinese Farms in Zambia: From Socialist to "Agro-Imperialist" Engagement?' *African and Asian Studies* 9, no. 3 (2010): 307-33; Loro Horta, 'The Zambezi Valley: China's First Agricultural Colony?', *Center for Strategic and International Studies (CSIS) Publications*, 2008, <http://csis.org/publication/zambezi-valley-chinas-first-agricultural-colony> (accessed January 12, 2017); Deborah A. Bräutigam, 'The Zambezi Valley: China's First Agricultural Colony? Fiction or Fact?', *China in Africa: The Real Story*, 2012, <http://www.chinaafricarealstory.com/2012/01/zambezi-valley-chinas-first.html> (accessed January 12, 2017).

⁷⁰ Lorenzo Cotula, "'Land Grabbing' in the Shadow of the Law: Legal Frameworks Regulating the Global Land Rush', in *The Challenge of Food Security: International Policy and Regulatory Frameworks*, ed. Rosemary Rayfuse and Nicole Weisfelt (Northampton, MA: Edward Elgar, 2012), 208-9.

⁷¹ Lin, 'From Self-Sufficiency to Self-Supporting: China's Food Security under Overseas Farmland Investment and International Norms', 106.

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and Middle Eastern SWFs have gradually become major actors in overseas farmland acquisition and are closely aligned with their national security interests.⁷²

BITs are binding with regard to protecting the rights and interests of investor countries and enterprises. As for the rights and interests of host countries on the receiving end of farmland investment, they are protected by BITs from damages (such as soil contamination or decrease of food supply) only in the context of the local laws. Therefore, if the laws of the host countries are imperfect or poorly enforced, the local communities would be damaged, leaving the 'environmental responsibility' concept in the UN Global Compact and the 'right to adequate food' concept in the Universal Declaration of Human Rights and the International Bill of Human Rights as the only reliable recourse for international regulations. However, these assurances are non-binding; thus, farmland acquisition cases are often opposed by farmers of the host countries and other GCSOs. They believe that national-security-oriented investments benefit only the investor countries and enterprises and do not protect the environment and agriculture of the host countries.⁷³ Discourses on neo-colonialism, outlined above, thus arise.

3.2 Liberalism

The liberal view is that transnational farmland acquisition is not a new phenomenon.⁷⁴ It can be traced back to the colonization process of agribusiness MNCs from Europe, the US, and Japan in the 19th century. Because of such political factors as the independence movements in Africa and land reforms in Latin America after World War II, the agribusiness MNCs started transforming and signing long-term land lease agreements with local governments or agricultural organisations for farming.⁷⁵ A recent wave of transnational farmland investment has also been driven by the current market. Farmland has become a new target of investment for three reasons: a decline in food supply caused by urbanisation and burgeoning demand for biofuels, growth of agribusiness financialisation spurred by maturing skills in commercialisation and risk

⁷² Lorenzo Cotula, 'The International Political Economy of the Global Land Rush: A Critical Appraisal of Trends, Scale, Geography and Drivers'.

⁷³ Cotula, "'Land Grabbing' in the Shadow of the Law", 223–6.

⁷⁴ While transnational farmland acquisition has continued throughout history, a major difference between previous farmland acquisition and current farmland acquisition is transnational war, which is emerging only in the former cases. See Fantu Cheru, Renu Modi, and Sanusha Naidu, 'Catalysing an Agricultural Revolution in Africa: What Role for Foreign Direct Investment?', in *Agricultural Development and Food Security in Africa: The Impact of Chinese, Indian and Brazilian Investments*, eds. Fantu Cheru and Renu Modi (New York: Zed Books, 2013): 15–37.

⁷⁵ UNCTAD, *World Investment Report 2009: Transnational Corporations, Agricultural Production and Development* (Geneva: United Nations Conference on Trade and Development, 2009).

