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Abstract

Our main argument is that the narrative about the existence of available marginal lands – defined as thinly inhabited, unproductive, under-productive, under-utilized, idle lands that can be transformed into zones of production for food and biofuels to solve the world's problem on food and energy without undermining local food needs – is fundamentally flawed. Such categorization of land hardly exists in the real world, at least not in the context of the Philippines. We argue that the 'marginal land narrative' is based on fundamentally flawed assumptions, using fundamentally flawed ways to identify and quantify. However, counter-narratives claiming that acquiring these lands in the context of recent land investments and global land grabbing will result in the displacement and dispossession of poor people is only partly correct. Looking at the dynamics and trajectories of land (and water) use and land property relations change in these contested spaces, we can detect diverse, multiple, dynamic and fluid – not singular and static – change trajectories.

Introduction

The convergence of food, energy, environmental, and financial crises in 2007-08 exposed many tensions inherent within the existing global agrofood complex. The food crisis has been the result of and has ushered in further changes in the global agrofood-feed-fuel complex that have far-reaching implications for the ecology (Bernstein and Woodhouse 2010), and more specifically for land use and land-based social relations. First, the integration of food, feed and fuel sectors has become tightly intertwined especially in the midst of peak oil that has led to search for renewable energy. Liquid biofuel is key because it is readily useable in existing transport sector that corner up to one-third of the energy use in the world today. The rise of important crops such as oil palm, soya and

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sugar cane that can be used either as food, feed or fuel depending on price signals is also a hallmark of this changed global context. Second, the rise of China and India in the global economic scene has come with it changing preference in and volume of food consumption, pushing for dramatic increases in livestock demand and related products such as cooking oil. Third, the global complex has become even more multisectoral in light of the intertwining of the three key sectors of food, feed and fuel, with the entry of auto, finance and banking, biofuels, livestock, among others, into the global scene, and the international political economy becoming more complex with the emergence of a significant South-South dimension in the current set-up (Dauvergne and Neville 2010, Franco et al 2010). Fourth, the current dominant global complex which is largely based on industrial and monocrop agriculture (Friedmann and McMichael 1989, McMichael 2009, Goodman and Watts 1997) seeks to expand its scope in terms of geographic spread, capitalizing on the calls to increase food production to feed the world.

This convergence of crises paved the way for a new narrative to emerge: that is, there is a solution in the current problems, and the solution lies in the existence of global land reserves. These available land reserves are lands that are classified as marginal, under-utilized, generally unpopulated, and idle. The September 2010 World Bank report on land grabbing (World Bank 2010; Deininger 2011) estimates this to be at a minimum of 445 million ha to a maximum of 1.7 billion ha.

This global crisis situation and the general assumption about a possible solution, combined, have ushered in a global land rush: transnational companies from various sectors (oil, car, biotechnology, agribusiness, biofuels, banks, and so on) have suddenly re-discovered land. Some national governments of financially well-off countries have realized too that distant lands can solve their problems on food, fuel, feed and minerals, and have started to acquire distant lands. Cash-strapped national governments see this land rush as their opportunity to cash in their vast ‘sleeping’ asset: ‘marginal lands’.

The marginal lands category have, and will, transform specific land use types in arenas of political contestation around land use and control. Theoretically and most likely these lands will be forest lands, agroforestry, drylands, and wetlands (refer to the World Bank report in September 2010). However, there are indications that contemporary land deals have encroached into prime agricultural lands, suggesting that investors do not want to invest in lands without any possibility for water sources and without actual or potential for transportation infrastructure (roads, bridges).

Key questions around this theme include: who defines what is ‘marginal land’ and how is it defined? What are the ways in which the so-called marginal lands are identified, classified, and quantified, with what implications for communities? How are these marginal lands allocated to land investors, and with what political processes and outcomes? What are the trajectories in land-based land property relations change as provoked by contemporary land deals? We will explore preliminary answers to these questions by looking into some empirical cases in the Philippines. We will then step back, and take a broader look at the Philippine picture and explore some implications for

relevant theorizing, research methodologies, policies, and political actions that may also apply elsewhere and more broadly.

Land investments in 'marginal lands': a national perspective

In the Philippines, the government has committed vast tracts of lands of 'marginal lands' to foreign and domestic corporations for agribusiness, food and energy production projects. Land investments talks in marginal lands in the Philippines are closely linked to biofuels project than to food production for export. There are different reasons for why the Philippine land deals narrative has taken this path as compared to other countries elsewhere where investments are into food production for export. At least important factors are likely to have contributed to this. The first is the controversial Philippine-China land deal that was attempted a few years back, where the two governments have agreed to consider allocating up to 1.3 million ha of land for production mainly of food for export to China. The Philippine government then promised both private and public lands to this land deal, specifically some agrarian reform communities as well as 'marginal uplands'. There was a massive protest from civil society organizations and their allies that was captured in the national media. The main criticism is that this is likely to undermine the food security of the country which is already engaged in increasing food importation. The second factor is that by 2009, the Philippines has earned the record of becoming the world's largest rice importer, suggesting a problematic state of food production. Hence, allocating lands – whether private/productive or public/unproductive – to produce food for export becomes an embarrassing policy position that no national state official wanted to take. Combined these two factors may have decisively shut the doors to land deals around food exports.

As if readily available, it is implicit in these commitments that the Philippines has abundant tracts of lands that can be utilized for these new food-fuel-energy undertakings. These new investments on food and energy have been subsumed in the government's agribusinesses promotion strategy to reduce poverty and generate employment in the countryside. Prior to the biofuels frenzy, the Gloria Macapagal Arroyo Administration targeted 2 million hectares for agribusiness projects that would generate 2 million jobs. It is unclear yet how much of these targeted lands were actually developed and how many jobs were generated from the said undertakings. But what is clear based on news reports and government admission is that land for food and energy is continuing and putting a stress on rural land allocation.

