



Graduate School of Development Studies

## **Land Deals, Joint Investments and Peasants in Mindanao, Philippines**

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***Disclaimer:***

This document represents part of the author's study programme while at the Institute of Social Studies. The views stated therein are those of the author and not necessarily those of the Institute.

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# Contents

Acknowledgements.....	iii
List of Tables.....	v
List of Acronyms.....	vi
<b>Chapter 1</b>	
<b>Introduction: Background, Framework and Methods .....</b>	<b>1</b>
Background to the Problem.....	1
Statement of the Problem.....	3
Theoretical Framework .....	4
The Agrarian Political Economy.....	4
Agrarian Politics.....	4
The Agrarian Transition.....	6
Relevance of Theory to Analysis.....	8
Research Objectives and Questions.....	9
Objectives.....	9
Questions.....	9
Methodology .....	9
<b>Chapter 2</b>	
<b>The “Cooperative Efforts” of the KSA and the Philippines.....</b>	<b>12</b>
Background to the Partnership: Reasons for the “Cooperative Efforts”.....	12
Context of the Partnership: Tools of Implementation.....	15
Political Tools.....	15
Discursive Tools.....	20
The Shape of the Partnership: Agreements and their Uses.....	22
Governmental Agreements.....	22
The Relevance of the Partnership.....	24
<b>Chapter 3</b>	
<b>The FEAICO- Aztropex Joint Investment in Mindanao.....</b>	<b>25</b>
Transnational Corporate Land Deals in Mindanao.....	25
The Joint Investment: FEAICO and Aztropex .....	29
Perspectives and Responses of Farmers.....	31
<b>Chapter 4</b>	
<b>Concluding Reflections: Land Deals and Peasants.....</b>	<b>38</b>

Appendices.....	41
References.....	56

## List of Tables

Table 2.1	
Government Agencies' Roles and Perspectives.....	17
Table 2.2	
Fiscal and Non Fiscal Incentives for Foreign Investors.....	18
Table 2.3	
Discursive Tools Chart.....	20
Table 3.1	
Farmers Perspectives and Opinions of Transnational Corporate Land Deals.....	33

## List of Acronyms

<b>AFMA</b>	Agriculture and Fisheries Modernization Act
<b>ARMM</b>	Autonomous Region of Muslim Mindanao
<b>BOI</b>	Board of Investments
<b>CARP</b>	Comprehensive Agrarian Reform Program
<b>COC</b>	Code of Conduct
<b>CSCCI</b>	Council of Saudi Chambers of Commerce and Industry
<b>FAO</b>	Food and Agriculture Organization
<b>FEAICO</b>	Far Eastern Agricultural Investment Company
<b>IFPRI</b>	The International Food Policy Research Institute
<b>IPP</b>	Investment Priorities Plan
<b>JCCI</b>	Jeddah Chamber of Commerce and Industry
<b>KMP</b>	Kilusang Magbukid ng Pilipinas
<b>KSA</b>	Kingdom of Saudi Arabia
<b>MEARBAI</b>	Marsman Employees Agrarian Reform Beneficences Inc.
<b>MILF</b>	Moro Islamic Liberation Front
<b>MOA</b>	Memorandum of Agreement
<b>MOU</b>	Memorandum of Understand
<b>NAFC</b>	National Agriculture and Fisheries Council
<b>PADCC</b>	Philippine Agricultural Development Commercial Corp.
<b>PCCI</b>	Philippine Chamber of Commerce and Industry
<b>PEZA</b>	Philippine Economic Zone Authority
<b>TFM</b>	Task Force Mapaland

# Chapter 1

## Introduction: Background, Framework and Methods

### Background to the Problem

In recent years companies and governments from around the world have shown a growing interest in the acquisition of, and/or investment in, the farm-land of the Global South. More particularly, governments and companies of wealthy yet food or fuel insecure countries have been searching for ways to address food and fuel insecurity through the interlinked system of global trade. They have been looking to the areas of the Global South that are suffering from a lack of investment in their agricultural sector to access farmland through foreign direct investment. This is now a growing trend based on the divergent, yet complimentary, needs of two states - the needs for some to establish a steady food supply and the needs of others to develop their agricultural sector.<sup>1</sup> This trend goes by various terms from a “land grab,” “land acquisition,” “transnational corporate land deal,” to a “foreign investment in agriculture<sup>2</sup>.”

Both state and non-state actors are “investing” in farmland across borders, all with varying reasons. Many state actors are interested in investments in land in order to produce food or fuel to export to their home countries, while companies are looking for a new area to funnel investment or to establish business operations.<sup>3</sup> This study will focus on the former. Some examples of the state actors include, the Gulf states, South Korea, China, Japan, amongst others. “Hosting nations” include countries in South East Asia (such as the Philippines), Africa, and Latin America. Governments with different concerns strike up deals or create what they entitle “cooperative efforts,” also referred to as a “productive partnership.<sup>4</sup>”

Needless to say, transnational corporate land deals are becoming a big business and at the same time a topic of much heated debate. The debate often centres around the concern for what transnational land corporate land deals could mean for the peasants or for agriculture in general. These debates are so topical that large agencies such as the World Bank, Food and Agriculture Or-

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<sup>1</sup>There are many ways by which land deals are unfolding other than for food production- for example through the production of biofuels and other non-food agricultural commodities, through the development of nature reserves and eco-tourism, amongst others. However, for the purpose of this particular research the acquisition for food production will be discussed

<sup>2</sup>The variety of titles are a reflection of how politicized the trend is becoming. Essentially, the term used relates one's perspectives on land deals and where they sit in “land grab” debates. These debates will be briefly mentioned below.