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management, and global competition for farmland resources.⁷⁶ Consequently, the WTO became the first IO to support the commercialisation of agribusiness.⁷⁷ The WB's policy report further lent support to the argument that relative agricultural investments could drive development.⁷⁸ According to the International Federation of Agricultural Producers (IFAP), transnational farmland investment for biofuels would drive agricultural development in underdeveloped countries.⁷⁹ OECD officials also endorsed the use of overseas farmland investment to assist with the development of African countries.⁸⁰

However, both consideration of the profits from the food market and the relative security of the home country's food supply have made the North Atlantic countries and MNCs more inclined to invest in three commodities: biomass energy farmlands, agribusiness finance products, and green-grabbing farmlands.⁸¹ The FAO also surmised that the recent cases of transnational farmland investment in Africa had come largely from private firms in North Atlantic countries, with government-related investment funds, particularly pension funds and SWFs,⁸² accounting for the rest. A study by Friends of the Earth found that, among the top 10 British pension funds, at least six invested in overseas farmland and four were not public content.⁸³ In addition, because these funds are fully commissioned by private financial investment management companies, the study discovered that the operators of these funds ranked among the top 10 financial companies involved in global farmland investment. A market-oriented fund seeking profits is likely to lead British pension funds to negatively impact the host country's food security, social development, environmental conservation, and human rights protection. Friends

⁷⁶ Cotula, 'The International Political Economy of the Global Land Rush', 661–71.

⁷⁷ Clive Potter and Mark Tilzey, 'Agricultural Multifunctionality, Environmental Sustainability and the WTO: Resistance or Accommodation to the Neoliberal Project for Agriculture?', *Geoforum* 38, no. 6 (2007): 1290–303.

⁷⁸ Deininger and Byerlee, *Rising Global Interest in Farmland*.

⁷⁹ FAO, *The State of Food and Agriculture 2008: Biofuels: Prospects, Risks and Opportunities* (Rome, FAO, 2008), 97.

⁸⁰ Michael Haddon, 'African Agriculture Attractive to Foreign Investors but Risks Remain-OECD', *Farmlandgrab.org*, 25 Jun 2012, <http://farmlandgrab.org/post/view/20700-african-agriculture-attractive-to-foreign-investors-but-risks-remain-oecd#sthash.jE8sSujC.dpuf> (accessed January 12, 2017).

⁸¹ Green grabbing primarily pertains to North Atlantic countries advocating to control greenhouse gas emissions, consequently permitting carbon-emitting countries to purchase forest land and green financial goods to receive more emission permits in return; see James Fairhead, Melissa Leach, and Ian Scoones, 'Green Grabbing: A new Appropriation of Nature?', *Journal of Peasant Studies* 39, no. 2 (2012): 237–61.

⁸² Lorenzo Cotula, Sonja Vermeulen, Rebeca Leonard, and James Keeley, *Land Grab or Development Opportunity? Agricultural Investment and International Land Deals in Africa* (Rome: FAO, International Fund for Agricultural Development (IFAD), and International Fund for Agricultural Development (IFAD), 2009).

⁸³ Friends of the Earth, *What's Your Pension Funding?*.

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of the Earth thus appealed to the fund-management companies to comply with the UN and the WB agricultural investment norms and to cautiously assess and manage pension funds investment in overseas farmland.

The OECD is also aware that foreign investment in agriculture can contribute to the development of underdeveloped countries but that irresponsible transnational investment may cause damage to the interests of the host country. Therefore, in 2011, the OECD Guidelines for Multinational Enterprises⁸⁴ were published, in the hope that MNCs from OECD member countries will (non-mandatorily) observe the UN human rights guidelines during the transnational farmland investment processes. In addition, under the influence of the OECD, the WB formally adopted non-mandatory PRAI agriculture investment norms at the end of 2014, in a landmark collaboration with the FAO, the International Fund for Agricultural Development (IFAD), and the United Nations Conference on Trade and Development (UNCTAD). The PRAI was designed to supervise transnational farmland investments in cases in which non-OECD countries are involved and was especially concerned with the protection of human rights through reducing the negative impact on food security, environmental ecology, and social development.