The government has constantly assured that the lands to be developed for these undertakings are new, idle and 'untenured' lands. But such assurances may not reflect actual realities in the rural areas given population increase and migration in the interiors of rural areas. It is currently estimated that 20 million Filipinos live on uplands and/or forest lands. They include upland settlers and occupants and indigenous peoples. Transferring control of these lands to investors will therefore compete with, and worse, sacrifice, the land rights of these forest upland occupants especially if these legal rights have yet to be granted or recognized by the state. These rural poor are also likely to be

incapable of contesting this possible dispossession for lack of legal or organizational capacity.

The government asserts that land investments in biofuels are guided by land laws that respect land rights of potential agrarian reform beneficiaries, occupants in forest lands and indigenous people's right to their ancestral domain. Hence, the Comprehensive Agrarian Reform Program (CARP), the Community-Based Forest Management Program or CBFMP (or any tenural instrument in public lands granted to actual occupants, such as the Alienable and Disposable, A&D, lands program component of CARP, and so on) and the Indigenous People's Rights Act (IPRA) are assumed to be respected and should not in any way be sacrificed for any land investments on biofuels.

There are other policies that allow or regulate the terms and conditions of these new investments on food and fuel. The major one is Republic Act No. 9367, also known as Philippine Biofuel Act of 2006, which was approved on January 27, 2007. The Philippine Biofuels Act has four policy objectives namely: (a) Develop and utilize indigenous renewable and sustainable clean energy sources to reduce dependence on imported oil; (b) Mitigate toxic and greenhouse gas emissions; (c) Increase rural employment and income; and, (d) Ensure the availability of alternative and renewable clean energy without any detriment to the natural ecosystem, biodiversity and food reserves of the country.

The second relevant policy is Republic Act 8179, entitled "An Act to Further Liberalize Foreign Investments Amending for the Purpose Republic Act No. 7042, and for Other Purposes" which was approved on March 28, 1996. The said law sets limits to foreign investors' ownership of corporations and restricts foreign corporations' ownership of lands in the Philippines. Today's environment policy therefore does not allow for 100% ownership of land by foreign corporations. The need for greater control of lands to be used for food production and energy feedstock is renewing calls for reviewing this policy so that foreign ownership of lands in the country may be made possible.

Moreover, the government is also synergizing its initiatives for biofuels production. An important guidelines in this regard is Joint Administrative Order (JAO) No. 2008-1 Series of 2008 entitled 'Guidelines governing the biofuel feedstocks production, and biofuels and biofuel blends production, distribution and sale.' The said JAO amended DAR Administrative Order No. 6, Series of 2002, providing for "proposed biofuel production site as a Priority Development Area for Land Conversion and shall therefore read as follows:

> "6.1.7 Agricultural Areas/Lands proposed to be developed as biofuel production site as certified by DA; *Provided*, that each production facility site shall not be more than twenty five (25) hectares; *Provided, further*, that a project that has a production capacity in excess of one hundred thousand (100,000) liters per day or where more than twenty five (25) hectares is required as a production facility site, the applicant can apply for exemption for the additional hectarage as production facility site subject to the approval of DAR."

Whether these policies are observed in the process of actual land investments on biofuels is yet to be examined and should be an important field of inquiry in the future. What it is clear is and important to emphasize is that target lands include private lands, indigenous peoples' lands, and (public) uplands or forest lands.

Within two years, the law mandated that at least five per cent (5%) bioethanol shall comprise the annual total volume of gasoline fuel actually sold and distributed by each and every oil company in the country. Within four years from the effectivity of this act, the National Biofuels Board (NBB) created under this Act is empowered to determine the feasibility and thereafter recommend to the Department of Energy to mandate a minimum of ten percent (10%) blend of bioethanol by volume into all gasoline fuel distributed and sold by each and every oil company in the country. The Act likewise allowed the importation of bioethanol but only to the extent of the shortage as may be determined by the National Biodiesel Board created under the Act.

For biodiesel, a minimum of 1% blend shall be the minimum volume into all diesel engines. Within two years, NBB was empowered to determine the feasibility and thereafter recommend to Department of Energy to mandate a minimum of two percent (2%) blend of biodiesel by volume which may be increased taking into account considerations including but not limited to domestic supply and availability of locally-sourced biodiesel components.

In the Philippines, for the time being, only three bioethanol feedstocks are allowed, namely: (i) sugarcane; (ii) cassava); and, (iii) sorghum. Cassava is an existing crop being utilized in bioethanol production while cassava and sorghum are still in the research and development stage. In the case of biodiesel, feedstocks allowed are coconut and jatropha. Coconut is an existing crop planted in more than 4 million hectares. Jatropha on the other hand is still in the research and development stage. The production of biodiesel from coconut far exceeds domestic demand. It is partly for this reason that the jathropa plantations being developed therefore targets foreign markets.

The current capacity in bioethanol production is 39 million liters per year. This is currently being produced by two operating bioethanol plants namely, San Carlos with a capacity of 30 million, and Leyte Agri, with a capacity of 9 million. For 2009, the gap in terms of required blend (production) is around 183 million liters.

Current Blending Gap/Requirements for Bioethanol

Required Blend	Demand in Million Liters	Equivalent Feedstocks Requirements (Metric Tons)			Equivalent Area Production in Hectarage		
		Sugar	Sweet Sorghum	Cassava	Sugar	Sweet Sorghum	Cassava
5% - 2009	223	3,185,714	4,460,000	1,238,889	49,011	44,600	154,861
10% - 2010	482	6,885,714	9,640,000	2,677,778	105.934	96,400	334,774
10% - 2014	537	7,671,429	10,740,000	2,983,333	118,022	107,400	372,917

Several government-owned and controlled corporations are responsible for land-related biofuels investments. These are the Philippine Agricultural Development and Commercial Corporation (PADCC) and the Philforest Corporation. The PADCC is attached to the Department of Agriculture. Outside of land investments on biofuels, PADCC is responsible for agribusiness investment promotion, facilitation, and project development. PADCC provides assistance for both local and foreign clients by way of investment matching through land identification and consolidation of idle/underutilized land. This is being done in collaboration with the DAR and the DENR through DAR-DENR-DA Convergence Initiative wherein PADCC is the lead agency in agribusiness investment promotion and facilitation. The DAR-DENR-DA Convergence is tasked to develop at least 2 million hectares of new agribusiness lands and 2 million jobs mandated under the Agri-Business Chapter of the Medium Term Philippine Development Plan (2004-2010).