<sup>3</sup>This is a very simplified explanation of the interests of state and non state actors.

<sup>4</sup>This terminology (“productive partnerships” and “cooperative efforts”) and other discourses will be discussed in chapter 2.

ganization (FAO), The International Food Policy Research Institute (IFPRI), amongst others, are joining in the debate and looking to establish what is called a “Codes of Conduct”(CoC). The CoC aims at monitoring how deals will take place in the hosting nation to create “win-win” outcomes that benefit both the investing state and the hosting state(an example of IFRPI's CoC can be found in Appendix A). Debates are developing even further, now surrounding whether the codes of conduct are helpful or condoning “land grabs.” To some, these foreign investments could be vital to the Global South by helping to develop their agricultural sector, and beneficial for the investors as it could secure a food or fuel supply. To others, transnational corporate land deals represent the ability to capitalize on the convergence of crises- food, financial, oil, and climate- and will end up as a new form of imperialism, increasing poverty and food insecurity in the countryside, and ushering in the wide-scale capitalist transformation of agriculture (Grain 2008, Oakland Institute 2009, Borras and Franco 2010).

Since 2008 a growing number of reports and articles have appeared on transnational land deals and represent the debates mentioned above. One report by Grain(2008) is one of the first reports to highlight this trend. The main concern of the report was to discuss the growth in transnational land deals in general with a special focus on how land deals are related to a “convergence of crises” (food, climate, and economic) and how this convergence creates the environment for land deals (Grain 2008: 1-11). Since then other organizations have joined the discussion, all with the aim to bring in their analysis and perspectives on the debate. For example, in 2009 the Oakland Institute produced a document entitled “The Great Land Grab: Rush for World’s Farmland Threatens Food Security for the Poor” that sought to emphasize who is involved in the trend and/or who is facilitating the land deals. In particular they provide an analysis of the financial institutions who are promoting the investments.

Around the same time various transnational institutions -from IFPRI, the World Bank and FAO- began to create the codes of conduct that sought to make transnational land deals a “win-win.” The CoCs received a large amount of criticism from organizations such as Grain, but also from the academic world. One article in particular that rejected the code of conduct approach was written by Borras and Franco's (2010)“From Threat to Opportunity: Problems with the Idea of a “Code of Conduct” for Land-grabbing.” Borras and Franco argue that the CoC is actually a tool to legitimise land deals, and if promoted, could have serious implications.

Some other notable articles and reports that have contributed to “land grab” debates include, Annelies Zoomers (2010), A World Bank report entitled “Rising Global Interest in Farmland: Can it Yield Equitable and Sustainable Benefits?” (2010), Ben White and Anirban Dasgupta (2010), Joachim von Braun and Ruth Meinzen-Dick (2009) of IFPRI, amongst others. Each of these articles and reports have added to the “land grab versus land investment” debate. Annelies Zommers (2010), for example, argues that the reason for the land rush is based on distinct processes that reflect the current global eco-

nomy. Meaning, there are various reasons for investors, governments, and corporations to be involved and each are based on an inter-linked system of global trade.

The current land grab is partly a result of combination of globalisation, the liberalisation of land markets and the worldwide boom in FDI. In a globalizing world, local development is increasingly played out in a matrix of links that enable connections to be made between people and places on a world scale. The intensification of worldwide social relations links distant localities such that local happenings are shaped by events that occur many miles away and vice versa (2010: 430).

Whereas the IFPRI report, by Joachim Von Braun and Ruth Meinzen-Dick (2009), looks specifically to the food crisis as the cause of the “land rush.” However in their perspective,

these land acquisitions have the potential to inject much needed investment into agriculture and rural areas in poor developing countries... It is crucial to ensure that these land deals, and the environment within which they take place, are designed in ways that will reduce the threats and facilitate the opportunities for all parties involved (1).

In other words, it is being argued that the food crisis can be met with innovation, by matching the needs of the food-insecure state with the needs of the investment-insecure state to create the “win-win” partnership.

Two states in particular that are embracing this idea of a “win-win” partnership are the Kingdom of Saudi Arabia and the Philippines. With weak agricultural conditions the KSA is constantly concerned with the possibilities of a food crisis. The Philippines on the other hand hungers for foreign investment in their agricultural sector with the “hope”<sup>5</sup> to address rural poverty, and is therefore constantly looking for foreign inputs in agricultural production. The claimed necessities of both countries have brought the governments together to address their concerns through what they call a “collaborative effort”<sup>6</sup> based on rules set by the global market. Therefore, this growing partnership represents a specific example of a transnational corporate land deal underway and an attempt to achieve a “win-win” agreement through a specific joint investment in the Philippines.

## **Statement of the Problem**

This study seeks to situate the above mentioned debates and discussions through a specific example of a joint investment involving a Kingdom of

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<sup>5</sup>Quotations are used here since this “hope to address rural poverty” is rhetoric often presented by various government agencies involved in investment promotion.

<sup>6</sup>The term is used by both governments, by companies and investors, to promote their plans for a joint investment in Mindanao.