3.3 Marxism

Marxism asserts that the state apparatus has become a tool of the bourgeoisie. Therefore, the commercialisation facility, legal basis, financial aid, and expropriation of violence required by agribusiness MNCs when acquiring foreign farmlands compete with the support of the state apparatus. As a result, "many states are active, calculating partners in land deals, negotiating the costs and benefits of the contemporary moment in order to maximize returns on what are considered marginal lands or marginal communities".⁸⁵ In fact, the roles that the state plays can be classified according to the following five stages: first, intervening and justifying the necessity for transnational farmland acquisition; second, defining, categorizing, and explaining quantitatively which lands are marginal, empty, or under-utilised; third, indicating the land locations of the three types of land mentioned; fourth, obtaining and occupying the three types of land mentioned; and fifth, distributing the farmlands to the investors.⁸⁶ The state apparatus

⁸⁴ OECD, '2011 Update of the OECD Guidelines for Multinational Enterprises', May 25, 2011, <http://www.oecd.org/daf/inv/mne/2011update.htm> (accessed January 12, 2017)

⁸⁵ Wendy Wolford, Saturnino M. Borrás, Ruth Hall, Ian Scoones, and Ben White, 'Governing Global Land Deals: The Role of the State in the Rush for Land', *Development and Change* 44, no. 2 (2013): 192.

⁸⁶ Borrás, Franco, and Wang, 'The Challenge of Global Governance of Land Grabbing', 167.

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might adopt means of coercion in each of the stages to streamline the process of farmland investment, an act that highlights the fact that the ultimate land ownership lies with national sovereignty and government authority. The cases of farmland acquisition in Colombia uncovered by Grajales⁸⁷ and those in Myanmar as investigated by Woods⁸⁸ serve as evidence that the state apparatus has become the supporter and perpetrator of violence during the transfer of land ownership, in blatant disregard for the state's role in protecting human rights and thus immensely damaging to the livelihood of farmers and food security in the host countries.

By considering the history of Ireland in 1607, North America in 1823, England in 1845, and Africa in the 19th and 20th centuries, Wily found that the current transnational farmland acquisition race is not a new phenomenon but merely a continuation of exploitation, previously through wars and currently through investments, that has existed throughout history.⁸⁹ For instance, the state apparatus often assists MNCs with the processes of establishing special economic zones (such as in Shenzhen, China) to simplify the process of land acquisition, nationalizing lands for transfer to investors, reducing lease taxes to transfer profits to investors, and legalizing procedures of transferring lands to foreign investors. These four processes demonstrate that the bourgeoisie continues to exploit the properties and rights of the peasants, thereby deepening social class inequality. Ironically, Sassen posits that under extreme operations of capitalism, transnational farmland investment can challenge the operation of the sovereign state system.⁹⁰ Land is one of the components of a state, but land use rights will be altered by foreign enterprises if the state apparatus follows the operation of capitalism and mechanisms of neo-liberalism. The transition of authority will deconstruct the current national boundaries and give rise to a new global geopolitics.

In view of the state apparatus becoming the domesticated tool of the bourgeois and a facilitator of transnational farmland acquisition, GCSOs contend that the transnational farmland acquisition process will threaten not only the food and environmental rights but also the farmland property rights of the host countries; together, these three rights will impact a host country's food

⁸⁷ Jacobo Grajales, 'The Rifle and the Title: Paramilitary Violence, Land Grab and Land Control in Columbia', *Journal of Peasant Studies* 38, no. 4 (2011): 771-92.

⁸⁸ Kevin Woods, 'Ceasefire Capitalism: Military-Private Partnerships, Resource Concessions and Military-State Building in the Burma-China Borderlands', *Journal of Peasant Studies* 38, no. 4 (2011): 747-70.

⁸⁹ Liz Alden Wily, 'Looking Back to See Forward: the Legal Niceties of Land Theft in Land Rushes', *Journal of Peasant Studies* 39, no. 3-4 (2012): 751-75.

⁹⁰ Saskia Sassen, 'Land Grabs Today: Feeding the Disassembling of National Territory', *Globalization* 10, no. 1 (2013): 25-46.