Philforest Corporation on the other hand is a government-controlled corporation and wholly owned subsidiary of the Department of Environment and Natural Resources (DENR). It is responsible for forging investments on public lands particularly categorized as "untenured" and idle lands. By definition, untenured lands are lands that have yet to be covered under any land tenure instrument or any forest land-use arrangement. Untenured lands are not necessarily unoccupied lands. Initially, Philforest was supposed to develop 2 million hectares of untenured and idle public lands based on former DENR Secretary Angelo Reyes commitment to President Macapagal-Arroyo. So far, 375,000 hectares of this commitment have been identified. Of the total, 192,638 hectares are said to be "idle and untenured" (which also means that the rest are occupied and cultivated).

The Philippine National Oil Company-Alternative Fuel Corporation (PNOC-AFC) also initiates biofuels feedstock production. The PNOC – AFC aims to bring the Philippines to the forefront of the global alternative fuels industry. The company's twin objectives are meeting the domestic needs for biofuels and becoming a key player in biofuels in the Asia Pacific Region. PNOC-AFC has initiated several partnerships with private corporations and local government units for the purpose of developing plantations for feedstocks. The PNOC-AFC considers jatropha as its main feedstock for biofuel production. Production of biofuel in the Philippines is projected to increase by 200,000 metric tons in 2009 with the entry of the PNOC-AFC in the market. By 2012, the PNOC-AFC shall have established the following: (i) 1,500 hectares of jatropha mega-nurseries cum-pilot plantations; (ii) 700,000 hectares of biofuel crop plantations; and, (iii) 1 million MT capacity biodiesel refineries. The corporation aims to secure continuous feedstock supply of jatropha to the biodiesel refineries and at the same time control the price of feedstock to ensure price competitiveness of locally-produced biodiesel. Thus, the mega-nurseries, the plantations and the refineries must be strategically located to provide the most cost-effective scheme. Experimental plantations for jatropha are now slowly proliferating nationwide with areas ranging from 100 hectares to 10,000 hectares.

The Land Bank of the Philippines (LBP) and the Development Bank of the Philippines (DBP) serves as the financial arm for these projects. These institutions have been tasked

to provide financial support for biofuel producers, blenders and transporters in the Philippines. (One Alternative Energy Blog, December 26, 2006).

By news accounts, almost all regions and provinces in the country are targeted for food and energy investments. The government of the Philippines may have already committed millions of hectares of Philippine lands for food and energy. Based on government's official account, however, the investment on biofuels may not be as optimistic as earlier projected. The data from the PADCC and the Philforest reflects this less-than enthusiastic scenario:

PADCC- Matched/Arranged Biofuels Investments

Company	Area (ha)	Crop	Est. total investment cost (in Billion Pesos)	Type of Business	Status
Green Future	15,000	Sugarcane / Forest Trees	2.8	Biofuels (Establishment of Bioethanol Processing Plant with a capacity of 60 million liters per year and 19 MW biomass power plant utilizing bagasse and wood chips	On-going land consolidation
Central Luzon Bioenergy Corporation	50,000	Sugarcane	13.8	Biofuels (Establishment of Bioethanol Processing Plant with a capacity of 150 million liters per year and 24 MW biomass power plant utilizing bagasse as raw materials	On-going land consolidation
Cavite Biofuels	6,000	Sugarcane	0.03	Biofuels (Establishment of Bioethanol Processing Plant with a capacity of 30 million liters per year and biomass power plant for power co-generation utilizing bagasse.	
Eastern Petroleum	50,000	Cassava	0.75	Biofuels (Establishment of Bioethanol Processing Plant with a capacity of 30 million liters per year	With on-going plantation in Isabela and Zambales
Fuel Inc.	3,500	Sugarcane	2.5	Biofuels (Establishment of Bioethanol Processing Plant with a capacity of 30 million liters per year and biomass power plant for co-generation utilizing bagasse	
Global Boiomass PLC	24,000	Arundo donax	140	Establishment of 17.5 MW Biomass powerplant in Nueva Ecija,Panay Island and Pangasinan	Contracts already signed with technology provider; lands already identified for growing biomass energy crops.

	148,500		**159.88**		

Philforest-Arranged/Matched Investment on Biofuels

Company	Type of Project	Cost of Investment	Location	Area (in hectares)
1.Philforest	Jatropha demonstration farm	PhP 1 Million	Bataan	20
2. Philforest and Seed and Beans	Malunggay plantation	Unspecified	Bataan	20
3. Bio-Resource Center and local Company Bio-Accenta	Jatropha plantation	unspecified	Pangasinan	2,400
4. Businessman Herminio Teves	Jatropha plantation	10,000 hectatres	Negros Oriental	10,000
5. Philforest and LGU of Camarines Sur	Jatropha plantation	Unspecified	Camarines Sur	6,450
			Total	16,890

Agreements on biofuels production include joint venture arrangement, long-term lease of up to 75 years, growership or joint-management contract, free land use, production contracts and income sharing arrangement. Memorandum of agreements bind contracting parties based on these arrangements. Targeted feedstock of biofuels includes cassava, corn, sugarcane, malunggay (moringa), coconut and jatropha, among others. Note, however, that some of the contracts that are being forged also involved food production, as for example by the recent but controversial and aborted China Deals, or the San Miguel Corporation and Kuok Group of Companies, where one million hectares was supposed to be committed by the government in a project called "Feed the Future Project", although the two main crops being produced in the San Miguel-Kuok investment are cassava (for ethanol) and oil palm (which is readily convertible from food-oriented to fuel use).

Investors who have expressed interest or are actually starting to operate biofuels-related projects include both domestic and foreign corporations from South Korea, China, US, Japan, Singapore, Saudi Arabia, India, Spain, among others. The massive amount of proposed investments reaches billions of dollars – at least based on what the official public declarations of these companies. The San Miguel-Kuok investment for example has a promised a total exposure of US$1 billion.