Saudi Arabia investor and a Philippine investor. Simply put, this study is interested in examining a land deal currently developing in Mindanao, Philippines. This includes, distinguishing the dominant international actors, the tools used to support the deals, and the local level responses. Therefore, it emphasises the land deal process and does so by: first analysing how two governments come together to create “collaborative/cooperative efforts”(chapter two), then presenting one joint investment that has developed out of this partnership and the local dynamics surrounding it (chapter three), in order to finally discuss the place and responses of peasants of the Philippines (chapter three). Therefore, it is the aim of this analysis to present the beginning stages of the implementation of a joint investment by applying a critical lens to the partnership of the two states and the outcome of this partnership which is a particular joint investment in Mindanao. This is supported through the use of theories and concepts of the agrarian political economy.

## **Theoretical Framework**

### **The Agrarian Political Economy**

The agrarian political economy lens is used in this study to accentuate key concepts that frame this analysis. The key concepts are categorized into two sections: the first, agrarian politics, focuses on concepts such as power relations, access, and political affiliation; the second, the agrarian transition, focuses on the neoliberal enclosure, agrarian transformations, capital and the peasantry, and the role of the state. These concepts will be helpful to bring a political lens to land acquisition studies. At the same time, by viewing land acquisitions through a political lens it will be possible to construe the struggles related control over land (and the resources on that land) between social class and groups (across and beyond borders) and the way these struggles are shaping the nature, scope, pace and direction of agrarian change (Byres 2009: 33-54).

### **Agrarian Politics, Power and Access**

The broad and widely used definition of politics is 'who gets what, when, and how' (Lasswell 1958). Politics is therefore based on access to resources (such as land); control over those resources; the way those resources are allocated, used, and produced, and the overall beliefs attached to these processes. Beliefs in the case of this research are connected to the collaboration of parties and the conflicts of parties, the debates which are connected to access, allocation, production, etc., the struggles to maintain or gain control of resources, the manoeuvrings to establish access to resources, the conflicts surrounding access, and the uprising that occur because of lack of it. Land is therefore viewed not only as a geographical location or a place to produce or reside. Rather, land is based within a set of political, economic, social, ecological, and cultural relations. Therefore, land is a 'construction of identity' (Akram-Lodhi 2007A: 555). Land is also 'a cultural resource, being a principal way in

which the social and cultural identities that shape power and powerlessness within the myriad diversity of rural societies are formed' (Akram-Lodhi 2007A: 555).

A useful starting point to understand how powerlessness is rooted in certain relations and how this defines access to land (and access to the benefits of that land), is the 'Theory of Access' by Jesse Ribot and Nancy Peluso (2003). This theory is useful primarily in its definition of access as 'the ability to derive benefits from things' (Ribot and Peluso 2003: 153), which expands past the classical definitions of the 'right to benefit from things.' Ribot and Peluso further this explanation through an analysis of the broad set of factors that create the various levels of access and differentiate one's 'bundle of powers' from their 'bundle of rights'. Therefore, the authors extend past conceptions of poverty and look to how poverty can be defined by the social relations within which poverty exists. Moreover, the concept of 'bundle of powers' depicts how resources such as land are controlled by political, social, economic, and ecological relations (Ribot and Peluso 2003:158). As stated by Ribot and Peluso, by using the theory of access it is possible to identify 'the constellations of means, relations, and processes that enable various actors to derive benefits from resources' (2003: 153). This theory identifies power relations surrounding land which exist at various levels from the local to the global. In the case of this research, this is emphasized in how the ability to benefit from transnational corporate land deals is defined by where one sits in the local and transnational power dynamics (as discussed in chapter 3).

Leonora Angeles (1999) looks more closely into the power relation at the local level of the Philippines. Angeles analyses how elite families have maintained oligarchic rule in Mindanao due to various political, social, economic, and cultural manoeuvrings. Some examples include business partnerships, control of political parties and state patronage, the use of political symbols, issues and movements, the use of political power to obstruct land reform, and the strategic management of political violence (Angeles 1999: 667). The analysis depicts how property, power and privilege is secured, contested, and re-secured by elites within Mindanao. Angeles presents how the political alignments and manoeuvrings affect the agrarian landscape and influence the agrarian transition in the Philippines. This is very important to the successes of transnational corporate land deals in the Philippines as the deals are formed based on pre-existing power dynamics, and supported through the role of the state. At the same time, the role of local elites in the joint investment in Mindanao helps establish the deal and secure its success.

It is also important to acknowledge how peasants reacts to power imbalances, political affiliations, and the way access is restructured based on power relations and political affiliations. In the case of transnational corporate land deals, peasants is responding in various ways, either attempting to be a part of the process or attempting to stop it. To understand this it is important to reflect on is the power relations within agrarian communities, the political affiliations within agrarian movements, the heterogeneity of agrarian communities, and how these all combine to decide how peasants are involved in the joint investment or mobilize against land deals. Jefferey Paige (1975) asserts

that the ability to contest depends on the nature and dominance of the upper class and on the political organization of the 'cultivating class'(25). The way the upper class resists revolution is through a system of special privileges based on repression and 'disenfranchisement' (Paige 1975: 25). For the land deal under discussion, the control of the elite extends beyond borders, as seen in the partnership of the two governments.