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security. Therefore, in 2012, after nearly three years of discussions, the FAO and GCSOs passed a non-binding regulation—The Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (Voluntary Guidelines)⁹¹—to encourage national governments to pass related domestic legislations ensuring the rights of farmers to legally possess farmland, fisheries, and forestry properties and thus promote national food security. In particular, the Voluntary Guidelines specifically made it clear that the application scope should cover not only the state but also many other non-state actors, especially private enterprises, local governments, and agricultural organisations. Moreover, the GCSOs were originally inclined to use the UN Declaration on the Rights of Indigenous Peoples during the drafting process of the Voluntary Guidelines and prohibit all transnational farmland investment activities. However, most of the developing countries believed that investment would promote national economic development and therefore strongly opposed the GCSOs' radical stance.⁹² In the end, the Voluntary Guidelines were adopted, and they represent a compromise by the GCSOs and their willingness to conditionally support responsible transnational farmland investment. It also meant that the GCSOs, which were anti-capitalism and pro-Marxism, had begun to accept the functions of capitalism and the use of compromising channels to maintain the property of farmers and mitigate the impact of transnational farmland investment.⁹³

IV. Global Civil Society for Governance of Transnational Farmland Acquisition

The GCSOs adopted three types of positions. First, the voice to embrace liberalism encourages transnational farmland investment so as to assist underdeveloped countries. A typical example discussed previously is the IFAP, which holds that biomass energy investment can aid the development of African countries. The second is the all-out prohibition of farmland acquisition behaviours by the pro-Marxists, who ask that all grabbed farmland shall be returned to the farmers. La Via Campesina, a global peasant movement advocacy coalition, is foremost

⁹¹ FAO, 'About the Voluntary Guidelines on the Responsible Governance of Tenure', <http://www.fao.org/nr/tenure/voluntary-guidelines/en/> (accessed January 12, 2017).

⁹² Philip Seufert, 'The FAO Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests', *Globalization* 10, no. 1 (2013): 185.

⁹³ Therefore, the emergence of today's transnational agrarian movements in the 21st century was found to have a heterogeneous mixture in multi-class (peasants, small-scale farmers, landless people, and large-scale farmers), multi-identity (pro-Marxism, pro-environmentalism, and pro-capitalism), multi-approach (justice-mobilization, political-opportunity, and resource-mobilization), and multi-national characters, different from a homogeneous type by the orthodox followers of Marxism in the former agrarian movements of the early 20th century. For related discussion, see Saturnino M. Borras Jr. and Marc Edelman, *Political Dynamics of Transnational Agrarian Movements* (Rugby, UK: Practical Action Publishing, 2016).

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among its supporters. It complies with the substance of food sovereignty, the perceived food production chain as a local relationship among farmers, farmland, and consumers. It does not allow interference from and exploitation by business people, not to mention farmland acquisition by agribusiness MNCs. To implement the concept of food sovereignty, La Via Campesina established the Global Alliance Against Land Grabbing in November 2011 with the aim of promoting agricultural development⁹⁴ underpinned by peasant economic patterns that arose from the food sovereignty concept.

However, these two categories of GCSO influences constitute a minority and are two extremes of the spectrum. Most GCSOs' positions are of the third category, which advocates regulating transnational farmland acquisition to reduce the risks to food security and expand the opportunities for rural economic development. These GCSOs believe that the wave of transnational farmland investment is inevitable and the peasant economy that adheres strictly to the rules of food sovereignty cannot hope to develop under globalisation. Therefore, the only possible alternative is to regulate the content of transnational farmland investment. This regulation approach also places heavy demands on transparency concerning all investments to assist with sustainable rural development and secure farmers' property rights and thereby prevent an infringement of human rights.⁹⁵

In March 2011, the GCSOs finally passed a series of non-binding principles, the UN Guiding Principles on Business and Human Rights (The Ruggie Guiding Principles), under the leadership of John Ruggie, the UN Special Representative for business and human rights and the UN Human Rights Council. The aim is to provide an integrated set of guiding principles that will compel private enterprises to comply with human rights regulations and act responsibly over the course of agricultural investment. In face of the GCSOs' implementation of the Ruggie Guiding Principles, private enterprises (especially brokerage firms with pension funds and SWFs) came under immense pressure to pass a set of non-binding investment principles, The Principles for Responsible Investment in Farmland (The Farmland Principles), in September 2011. Moreover, in 2014, the UN expanded upon The Farmland Principles in the UN Principles for Responsible

⁹⁴ La Via Campesina, *International Conference of Peasants and Farmers: Stop Land Grabbing!* (Jakarta: La Via Campesina, 2012).