These biofuels-related agreements and contracts require enormous amount of land that will likely compete with and threaten the land rights claim in both public lands and potential beneficiaries of agrarian reform (e .g. tenants, leaseholders, farmworkers) in unreformed private lands. In Quezon, the late Governor Rafael Nantes, committed 100,000 hectares of idle and unproductive lands for jatropha production, a biofuel feedstock, and entered into a joint venture agreement with the PNOC-AFC and the Land Bank of the Philippines. The LBP committed P4.3 billion for the undertaking.

Government officials quote and commit ridiculous figures of idle and untenured lands to investors like these lands are readily available for use in producing biofuels feedstock. For instance the late governor of Quezon said that "all 322,000 hectares of idle lands in

Quezon province have to be planted with jatropha curcas as he envisioned Quezon to be the "little Middle East in the Philippines." (Jatropha Green Oil Investment Program, posted in the internet July 22nd, 2009). Another report says that the "government has offered bout 1.2 million to 1.5 million hectares of forestry management areas to accommodate possible Saudi investments"[1]

Locating these lands however, is easier said than done. In the province of Quezon, for example, most of the uplands in the province have land occupants demanding security of land rights. Pursuing jatropha production in many of these uplands will thus be problematic if occupants will not be involved as land rights claimants and participants to the process and decision on how lands are to be allocated. In fact, initial reports indicate that the projects undertaken so far involved a contract with a cooperative in a CBFMP area involving around 2,000 hectares.

In the same token, the Philforest was also supposed to directly develop 1 million hectares of "untenured" public lands, based on the commitment to President Macapagal-Arroyo by then DENR Secretary Angelo Reyes. Upon review and validation, this was reduced to 375,000 hectares upon validation of the DENR Regional Offices. As of January 2009 however, the DENR Regional Offices have submitted only 192,638.63 hectares. The remaining balance of the commitment has yet to be submitted, and should therefore be assumed to be still unidentified even by the government agency with jurisdiction over these lands.[2]

Biofuels production also threatens land reform in private lands. In San Carlos, Negros Occidental Katarungan Negros, an organization of farmworkers based in north Negros reported that that the establishment of the San Carlos Bio-energy, an ethanol distillery and power plant generation may have been detrimental to the pursuit of land rights claims of potential beneficiaries of agrarian reform in the periphery of the project site. The distillery is projected to produce 35 to 39 million liters of fuel grade ethanol per year with a power plant that has the capacity of 8 MW. The supply grid of the distillery is said to be a 5-kilometer radius of unreformed sugarcane land. Given these initial trends and its possible negative impact on land reform, the shape and actual implementation of the numerous agreements on biofuels production should be further studied.

The term "untenured" lands may mislead people into believing that these lands are not cultivated. But if initial investments are to be gauged, many of these so-called untenured lands being committed for biofuel production have occupants, as revealed by a PADCC official. In Isabela for example, Green Future Inc., has targeted CBFMP-covered areas in the Mallig Plain. The lands are specifically located in the municipalities of San Mariano, Benito Soliven, Naguiliian and Cauayan. The total area targeted is 24,000 hectares expandable to 30,000 hectares. According to PADCC, some of the lands are untenured but with occupants. Hence, the process had to first involve facilitating the award of

[1] "Yap eyes special economic zones to lure investors", by Othel V. Ocampo, *Manila Standard*, May 14, 2009.
[2] Interview with Director Celso P. Diaz, Philforest Consultant, on May 4, 2010. Philforest Office, DENR.

tenurial instrument for the occupants. To facilitate the process, Green Future assisted by shouldering the cost of survey.

Government has always assured the public that biofuels production is not competing with food production. It says that existing land used for food production is not being targeted for biofuel feedstock production. The current initiatives aim to open up new lands for biofuel production. Secondly, out of the 1.9 million hectares identified for agribusiness, less than a million will be utilized for biofuels production using the current feedstocks requirement.

But government assurance is belied by its own actions. It has not demonstrated any sense of urgency to address the acute food insecurity of the country. Currently, the Philippines is the world's biggest importer of rice. This year (2010), rice import is set to reach 2.5 million tons.[3] To achieve food security the current estimated new rice areas needed is 400,000 hectares. Such gargantuan task needs effective government intervention. It appears, however, that the government will rely on private investors to grow food for its citizens. As revealed by a PADCC official, the 1.9 million hectares targeted for agribusiness lands will include food production sites. And there is no indication yet that investors so far have embarked on rice production for the food security of the country.

Another important aspect of biofuels production is in the way it restructures land policies to favor conversion. Joint Administrative Order No. 2008-1, Series of 2008 – or the Guidelines Governing the Biofuel Feedstocks Production and Biofuels and Biofuel Blends Production, Distribution and Sale under RA 9367 became effective on March 20, 2009. It outlines the process to be followed by landowners who wish to use their agricultural lands for Biofuels production sites that in essence relaxes the rules on conversion to facilitate the setting up of Biofuels production sites.

Investments in land: subnational regional perspective

Some of the reported 'land grabbing' activities by the Gulf states in Mindanao linked to banana and other fruits (e.g. pineapple) are, in our view, misplaced analysis. Most of the banana-related transactions in Mindanao involving the Gulf states have simply been part of the usual 'shopping' initiatives by these countries to look for food sources to buy, but without any actual deals to effectively control lands. In Mindanao, among the domestic corporate elites, they call these Gulf state buyers as 'guerrilla buyers', precisely because the latter do not usually want to invest in land and local infrastructure, but simply wants seasonal purchase deals. This was emphasized quite heavily in our interview with a top official of the Mindanao Business Council (MBC) in Davao who was quite frustrated that the Gulf states are not really interested in real land deals.