### **The Agrarian Transition: the Neoliberal Enclosure, Capital and Peasants, and the Role of the State**

Since the era of neoliberal globalization<sup>7</sup> various key transformations have taken place that affect the 'the nature, scope, pace and direction of agrarian transformations within and between countries'(Borras 2009: 12). Akram-Lodhi, Kay and Borras(2009) pull out a key aspect of the transformation as based on new forms of segregation. This reconfigures rural production processes to a more capital intensive form which leads to new processes of segmentation, inequality and exclusion (Akram-Lodhi, Kay and Borras 2009: 215). These new forms of inequality are an outcome of a 'new global politics of land' in which dominant global class forces are intensified through their power over policy(215). More particularly, the dominant global class does so through 'free trade agreements and poverty reduction strategy papers, a market-led, and hence neoliberal, appropriation of land' with the intention to respond to 'market imperative so as to promote the improvements in productive efficiency that boost capitalist competitiveness'(Akram-Lodhi, Kay and Borras 2009: 215). These policies have had their strongest influence on access to land in rural communities (Akram-Lodhi, Kay and Borras 2009: 217) and can clearly be seen in the relations of the KSA and the Philippines, their manipulation of political process (such as policy transformation and "poverty reduction" rhetoric), and the place of the farmers in this partnership.

To Akram-Lodhi(2007B), this transformation creates the neoliberal enclosure(1437-1456). The neoliberal enclosure reinforces and resurrects 'inequalities in access to land' and at the same time sustains 'a bias in the pattern of rural accumulation so that it works to the benefit of a minority'(2007B: 1446). Akram-Lodhi(2007B) views the objective of the neoliberal enclosure to deepen the capitalist land relations by weakening the power of the farmers and strengthening the power of the elites(1446). Furthermore,

This is achieved principally through the use of market-based processes supplemented by the direct action of the state... (N)eoliberal enclosure required, in the first instance, fundamental alterations by the state in the structure of rights to property in the juridical and legal sphere that it monopolised, and which thus reflected the power of dominant class forces to regulate the underlying social

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<sup>7</sup> The process of neoliberal globalization are described by Henry Bernstein as follows, '... the ideological and political ascendancy of neoliberalism in a highly selective rolling back of the state, including the structural adjustment programmes, economic liberalisation, and state reform/good governance agendas imposed on the countries of the South and, more recently, the former soviet block'(Bernstein 2008: 247).

relations that govern the extraction of surplus labour(Akram-lodhi 2007B: 1146).

In short, the neoliberal enclosure is not a new process, rather it is a ever-progressing process which furthers capitalist transitions. Most importantly it is based on property relations that favour dominant classes through political manoeuvrings. The neoliberal enclosure is important to the analysis of transnational land deals since transnational land deals are based on the transitions of capitalism that transform the value of land into an investment.

This is related to the way capital may be revolutionising agriculture and how this shapes 'conditions governing access to land, in that land is the principal agrarian means of production, and thus a key determinant of social, political, economic, ecological and cultural relationships'(Akram-Lodhi 2007B: 1442). In short, the nature in which land is held, in regards to transnational corporate land deals (prior to the plans, during, and after), will decide 'the capacity of capital to transform agriculture'(Akram-Lodhi 2007B:1442). Capital is therefore not a thing, rather it is a social relation and the processes of the neoliberal enclosure define how capital will transform and extend across borders(Akram-Lodhi 2007B:1442). The transformation of farming communities is linked to the transformation of capital, in that capital -especially in regards to transitional corporate land deals- is tied to the global agro-food system which connects local production to 'agro-food transnational capital operating in the spheres of production, processing, distribution, retailing and finance in what is now a buyer-driven global agro-food system'(Akram-Lodhi 2007B: 1448).

The relations that surround capitalist processes also allow the transformation to occur, as depicted in the partnership of the KSA and the Philippines and in the role of local elites in the joint investment. In other words, the necessities of both nations and the desires of investors and the local elite, are addressed through local and global relations rooted in a particular global economic climate. As stated by Akram-Lodhi(2007B), 'in this sense, then, agro-food capital plays a key role in shaping the configuration of this productive sub-sector, imposing, as it were, 'capitalism from above'(1448).

As Borras(2009) views it, the 'convergence of various crises, including food, energy, climate and finance, is likely to re-emphasise, not devalue, the role played by nation-states and state authorities in the politics of agrarian transformation'(10). In other words, the role of the state adapts to the new need of the state, which is to facilitate foreign investments.

Other theorists engage with these ideas and expand on them to discuss issues such as how farmers are affected by agrarian transformations and, as stated earlier, how they contest the unequal ways the transformations take place in rural areas. The inequalities experienced by the peasants due to neoliberal transitions are covered by Henry Bernstein(2004). Bernstein discusses how inequalities are based on exclusion from the market-place and the very nature of exclusion is based on social relations(2004: 190-225). Bernstein also dis-

cusses land reform and how the ability for land reform to succeed within a neoliberal system is stunted by such inequalities, social injustice, and political struggles(2004: 191). Bernstein(2004) also highlights how land reform is stunted by and pitted against the monopolization of land(194).