⁹⁵ Oxfam, 'Our Lands, Our Lives: Time Out on the Global Land Rush', *Oxfam Briefing Note* (2012), https://www.oxfam.org/sites/www.oxfam.org/files/bn-land-lives-freeze-041012-en_1.pdf (accessed January 12, 2017).

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Investment and elevated them to the status of an explicit standard—The Guidance for Responsible Investment in Farmland (The Guidance, non-binding)—in the hope of furthering private enterprises’ involvement in farmland investment based on the premise of not interfering with environmental rights, adequate food rights, and farmland property rights of the host country. Moreover, in September 2015, the UN formulated the Sustainable Development Goals (SDGs) by including consideration of the ‘land rights’ norms, as discussed above, in the content of its 17 goals, although the evolution processes of the norms were found to be uneven and nonlinear.⁹⁶

It is worth noting that economic nationalists who vigorously promoted BITs across Asian and Persian Gulf countries are now seeking to pass laws that guarantee investor countries the rights to farmland but fall short of a supervisory mechanism safeguarding the rights of host country farmers.⁹⁷ Because a BIT essentially exists to ensure economic cooperation between two sovereign states, the detailed contract is not publicly transparent. Thus, it is difficult for external IOs or GCSOs to understand or interfere with BIT contents. The UNCTAD is in charge of the statistics concerning global BITs only. The WTO passively supervises violations, if any, of free trade by BITs. The GCSOs have banded together to launch a movement to oppose the organisational structure of neo-liberalism (such as WTO, NAFTA, OECD, and G7 meetings) or capitalist-labelled companies (such as Western MNCs). They are unfamiliar with the task of taking on the security expansion thrusts of Asia and Persian Gulf countries. Consequently, there is a severe deficiency in food security governance, and the international community’s continual attention and investigation are urgent needed. Borras and Franco have therefore advocated that the key to regulating the new farmland grabbers from the South is to establish new principles focusing on the bundle of national powers, rather than only the bundle of human rights.⁹⁸ In other words, multilateral agencies should assume a greater and more prominent role in investigating bilateral acts such as BITs to safeguard the effective control by rural people over land resources for their food security. Table 2 depicts the developments of the transnational farmland acquisition movement, and Table 3 expounds on the regulations on acquisitions.

⁹⁶ Noha Shawki, ‘Norms and Normative Change in World Politics: An Analysis of Land Rights and the Sustainable Development Goals’, *Global Change, Peace & Security* 18, no. 3 (2016): 249–69.

⁹⁷ The suggestion that BITs need to consider host countries’ food security can be found in Christian Häberli and Fiona Smith, ‘Food Security and Agri-Foreign Direct Investment in Weak States: Finding the Governance Gap to Avoid “Land Grab”’, *The Modern Law Review* 77, no. 2 (2014): 189–222.

⁹⁸ Saturnino M. Borras Jr. and Jennifer C. Franco, ‘Global Land Grabbing and Trajectories of Agrarian Change: A Preliminary Analysis’, *Journal of Agrarian Change* 12, no. 1 (2012): 55.

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[Insert Table 2 here]

[Insert Table 3 here]

V. Conclusion

By referencing the schools of international political economy, this study concludes that the current global transnational farmland acquisition movement can be divided into three categories.⁹⁹ Economic nationalism asserts that food insecurity is the driving force behind the move by Asian and Persian Gulf countries to leverage state power to conduct overseas agricultural resource acquisition and thus ensure national food security and modernisation. On the other hand, the profit-driven perspective of liberalism prompts North Atlantic countries to invest competitively in biofuel farmland, agricultural financial commodities, and green-grabbing products. Last but not least, Marxism asserts that transnational farmland acquisition has morphed into a neo-colonialism movement, with the state apparatus becoming a legal tool for the bourgeoisie to access farmland and the MNCs to exploit farmers. Thus, together, the different schools of thought have prompted the international community to interpret—and even to shape—the development of the transnational farmland acquisition. Governments from the investor and host countries see transnational farmland acquisition as bilateral economic cooperation. The WB and G7 believe that responsible farmland investment can accelerate international development and boost food production. The UN, FAO, and GCSOs are hopeful that that food rights, environmental rights, property rights, and human rights will serve to regulate transnational farmland acquisition.