Meanwhile, talks about possible land deals to produce assorted farm products, from oil palm to food, in the areas of the Autonomous Region of Muslim Mindanao (ARMM) involving Arab countries are nothing new at all, and should not be over-read or mis-read as closely linked to the global land grabbing discourse, at least not along the same way

[3] Riza T. Olchondra "RP rice imports to hit 2.5M tons". Philippine Daily Inquirer, June 10, 2010.

where the Saudis would acquire a million ha of land in Sudan for example, or Libya acquiring a million ha of land in Mali. Over the years for a long time now ARMM and Philippine officials have involved OIC (Organization of Islamic Countries) countries to invest in ARMM areas in various sectors, believing that if the ARMM rural economy is vibrant peace building will be possible. Since the Corazon Aquino administration, every Philippine national government has some kind of major agricultural land deals with Malaysia or Indonesia or Middle East countries. Many of these deals pertain to developing the oil palm sector in the ARMM region, by using under-utilized ARMM agricultural lands, and ostensibly as part of possible plans for de-mobilization of armed combatants and resettling communities displaced by armed hostilities. Hence, plans like threes always include the main factions of the Muslim secessionist groups, such as the Moro Islamic Liberation Front (MILF) or Moro National Liberation Front (MNLF). Many of the talks about this did not materialize, but some have been carried out in varying extents. It is therefore more useful to link one's analysis of any current discussion on possible agricultural land deals in the ARMM areas within this trajectory, thereby appropriately politicizing and historicizing one's analysis. It is a mistake to be blind to the domestic politics underpinning these land investment talks and link it solely to the global land grabbing and food crisis discourse.

(FRAGMENTS OF IDEAS…) Regional and provincial governments into land deals. While line agencies remain in control of centralized cadastres and land classifications, provincial governments have already been empowered to have certain degree of control over some significant portion of the so-called public forested lands, lands that usually fall into the category of 'marginal lands'. Some important functions of the DENR over CBFM. Plus the Local Government Code of 1992 have given local (provincial and municipal) government units greater fiscal powers (more revenues) and some degrees of power to negotiate for loans as well as to negotiate for investment deals. These reforms over the years have set the stage for the local state officials to also actively get involved in the current land deals, especially since it involve lands the disposition of some of which they have some say.

Investments in land: local perspectives

We have investigated in the field three cases of recent land deals directly linked to the global and national contexts we have discussed above. These are three cases: the South Korean Eco-Global jatropha land deal in Saranggani, the San Miguel-Kuok land deal in Mindanao, and the sugar cane ethanol land deal in Isabela.

The South Korean Eco-Global jatropha land deal in Saranggani

In 2009, the South Korean firm Eco-Global established its foothold in the southern Philippines (Mindanao) by promising to invest US$475 million in developing jatropha production and biodiesel refinery with a capacity of 100,000 liters per day – all intend for export to South Korea. The company planned to produce jatropha in 100,000 ha of idle, un-used, vacant lands in Mindanao promised to them by the DENR.

The firm first explored production possibilities in Misamis Oriental (north-central part of Mindanao). Some local communities got involved, and linked up with the firm to start planting jatropha in their plots. But for some reasons that none in the local community seem to know for sure, the firm suddenly disappeared, abandoning the local communities and some unpaid wages for some labourers. The local communities then quickly abandoned their jatropha initiative, although some of them were still wondering whether indeed there are some good livelihood possibilities in jatropha and are still open to the idea of some investors coming in to their community.

The firm Eco-Global then got resurrected in southern Mindanao, in the provinces of South Cotabato and Saranggani in particular. There they were given by DENR an initial land allocation of 11,000 vacant, un-used lands in Saranggani. It turned out that the land according to the national records of DENR used to be subject to a pasture lease agreement (PLA) with a powerful local elite engaged in cattle raising. In the Philippines, there are probably millions of hectares of public lands that are under long-term (usually 25 years) lease arrangement with powerful domestic elites, either through PLA, Foreshore Lease Agreement (FLA) or Timber Lease Agreement (TLA). The political economy of these lands need better and more systematic empirical investigation and understanding – but the combined years of individual and combined field experience of the authors of this paper suggest that many of these lands are: (i) no longer used as intended in the formal agreement, (ii) that many of these lands are actually productive agricultural lands, but (iii) that the local elites who hold the formal lease agreements with the government tend to act as landlords and impose lopsided tenurial arrangement with some tenants in places where such social relations evolved, and (iv) in many places these lands were probably being maintained by local elites for speculative purposes.

The case of Eco-Global land allocation in Saranggani is one where there was hardly any livestock, and that the PLA just expired and the local elite was in the process of applying for a renewal of the PLA, although the DENR is more keen on giving the land instead to Eco-Global as demonstrated by the formal land reallocation (which effectively rejected the PLA renewal request by the local elite). But the local elite would not agree to the rejection pending an appeal; and would not allow Eco-Global to claim the allocated land. It turned out however that the said land has a history: it is part of an indigenous people's (B'laan) territory, and that accounts from the local community told the authors of this paper that when the local elite got hold of the land as pasture land decades back, they were forcibly ejected from their land. Their land claim got resurrected in recent years when it was included in the mapping for the scope of IPRA (the indigenous people's land act), but nothing materialized from this. Many of the indigenous peoples live in the perimeter of the contested land. Meanwhile, over time a number of small settlements inside the 11,000 ha got established and villagers are engaged in coconut farming. Hence, what we see in this 11,000 ha piece of land is one part populated and agriculturally productive, and another part being (especially the hilly portion) grassland (cogon grass).

Eco-Global then creatively used this political situation to advance its interest to claim the grassland portion of the land. The company organized and mobilized the claimant indigenous community alongside other non-indigenous claimants (possibly to use the

A&D component of CARP) to claim the contested land. There were moments of great tension marked by threat of use and actual use of violence, in a three-way conflict between the local elite who wanted to control the land via pasture lease agreement, the Eco-Global company, and the local population composed of indigenous and non-indigenous land claimants. But the Eco-Global project proved to be too high profile, favoured by the Office of the President in Manila and subject to earlier positive media hype about investments in marginal lands. The local elite was over-powered.