The heart of the farmers' struggles is based on access to land. Akram-Lodhi, Kay and Borras (2009) address this with their discussion on how the transformation in access to land is based on neoliberal restructuring and the 'extra-economic and economic mechanisms' that 'seize spaces of peasant reproduction'(234). This is also known as the transnational corporate land acquisition. 'This reconfiguration is an outcome of the emergence of a new global political economy of land in which, in particular, dominant global class forces and their representatives seek to promote a market-led appropriation of land, in an effort to promote improvements in productive efficiency under the market imperative'(Akram-Lodhi, Kay and Borras 2009: 234). In other words, with the dominance of neoliberal globalization and its affects on policy, the processes of privatization, the establishing of a land market, and the support of land acquisition, the agrarian system has been, and is being, restructured and redefined(Akram-Lodhi, Kay and Borras 2009: 233).

### **Relevance of Theory to Analysis**

In summary, the theoretical map that is used in this analysis is based on theories of the agrarian political economy with a special focus on land issues. Within this broad field of analysis are the key concepts discussed, including, (1) agrarian politics, power, and access; and (2) the agrarian transition, the neoliberal enclosure, capital and the peasantry, and the role of the state.

The main concepts discussed in the theoretical category of agrarian politics, power, and access is contingent on class dynamics, power relations, and how each defines access. Underlining each of these issues is the discussion of the social, cultural, economic, political, and ecological relations which structure the agrarian terrain and define the power relations. Therefore, each category of discussion and the theorists which accompany the categories, contribute to the comprehension of the relations surrounding the transnational land deals and how these relations encourage the power to define an uneven distribution of access to land. In particular, these theories help to convey how the joint investment in Mindanao will exist in a system of local dynamics and power relations. These local dynamics will decide who will benefit from the deals and to what extent, how the farmers will be affected by the plans, and how they will respond. Therefore, these theories are important to understand "who gets what, when, and how" in regards to the Mindanao joint investment .

It is important to connect the relations, which surround land and define access, to the process of transformation that alters these relations. The theories focused on agrarian transformation and transition are useful to connect land acquisition to wider ideological, economic, and social trends. The use of agrarian transformation therefore is to understand processes taking place globally and the affects these processes have locally. Theories within the

concept of agrarian transformation are essential to this analysis as they connect global contexts and transitions to local ramifications and circumstances.

The neoliberal enclosure is important to the analysis of transnational corporate land deal based on its emphasis on the transformations of neoliberalism which deepen capitalist relations by weakening the peasants and strengthening the power of the elite through an interlinked system of agro-food capital.

The neoliberal enclosure incorporates concepts of political affiliation, power relations, the state, and the affect of each on the farmers. These concepts are important to understand the role that states take in shaping these deals and how this influences the dynamics of the joint investment in Mindanao. The position of the government, to secure the deals and promote a particular type of development, may disenfranchise the farmers and lead to further transformation.

## **Research Objectives and Questions**

### **Objectives**

Considering the concepts introduced above and the contextualization of the problem, this study embodies three main research objectives. They are to, 1) explain how two governments come together to create “collaborative efforts” to facilitate a transnational corporate land deal; 2) analyse the local level dynamics of the deal in Mindanao; and 3) situate the place of peasants in the plans for a joint investment.

### **Questions**

With these objectives in mind it is possible to define the key questions of this analysis which are concerned with understanding how a land deal occurs in a particular country. This research essentially aims to highlight one moment of the implementation processes of a transnational land deal. Therefore, the three broad questions which seek to highlight this moment are: (1) What are the tools used by two governments to establish a joint investment?; (2) What are the local dynamics surrounding the joint investment that develops out of the government initiatives? And, (3) how are the local peasants responding to this? The analysis is therefore centred on the key implementation processes prior to and during the establishment of one particular joint investment in Mindanao, Philippines.

## **Methodology**

The research was done in the Philippines over a two month period in 2010 and focused on analysing the dynamics that are surrounding a joint investment in Mindanao. In so doing, the field work aimed to understand how the key agents in the Philippines are involved in transnational land deals, how they view transnational land deals, what relations frame the investment climate of the Philippines and how all of these contribute to the way transnational land

deals unfold in the national context. The Philippines were chosen as the focus originally due to the fact that various investors have shown interest in the area yet little has actually taken place on the ground so far. This presented an interesting opportunity to see the origins of deals based on: first the Philippine government's reason for engaging in talks for transnational land deals; second, how investors respond to this; third, how this creates an environment for possible investments based on partnerships between governments; fourth, the actual deals that begin to develop out of this possible partnership; and fifth, how out of these four essential features, joint investments are formed in the Philippines and certain implications develop.

The specific joint investment in Mindanao was chosen because it represented clear links between the relations of governments and how these lead to relations between investors and the actual plans that are created out of this. From that, the possible implications on the peasants could be distinguished. Mindanao was also an important selection due to the way it is promoted by government officials and local investors, the conflicts in the area, and how its symbolized as an area of transition based on its current classification of “under-developed” and “conflict zone” to its planned classification of “modernized” and an “eco-zone.”<sup>8</sup>

To do so a qualitative analysis was undertaken using both primary and secondary techniques. The secondary techniques were used to create a foundation for the research to understand the main issues attached to transnational land deals. This included consulting government documents on their investment plans, agricultural policy, trade policy and in particular their approach to transnational land deals. Since the researcher was unable to conduct interviews with representatives of the KSA, secondary data was used to build an understanding of why and how they are looking to the Philippines to establish transnational corporate land deals. This was supplemented by interviews with various members of the Philippine government and the local investor who is working with the KSA investor. Other sources consulted to understand the generics of the deals and the Philippines' investment climate included documents produced by the civil society agents, such as NGOS like, ANGOC, AR NOW!, Abon Foundation, Via Campesina, etc. Accordingly, important related theoretical articles were utilized to build a theoretical framework, which were discussed in the past section.