The international community has not yet reached a consensus on governance regulations because of these divergent viewpoints. Currently, it is inclined to safeguard the interests of the investing countries. Furthermore, most GCSOs adhere to the view of the UN and the FAO and believe that improving the governance of transnational farmland acquisition could reduce the negative effects on food security and increase opportunities for rural development. However, GCSO campaigns are largely fixated on the supervision of neo-liberalism and anti-capitalism activities, meaning that there is a lack of a supervisory mechanism for transnational farmland

⁹⁹ Other driving forces of the farmland acquisition movement are discussed in Ben White, Saturnino M. Borrás Jr., Ruth Hall, Ian Scoones, and Wendy Wolford, 'The New Enclosures: Critical Perspectives on Corporate Land Deals', *Journal of Peasant Studies* 39, no. 3-4 (2012): 619–47.

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acquisition by adherents of economic nationalism. As such, these campaigns patently fail to offer a credible guarantee of food security to the host countries.

The different interpretations and insufficient governance regulations of transnational farmland acquisition are the result of the relevant actors having different views of the international political economy.¹⁰⁰ Thus, the issues of perfecting the transnational farmland acquisition governance mechanisms and reinforcing global food security in the future will be decided by the four following factors: in terms of IOs, competition for authority within the IOs (for example, the WB, WTO, G7, FAO, and G20); in terms of state interaction, the power dynamics between developed countries and developing countries (for example, North Atlantic countries versus Asian and Persian Gulf countries); in terms of global markets, the degree to which food markets are able to adapt to the effects of climate change; and in terms of civil society, the influence of neo-liberalism on whether and how GCSOs acknowledge the importance of land reform. All these factors are certainly worthy of greater attention from the academia in the immediate future.

¹⁰⁰ These different views have further contributed to the discussion of agrarian political economy and analysis of food regime; see Henry Bernstein, 'Agrarian Political Economy and Modern World Capitalism: The Contributions of Food Regime Analysis', *Journal of Peasant Studies* 43, no. 3 (2016): 611–47; Philip McMichael, 'Commentary: Food Regime for Thought', *Journal of Peasant Studies* 43, no. 3 (2016): 648–70; Harriet Friedmann, 'Commentary: Food Regime Analysis and Agrarian Questions: Widening the Conversation', *Journal of Peasant Studies* 43, no. 3 (2016): 671–92.

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Table 1: International political economy, agriculture development, and food security

Schools	Economic nationalism	Liberalism	Marxism
<i>Perspectives</i>			
<i>Main actor</i>	The state	Individuals	The bourgeoisie
<i>Motivating power</i>	National security	Market-oriented economy	Interests of the bourgeoisie
<i>Development approach</i>	Theory of developmental state	Theory of the competition state	Dependency theory, world system theory
<i>Development vision</i>	Modernised life of Western countries	Industrial division according to relative comparative advantages	Accumulation of capital for the bourgeoisie
<i>Agriculture development</i>	Obtain agricultural resources to develop other specific industries	Develop agriculture through comparative advantages and processes of trade	Farmers exploited by the bourgeoisie to ensure their capital continuing to accumulate
<i>Food security</i>	Acquire the elements of foreign agricultural production to maintain domestic food security	Maintain the individual's food security through trade	Farmers exploited by the bourgeoisie to maintain their food security

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Table 2: International political economy and transnational farmland acquisition

Schools	Economic nationalism	Liberalism	Marxism
<i>Perspectives</i>			
<i>Purpose of transnational overseas investment</i>	Secure resources	Market interests	Class interests
<i>International development faced by overseas investment</i>	Invest to make the investor country’s production chain develop vertically	Invest so that the host country can gain the technique and capital for development	Invest so that the international bourgeoisie continue to build their interests
<i>Solution to transnational investment risk</i>	Realism: Protect the unilateral investment interests through display of power and diplomatic relations	Liberalism: Protect investment interests and reduce risks through cooperation of international regimes	Social constructivism: Commercialise investment targets through social embeddedness
<i>International development vision</i>	Conflict: Conflicts among countries arise from competition for national interest and recourses	Cooperation: Each country uses its relative competitive advantage for trade cooperation and market division	Exploitation: Developed countries dominate developing countries; developing countries rely on developed countries