Successful in its attempt to take control of the land, the firm promised stable livelihoods and wage incomes based on the following arrangement: (a) the company will pay the people for clearing the land of the very aggressive grass (cogon), ploughing the field, planting and tending jatropha seedlings, (b) upon harvest, the company will pay $___/kilo of jatropha for all the jatropha seeds harvested in each plot of the people, and (c) the people will retain control of their land, this time parcelized through initial survey and land reallocation.

In mid-2010 however, Eco-Global seemed to have disappeared from the community scene. The aggressive cogon grass was back, over-taking the jatropha plants, although the company headquarters remained open in the nearby General Santos City. When queried by us, the general manager was defensive and explaining that they were just waiting for additional funds to come from South Korea, but that the project will continue as planned.

San Miguel-Kuok land deal in Mindanao

After the food crisis in 2007-08, the Philippine government identified lands that can be allocated intensified food and biofuel (jatropha and others) production. It has aggressively encouraged domestic and foreign investors seize investment opportunities in the countryside. In 2009, the Philippine government allocated 1 million ha of so-called 'marginal' and 'uninhabited' lands for the joint venture investment by the Malaysian Kuok Group of Companies and the Filipino San Miguel Corporation (SMC) with 1 billion US dollar investment exposure. According to the companies' official declarations, the joint venture aims to help the government achieve food security by transforming marginal, idle and uninhabited lands into productive spaces.

Our recent field investigation in some of the key areas of this joint venture in Davao del Norte in Mindanao revealed the following: (a) the key crops and products being promoted are cassava (for ethanol) and oil palm, (b) all the allocated lands in this province are significantly populated, contrary to the official census that these are uninhabited, or are at least very thinly populated, (c) all the allocated lands are productively engaged, contrary to reports that these are idle, un-used, vacant lands; in fact, in one municipality in Davao del Norte, the field staff of San Miguel Corporation admitted that the lands were extremely productively farmed in multi- and inter-cropping farming techniques that people could not be enticed whatsoever by the company's offer for contract-growing schemes, (d) in some places, the local population were enticed to enter into the growership schemes of the company, and a field investigation suggests some evidence that the local population who opted to devote to this scheme some parts of

their land did so by converting some of their subsistence farm plots originally devoted to diversified agrforestry farming system to produce cassava for ethanol, and (e) in many places that involve the San Miguel-Kuok land allocation many people have started to be suspicious and anxious that this is simply a pretext to grab their lands especially since many of them do not have formal titles over these lands.

The Green Future Innovations sugar cane ethanol land deal in Isabela

A consortium of foreign and domestic capital was formed and it has jump-started the acquisition of 11,000 ha of land in Isabela (northern Philippines) for sugar cane production to produce ethanol. The investment, worth US$120-million, is carried out by the Green Future Innovations (GFI), a consortium of Japan's Itochu Corp. and JGC Corp., Philippine Bioethanol and Energy Investments Corp., and Taiwanese holding company GCO. The domestic capital involvement is in turn linked to tobacco interest, with investors traced back and connected to the world's tobacco capital, Richmond, Virginia, USA. The project is thought to become the largest sugar cane ethanol company in the country, expected to produce 54 million liters of ethanol/month and an additional 15 megawatt of power, and to generate 15,000 jobs. It is expected to be in full operation in 2012. It is a special project that is endorsed and supported by the country's president and line agency department heads (including DENR, Department of Agrarian Reform), as well as actively supported by the provincial, district and municipal government officials. They promised that no people will be displaced from their lands. Isabela Rep. Anna Christina Go (representing the district in House of Representatives), married to Edgar Go, mayor of San Mariano town where the project is located declared, during the project launch where the president of the country inaugurated the investment: "The local government can even firm up (the residents') claim to their lands by extending them land titles. They will be even prioritized for employment."[4]

The partner local corporation is ECOLAND, a domestic corporation (owned by local stockholders). ECOLAND is the raw material producer which will manage and operate the production of sugarcane. The scheme is thus: foreign investment is into processing side; Filipino corporation is into the farm-agri production. This is because of land ownership restriction on foreign corporation. The role of Filipino corporation is basically as consolidator of land, to organize the necessary production grid for a viable bioethanol production (11,000 hectares). In other words, the scheme is for partnership with local corporations to evade the constitutional-legal prohibition of foreign ownership of lands. Thus, the foreign corporation lays the ground for the smooth entry of foreign corporation.

The need for consolidation is part of the process of investment. It strengthens earlier contention that idle lands under the grand scheme needed by foreign corporations do not exist. Why? There is no single contiguous land with the size that is viable for foreign corporation to operate profitably. Enormous amount of investment in infrastructure is needed to reach lands initially identified as idle.

[4] *Valley News*, 16 January 2011, (Nueva Viscaya), n. p. downloaded on 3 April 2011: http://www.vjnews.org/2011/01/16/us120m-ethanol-project-launched-in-isabela/

But even lands being developed for the project under farmer control as of the present are supposed to be idle. Farmers are supposed to be only allowing used of the portion of the land they till, maintaining a bigger portion of their land for their farming activities. The supposed ratio is 1:1, where 1 hectare of farmers farm lands, estimated at around 3 hectares, is allowed to be used as part of the project. It appears, however, that even lands without formal tenure is included, as the consolidator only needs a barangay (village) certificate for a farmer participant to qualify and enlist his land on the project. This we need to further investigate on the ground.

Some of the lands were previously planted to corn for the most part, although some are planted to these food crops when the company came in. But they have become so acidic partly due to years of application of chemical inputs, hit by successive calamities and were unable to invest in the land again, and some people just let the land to become barren for a while partly because these are in calamity prone areas.

Land use arrangement: (a) contract growing; and (b) land lease. Under contract growing, all cost of production is shouldered by the investor, with the farmer given the option to work on the land as wage labourer. Under lease agreement, the land will be leased for 10 years, at PhP5,000 (US$100) per hectare per year, again, with farmer given the option to be the wage labourer.