The primary analysis consisted of both focus groups and key informant interviews. Four focus groups were done in total: two were with two separate farming cooperatives, one was with eight different leaders of indigenous communities in the Philippines and another was with a group of eight farming organization leaders. The groups identified for the focus groups were selected to represent various political camps, organization, structure, and location. Therefore, various cooperatives were selected from areas around Mindanao, and the Philippines, who represented different ideological positions and political orientations in order to represent various perspectives of the peasants. A key

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<sup>8</sup>Each will be discussed below.

characteristic which united all of the groups was their history of a struggle for land through CARP<sup>9</sup>.

The focus groups were aimed at getting the perspectives of different farmers and indigenous groups who have been a part of the struggles and who are aware of the growing prominence of foreign investors. Questions related to: community members perceptions, opinions, beliefs and attitudes on various aspects of the research including: what land reforms have meant to their community, their perceptions on the use of land for livelihoods, how they feel about the land investments, what the threat of land acquisitions on the land reform process means to them, and more. The focus groups were therefore used to represent groups organized perceptions of foreign investments and transnational land deals, access to land, land struggles, and their changing struggles. The focus groups also brought together leaders and farmers of different groups to present various perspectives and to represent the communities' group dynamics.

17 key informant interviews were undertaken: six were with NGO leaders, five were with leaders and members of different farming movements and cooperatives, three were with government officials and two were with the Philippine investors working with the KSA. The topics discussed were based on what each agent's role is in their agency, what the agency does in general in relation to land conflicts, what their perspectives are on these conflicts and the agents involved, where they stand in the discussion on land deals, how they are involved, how they view their involvement and what their future hopes in regards to these investments are. The aim was to allow for a first hand look at the local level dynamics. Depending on who the interview was with, it represented a possibility to see into the different perceptions on investments, how each agent is involved, and how they are all responding. Therefore, the key informant interviews were important as they provided in depth personal representations of transnational corporate land deals and highlighted local, national, and international dynamics and relations.

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<sup>9</sup> Comprehensive Agrarian reform Program (CARP), was applied in 1988 to redistribute land to the peasantry in order to respond to a disproportionate ownership of land.

## **Chapter 2**

# **The “Cooperative Efforts” of the KSA and the Philippines**

This chapter seeks to distinguish and analyse the tools used by the KSA and the Philippines to establish a joint investment. The aim of this is to present the initial political stages taken by two governments to start the facilitation processes of a land deal. In the case of the KSA-Philippine partnership, this represents the steps that have been taken and continue to be taken by government bodies in the implementation process of the Mindanao joint investment. This is done by first briefly presenting the background of the two governments' “partnership” to understand the said reasons for their joint-efforts. Next, by distinguishing the political and discursive tools used by both governments to implement a certain joint investment. And, finally, by presenting the actual agreement established out of these joint efforts. The steps taken reflect various important procedures for the KSA-Philippine plans as well as the stages within land deals in general. Once these stages have been distinguished it will be possible to follow the processes to their current implementation process at the local level of Mindanao.

### **Background to the Partnership: Reasons for the “Cooperative Efforts”**

The governments of both the KSA and of the Philippines claim to have had strong trade ties since the 1990s(Philippine Chamber of Commerce and Industry 2009). These ties have recently been intensified with the increased interest of the KSA government to produce food abroad and the ambition of the Philippine government to “modernize” agriculture. Before going deeper into this argument it is important to understand why the two government have recently deepened their trade relations.

The reason given by KSA officials is related to the harsh growing conditions in their country. In fact, the KSA minister of agriculture argues that the KSA has some of the poorest water reserves in the world and are increasingly dependent on imports for security(Balgahaneem quoted in Kawach, 2010: section 9, parag. 6). In other words, the nation is often under the threat of a food crisis (Balgahaneem quoted in Kawach, 2010). At the same time, the KSA is an oil-based economy with strong government control over some of the most important economic activities (both oil and food). In fact,

Saudi Arabia possesses 20% of the world's proven petroleum reserves, ranks as the largest exporter of petroleum, and plays a leading role in OPEC. The petroleum sector accounts for roughly 75% of budget revenues, 45% of GDP, and 90% of export earnings(Philippine Board of Investments 2009: 1).

Therefore, although the KSA is experiencing a growing concern for their food sector they have the financial means to address the issue. As a response to their most recent food crisis in 2008 and with the hope to secure future supply, the government of the KSA sent teams of government and non-government officials on “mission trips” around South Asia and Africa to look for perspective lands for production of agricultural facilities and areas(Kawach, 2010: section 9). This resulted in the Philippines being identified as one of the receiving host countries(Kawach, 2010: section 9). Entering into agreements with the Philippines is therefore considered to be part of their plan to prioritize water security while correspondingly addressing food security. The Philippine government welcomed the Saudi investors, and did so due to the claimed intention to develop agriculture in their country(Balgahaneem quoted in Kawach, 2010).