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<i>Perspectives</i> \ Schools	Economic nationalism	Liberalism	Marxism
<i>Transnational farmland acquisition</i>	Encourage transnational farmland acquisition to ensure food security and modernisation projects of the investor country	Transnational farmland acquisition seen as agricultural investment; international capital and technology used to develop agricultural fallows	Transnational farmland acquisition as a neo-colonial movement that exploits farmers, agriculture, and food sovereignty of the host country
<i>Main method</i>	Economic cooperation, overseas investment	Overseas investment	State apparatus justifying necessity of transnational farmland investment
<i>Main actor</i>	SOEs, SWFs	SWFs, pension funds, private enterprises	Countries and their MNCs
<i>Main product</i>	Flex crops	Biofuel crops, agribusiness finance products, and green-grabbing products	Land commodity interests
<i>Main governance regulator</i>	Bilateral countries	WB, OECD	FAO
<i>Approach to protect the investor country's interests</i>	BITs (binding)	Arbitration from WTO, WB, OECD (binding)	Establishing domestic laws and commercialising investment targets (binding)
<i>Approach to protect the interests of farmers in the host country</i>	UN human rights guidelines (non-binding)	OECD Guidelines (non-binding) and WB PRAI (non-binding)	FAO Voluntary Guidelines (non-binding)

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<i>Perspectives</i> \ Schools	Economic nationalism	Liberalism		Marxism
<i>GCSOs attention</i>	Little	Supporting viewpoint: See biofuels as an opportunity for development so support farmland investment to drive development	Regulation viewpoint: Manage farmland investment to reduce risk and expand opportunities by using Ruggie Guiding Principles (non-binding) and the Guidance (non-binding)	Prohibiting viewpoint: Prohibit farmland acquisition from the perspective of food sovereignty
<i>Protective power in governance mechanisms</i>	Protecting the interests of the investor country more important than protecting the interests of farmers in the host country	Protecting the interests of the investor country equal to or more important than protecting the interests of farmers in the host country	Protecting the interests of the investor country equal to or more important than protecting the interests of farmers in the host country	
<i>Main trading regions</i>	Asian countries and Persian Gulf countries to Southeast Asia, South America, and North Africa	North Atlantic countries to Africa and South America		Agribusiness MNCs to Africa, South America, and Southeast Asia

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Table 3: Regulations on transnational farmland acquisition

Regulations		Regulated frameworks	Action			Enforcement		Regulator/Investigator			
			Unilateral	Bilateral	Multilateral	Binding	Non-binding	Governments	IOs	Firms	GCSOs
To protect investor country's interests	<i>BITs</i>		✓		✓		✓				
	<i>Arbitration from WTO, WB, OECD</i>			✓	✓			✓			
	<i>Establishing domestic laws</i>	✓			✓		✓				
	<i>Commercialising investment targets</i>	✓			✓		✓				
To protect interests of farmers in host countries	<i>UN human rights guidelines</i>			✓		✓	✓	✓		✓	
	<i>OECD Guidelines</i>			✓		✓		✓		✓	
	<i>WB PRAI</i>			✓		✓		✓		✓	
	<i>FAO Voluntary Guidelines</i>			✓		✓		✓		✓	
	<i>Ruggie Guiding Principles</i>			✓		✓		✓		✓	
	<i>Farmland Principles</i>			✓		✓			✓		
	<i>The Guidance</i>			✓		✓		✓	✓	✓	
	<i>SDGs</i>			✓		✓		✓		✓	

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<i>Regulations</i>	Regulated frameworks	Action			Enforcement		Regulator/Investigator			
		Unilateral	Bilateral	Multilateral	Binding	Non-binding	Governments	IOs	Firms	GCSOs
	<i>Food sovereignty concepts</i>					✓				✓