When we carried out a series of field investigation and research in early 2011, we discovered the following features of the land deals. First, by March 2011, the company was already able to accumulate close to 6,000 ha of land, started to plant training local people how to plant sugar cane, and the first harvest was already done. Second, the lands acquired are not marginal and un-used. Lands that were converted to sugar cane production were previously devoted to rice and corn production in a combination of flat and rolling hills landscape criss-crossed by four important rivers. However, several of these farms were left unplanted for the past few seasons for a combination of reasons: acidic land, no funds to invest in reviving the fertility of lands largely due to a series of calamities (typhoons). Many portions of the lands that were now taken over by the company are adjacent to terraced and irrigated farms, and most others are at least irrigable, and are close to major road infrastructure. Third, these lands are not vacant and unpopulated. The target 11,000 ha of land will traverse various villages and local settlements that are populated. Fourth, the arrangement is that the company will lease the land for ten years, renewable, for P5,000/ha., where the contracted person will also be able to work in the plantation for cane planting, cutting, and hauling. Fifth, the newly integrated farmer-cooperators were sent to the nearby province of Tarlac to get intensive training in sugar cane production and farm work. Sixth, pre-existing land tenure arrangements in the already acquired lands and the targeted lands vary. Many of those already acquired are under Free Patents where owners got their rights over these originally public lands. Some individuals already involved in the land deals have smaller plots of around 1 ha., others have bigger lands of up to 7 ha. A handful of individuals who were now involved in the deal are beneficiaries of the land reform (CARP) program under its various components, including the straight forward land distribution scheme of private and public lands, but also those under the community-based forest management

(CBFM) program and the A&D land component. Still, there are some individuals getting involved without any formal tenure instruments.

Yet, the company needed more lands. They were promised of 11,000 ha available marginal, under-utilized lands – but it has become clear that they have difficulty finding lands to fulfil the required 11,000 ha. Our interviews with local officials and technicians of the DAR and DENR informed us that the national and provincial state officials are now pushing them hard to find more lands and willing farmer-cooperators, focusing the target on land reform beneficiaries. Some of the interviewed officials (who requested not to be identified in our research) expressed apprehension about the project for various reasons, including what they thought a lease rental rate that is very low and the possibility that people will eventually lose their lands.

Dynamics and trajectories of land use change

Critically examining the three empirical cases presented above, we can detect diverse and multiple trajectories in land and water use change which, to a large extent, validate the more radical international narrative about global land grabbing: that many of these land deals even undermine local food needs by changing the use of land from food production for consumption and domestic market to production of food and biofuels for distant markets (domestic and international). But not completely. Below we will summarize the three broad trajectories in land and water use change we have encountered in our research.

From grassland to jatropha (and back again?). The Eco-Global jatropha investment contradicts the assumption about marginal lands – but only partially. As we mentioned above, several portions of the 11,000 ha allocated to Eco-Global was not empty and un-used as these were heavily populated and productively planted to coconut. But indeed, a significant portion of the land was marginal: perhaps more than 60 degrees in slope and grasslands ('cogonal land') – at least those they we covered during our field visits. This was the targeted portion for the jatropha production, and the grassland was cleared, ploughed, and planted to jatropha. It follows and validates the mainstream story line. However, our field investigation also shows that without irrigation and fertilizer the cogon grass came back much faster than the growth of jatropha plants. This was especially the case since the company seemed to have retreated for a while, cash-strapped and waiting for fresh funds from South Korea. If there is no immediate and major intervention in the jatropha field, it is most likely that the land will revert back to cogon grassland.

But this case also brings us to the broader narrative about jatropha elsewhere. The official story is that jatropha is a wonder plant because it will grow in marginal, semi-arid lands without irrigation. But two of our co-authors in this paper[5] had also carried out a field investigation in a jatropha plantation just outside Maputo in Mozambique – with very similar outcomes: second growth forest and thorny nasty grass was cleared and jatropha

[5] Borras and Franco.

was planted; but without irrigation and fertilizer, the grass came back much faster and jatropha was no much and did not produce the commercial output level that was promised. This was the same experiences in several others places where jatropha was popularly promoted – from India to Kenya (see Ariza et al 2010, Hunsberger 2010, respectively).

From diversified, largely subsistence, agroforestry to cash crop monocropping. The particular case that we visited that is part of the mega land deal involving San Miguel and Kuok company demonstrated a land use change that is from a diversified, largely subsistence, agroforestry to cash crop monocropping. The upload farmers were visited in the field and interviewed have always been engaged in a typical Philippine upload agricultural activity: combining some subsistence oriented food production for consumption (and some for the local market) with activities gathering non-timber forest products and planting some fruit trees and some long maturing hard wood trees – all in upland slopes. The San Miguel-Kuok land deal enticed this particular community – brokered by a regional NGO based in Davao City – to go into growership contract to produce cassava (for ethanol) and oil palm (partly for food stuff, partly for biodiesel). Small, portable machines to process cassava were distributed among the farmer-cooperators, making the deal far more attractive. The result was that contracted farmers quickly converted portions of their agroforestry and food production plots to produce cassava for ethanol.

From rice-corn production for food to sugar cane production for ethanol. The land and water use change in the case of the Green Future Innovation sugar cane ethanol investment in Isabela is more of a straight forward case of land (and water) used to produce food (corn and rice) for consumption and the local market significantly changed to produce sugar cane for ethanol to fuel cars in distant places (both domestic and international). It therefore links firmly with the more critical narrative about the land and water use implications of global land grabbing.

Dynamics and trajectories of land property relations change

There is no single trajectory in land property relations change as caused by the land deals, at least not in the three empirical cases we have investigated. The change is far more diverse – and fluid. Three broad trajectories can be detected.

From dispossession to repossession. Land deals, after all, do not only result in the dispossession of poor people; it can also result in the repossession of their land. The case of Eco-Global is illustrative. Many of the original settlers (indigenous and non-indigenous) were ejected from their lands when it was given to a local elite under a pasture lease agreement (for 25 years). When the lease expired, the national government decided to reallocate it to biofuels program and reallocated it to Eco-Global. But the local elite resisted, and Eco-Global resorted to forging an alliance with the local land claimants promising them livelihoods and wage incomes in the process. Their combined forces defeated the local elite, and led to the previously dispossessed repossessing their land. Eco-Global's support for the land rights of the local people was based on their calculation

that it is more to the company's advantage to deal with the people as landowners: they needed their land and their labour too.