Within the Philippines agriculture plays an important role in the economy. In fact, 70 percent of the nation depends on farming for their livelihood and half of the labour force engages in agricultural activities as their mode of subsistence (BOI document on investment, for more information refer to Appendix B). At the same time however, the agricultural sector of the Philippines is thought to be suffering due to a lack of capital in rural areas. There are various arguments as to why poverty plagues many of the farming communities of the Philippines, however these reasons won't be addressed in this analysis, what will be addressed is how the issue of poverty is being used by the government of the Philippines as a reason to enter into agreements with foreign investors. It is important to note however that, because of years of neglect the agricultural sector is suffering from a lack of infrastructure and financial support. The government of the Philippines, or more particularly the new President Aquino, believes the best way to address these issues is by bringing in more foreign investment.<sup>10</sup>

This can be seen in the way that the government of the Philippines has placed agriculture in their Investment Priorities Plan (IPP)<sup>11</sup> and are attaching this to their plan for poverty alleviation. This is exemplified in various national policies such as their Agriculture and Fisheries Modernization Act(AFMA)<sup>12</sup> as well as various government documents which emphasize the need for increased trade such as their “Philippine Trade Policy Review.” The government views plans for modernizing agriculture as a way to not only develop the eco-

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<sup>10</sup>For an example of the president's belief in the need to address the issue through foreign investment refer to Appendix C and D.

<sup>11</sup>Board of Investments (BOI) issues the Investment Priorities Plan (IPP) annually which is a list of promoted areas of investments eligible for government incentives. The IPP is essentially the nation's top sectors of investment, and agriculture is at the top of this list. This page contains the specific guidelines for projects culled from the Investment Priorities Plan:

<http://www.doe.gov.ph/IPO%20Web/linked>

[%20files/2010/IPP/2010\\_IPP\\_General\\_Policies\\_and\\_Specific\\_Guidelines.pdf](http://www.doe.gov.ph/IPO%20Web/linked%20files/2010/IPP/2010_IPP_General_Policies_and_Specific_Guidelines.pdf)

<sup>12</sup>Modernization act: In 1997 the Agriculture and Fisheries Modernization Act (AFMA) was passed to encourage the progression of the agriculture and fisheries sector. Point four of the act – Market Assistance with Private investors and Industry Associations- stresses the role of investors in stimulating growth and infrastructure and encourages their participation in planning and executing projects(NAFC, Government of the Philippines 2010).

nomy of the country but to also to bring valuable resources to the countryside.<sup>13</sup> This is seen in the policy of AFMA:

...the Agriculture and Fisheries Modernization Act of 1997 (AFMA, Republic Act 8435) is a landmark legislation that aims to accelerate the pace of development of agriculture and fisheries. It prescribes a comprehensive set of policies and programs that aim to jumpstart agriculture and fisheries modernization”(National Agricultural and Fisheries Council, Government of the Philippines 2010: parag. 1).

It is thought that the best way to “jump-start” agriculture is through the private sector as presented in the vision of The National Agriculture and Fisheries Council (NAFC is the government agency in charge of AFMA):

We envision NAFC as an effective and efficient catalyst and generator of private-sector commitment and participation in developing the agriculture and fisheries sectors as a basis of a vibrant national economy”(2010: parag. 2).

Therefore, the government is now looking at foreign investments as the way to develop the agricultural sector. Take the IPP for an example, in the BOI's words,

The Plan focused on identified economic priority areas and activities, at the national and regional levels, with the objective of accelerating the promotion of domestic and foreign investments to sustain the country's growth momentum. In 2004, the IPP gave emphasis on sustaining globally competitive industries given an environment of increasing trade liberalization (Trade Policy Review Body, Government of the Philippines 2005: 10).

In the words of a representative of the BOI, Paul Gamilinda, the needs of the countryside can be addressed through foreign investment:

...farmers are not encouraged to produce because they don't have the necessary capital or finances. So there are a lot of underutilized land that are just idle because no one is willing to utilize it. I think investors would give a boost to farmers so they could take advantage of the lands they have. As we say, the Philippine is an agriculture country, but you wonder why we are importing rice...So there is a lot of land but the farmers are not encouraged to use it... So with the foreign investment I think that would be addressed.<sup>14</sup>

In Mr Gamalinda's view (and many other government officials), the concerns plaguing the countryside and the country as a whole can be addressed more effi-

<sup>13</sup>For some examples of how this was represented in interview refer to Appendix C and D. And for an example of how investors view the government's need to bring investments to develop and alleviate poverty refer to Appendix F.

<sup>14</sup>Information based on a KII with BOI representatives, on 02/08/10 in Manila, Philippines

ciently and in a more modern manner by connecting the issues of the Philippines to the issues of the KSA to create a flourishing production partnership. Therefore, the government is connecting poverty alleviation to modernization and modernization to trade and foreign investment.

In summary, both the Philippine and KSA government are approaching transnational land deals through context specific justifications, pushing the land deal forward. From the necessities presented by both governments, certain tools of implementation are employed helping to further facilitate their plans. In this specific case the tools utilized are both political and discursive, and each will be discussed below.