From 'non-legible/invisible/informal' land occupants to legible/visible/formal land occupants. Before the mega land deal with San Miguel-Kuok corporate alliance, the people inhabiting and farming most of the million ha of land were 'non-legible' or were invisible in the eyes of the national government. According to the national land classification records of the DENR these lands are empty and un-used. As we know now in the literature, in fact many of the people inhabiting such spaces prefer to be invisible because they squat on these public lands and feel secure being undetected by the government because on some occasions when their mostly 'illegal squatting' has been detected poor people have been displaced from their lands. By just allocating the one million ha of land to San Miguel-Kuok alliance, the people in these lands were suddenly exposed and became visible. But most likely because of the scale (one million ha), instead of ejecting them, the company preferred to shift strategy: to co-opt these people to give up portions of their land for contract growing scheme to grow cassava for ethanol and oil palm. And as far as we know, this has been the main strategy by the company across Mindanao for the allocated lands. Some people have expressed fears that this exposure might lead to their expulsion from these lands. But whether the San Miguel-Kuok scheme will lead to dispossession remains to be seen – in many other areas in Mindanao not covered by our research and in the future.

From farm owner-operator to lessor-worker. The emerging land property relations change in the Green Future Innovations investment in Isabela points to a direction of: from 'farm owner-operator' to 'lessor-worker', with possible far-reaching implications in the future. Many of the pre-existing land tenure farm arrangements – those who were already contracted and those who are targeted to be integrated into the deal – seem to us to be a variety of 'farm owner-operator' types. These diverse tenure arrangements are fast getting homogenized within a single arrangement, namely, 'lessor-worker' where the small farm owner-operators lease out their land to the company and become workers at the same time. This is very similar arrangements in other land reformed sugar cane enclaves across the country where the practice of 'ariendo' has become rampant, or among the land reform beneficiaries in the plantation belt of Mindanao (see Borras and Franco 2005, for example). History has shown us that such a change in land property relations usually is a step closer to eventually getting dispossessed. It remains to be seen, and to be empirically investigated, whether this will be the case in the Isabela land deal.

Implications: concluding discussion

Our discussion above shows that the official narrative about marginal lands holding the key to solving the world's food and energy problem is just as alive in the Philippines as elsewhere in the world today. The Philippine government has claimed that it has vast tracts of lands that are marginal – thinly populated if not completely empty, un-used or under-utilized, and idle – so that converting these to production zones for food and biofuels for domestic or international market will not undermine the food needs of the

local population. In the Philippines, the marginal lands discourse is more associated with promoting biofuels production than with food production for export.

We carried out field research in at least three specific cases of land deals supposedly involving marginal lands. In all of the three cases, the assumption that such type of land exists is fundamentally flawed. What we have seen are populated and agriculturally productive lands – except for a portion of the total land area of one of the three cases (Eco-Global jatropha investment) where indeed it was grassland ('cogonal area').

The definition, identification and quantification of so-called marginal lands are all fundamentally flawed. The definition of marginal lands, more broadly, tends to be based mainly on economic terms: the economic value of commercially marketed products derived from working the land. This is flawed in two inter-related ways. On the one hand, economic value cannot be limited to commercially marketed surplus derived from working the land. Many of the production process that occur in these types of lands are food-oriented production mainly for subsistence. It feeds the local population – despite these products not usually valued in monetary terms and not captured in official state censuses. On the other hand, historically and from one society to another, land has always been viewed from people inhabiting them from multi-dimensional perspective: economic, social, political, cultural and even spiritual. To reduce its value to purely economic terms is wrong.

The ways in which these lands are identified and quantified are fundamentally flawed too. It is mainly based on what the official state records tell us about this land. We know that the state can only capture and record 'things': land, size of land, production statistics, and so on, and usually the complex land-based social relations that exist in these spaces are to complicated for the state to understand and record. Hence, land classification and cadastre records are key components of what James Scott (1998) refers to as 'state simplification'. In the Philippines, as elsewhere, the state basically divides the land related matters into binaries: private versus public/state lands, productive versus non-productive lands, inhabited versus empty lands, and so on. Once the state has made the official categories, the tendency is for these classifications to remain static, while these spaces are dynamically engaged by individuals and groups of people linked to their relationship to these lands: a once forest timber land has over time become an irrigated rice land, a once vacant land became densely populated and tenure relations between groups of people and social classes emerged, and so on – but the state records remained static. The Philippines is notorious in this regard: millions of hectares of land still classified as pasture land or foreshore land, or timber land (and so, all exempted from land reform) – when most of these spaces have already been transformed into productive agricultural lands, densely populated and class-based tenurial relations emerged and consolidated: but the Philippine government official censuses remained static, claiming that these lands are empty, non-agricultural lands. And they quantify these types of lands based on the same system as land use classification: based on earlier state administrative censuses, oblivious to the changes that occur in these spaces over time. It is this kind of definition as well as identification and quantification methods that are being employed in the assumption about the existence of available marginal lands in the world today. But as

our three empirical case studies have shown, the definition, identification and quantification of these so-called marginal lands are fundamentally flawed.

One of the important insights from our case studies is that the diverse trajectories in land use and land property relations change partly tell us that land investors are not interested in dispossessing poor people to grab their lands per se, at least not in the Philippine context – but are interested in ways through which they can take effective control of the land in ways that are convenient and profitable for them. This explains why not all land deals have resulted in, or will result in, dispossession – in the Philippines and elsewhere. It is possible that it will result in repossession in some cases, just like in the Eco-Global case examined here.

Insights from our study also tell us that a better understanding of the character, condition, pace, scope, extent and direction of contemporary land grabbing requires careful field investigation in order to avoid *a priori* theoretical assumptions that can only be partially correct at best, and flawed at worst. For example, our case studies have demonstrated diverse, multiple, dynamic and fluid – not singular and static – trajectories in land use and land property relations change that some tendencies in the critical global land grabbing discourse sometimes claim.

References

Note: references in the main text and in the bibliography are work-in-progress.