## **Context of the Partnership: Tools of Implementation**

### **Political Tools**

#### ***The KSA***

The government of the KSA is employing various political tools to establish their food supply, including: (1) travelling abroad (on mission trips) to various countries to establish lands for possible agricultural production; (2) establishing Memorandum of Agreements and Memorandum of Understandings with various governments to ensure food supply; (3) adopting policies that support agricultural companies to find food sources abroad (such as through subsidies); (4) creating a consortium of various KSA investors and KSA agribusinesses to go abroad to develop agricultural lands; and (5) working with various governments to create joint-ventures with a KSA company and a company of a hosting country to export primarily to the KSA.

By travelling abroad or by inviting other government officials to visit the KSA, it has been possible to establish the initial stages of agreements for foreign investments abroad. At the same time once government officials and possible investors visit hosting countries the agreements can be signed or, previous MOAs or MOUs can be used in order to promote the foreign investments in agriculture more efficiently. The KSA government has also began adopting policies that support investors to go abroad and produce. For example, KSA agribusinesses investing abroad in agriculture receive subsidies from their government (Philippine Chamber of Commerce and Industry 2009: parag. 7).

Not only is the government giving subsidies but they have also brought together various companies of the KSA to form a consortium to set up agricultural endeavours abroad. The consortium is composed of 10 different KSA companies and helps to establish business agreements with investors from the hosting nation. This consortium is called the Far Eastern Agricultural Investment Company (FEAICO) and they are the KSA body spearheading agricultural production around the world. The creation of this consortium was actually a part of a KSA policy that was drafted in 2009 (Bugaoisan 2009A: parag. 4).

The minister of agriculture of the KSA has claimed that their government is, and has been, persuading their business sector to “participate in global

agriculture production” (Philippine Chamber of Commerce and Industry 2009: parag. 7) and is doing so through various incentives. The Philippines has been described by the KSA to be “an active partner” in their goal to participate in global agricultural production (Philippine Chamber of Commerce and Industry 2009: parag. 7). In October of 2008 the KSA’s growing interest in agricultural production in the Philippines was manifested in a visit from leading members of the private and public sector of the KSA to the Philippines (Philippine Board of Investments 2010: 4). In particular they made field visits around the Philippines to agricultural areas such as IRRI-Los Banos, Laguna and Davao provinces. The visits were initiated by the KSA when they went abroad seeking agreements with various governments for transnational corporate land deals. The Minister of agriculture of the KSA has explained that the KSA is confident “that the Philippines and Saudi Government, through their existing close relations and shared goal, will be able to build fruitful cooperation in the agriculture sector in the near future”(Philippine Chamber of Commerce and Industry 2009: parag. 7).

The Philippine government responded to this by inviting them to the country and hosting meetings between the two governments and between agribusinesses, and by taking them around the Philippines to show them areas that could be targeted for investment (Philippine Board of Investments 2010: 4). The Philippine government also helped to facilitate the plans of the KSA by supporting the endeavours of FEAICO. In order to establish smooth operations in the Philippines, FEAICO has been matched up (with the help of the Philippine and KSA government) with Philippine companies to establish joint investments.

### ***The Philippines***

The Philippines Republic Act No. 704, implemented in 1991, reflects the positions of the Philippine government in regards to transnational corporate land deals:

SEC. 2. Declaration of Policy. - It is the policy of the State to attract, promote and welcome productive investments from foreign individuals, partnerships, corporations, and governments, including their political subdivisions, in activities which significantly contribute to national industrialization and socio-economic development to the extent that foreign investment is allowed in such activity by the Constitution and relevant laws. Foreign investments shall be encouraged in enterprises that significantly expand livelihood and employment opportunities for Filipinos; enhance economic value of farm products;... and/or transfer relevant technologies in agriculture, industry and support services (Philippine Board of Investments, Philippine Government 1991:1).

The policy presents the government's prioritization of industrialization and socio-economic development in the farming sector. The idea present in this policy was also promoted and represented in interviews with five different government officials working in the sectors of foreign investment promotion. The

interviews were with officials from The Board of Investments (BOI), The Philippine Economic Zone Authority (PEZA), and the Philippine Agricultural Development Commercial Corporation (PADCC). Table 2.1 outlines how this perspective was presented by various agencies and their particular role in facilitating the investments (a more extensive chart can be found in Appendix I).

**Table 2.1  
Government Agencies' Roles and Perspectives**

	<b>Role in investment to Facilitate</b>	<b>Excerpt from interview</b>
<b>P A D C C</b>	<b>In summary:</b> Organize, implement and secure investment. <i>* www.philagribiz.com</i>	<b>Ex. of view of modernizing agriculture:</b> A: We are largely an agricultural country. There's so much land to develop and I think food is still the continuing concern for the generations to come... [B]ut he [the farmer] has to realize that this is the scale [large scale farming], this is the time to adapt to newer technologies, or adapt mechanize farming whenever applicable.
<b>B O I</b>	<b>In summary:</b> Main activities include: encouraging investments though economic incentives & non economic incentives and see investments through. <i>* www.boi.gov.ph</i>	<b>Ex. of their view of benefits of the deal:</b> PG: Usually they [farmers] would of course lack capital to utilize their land so investors would be willing to utilize their land. More investment in agriculture sector would me more job and work opportunity... They can benefit through technology such as milling and refining. So that would also be an advantages in terms of development. Any economic activity would have a trickle down affect. It would lead to economic growth
<b>P E Z A</b>	<b>In summary:</b> Investment promotion through economic and non-economic incentives, secure investments <i>* www.peza.gov.ph</i>	<b>Ex. of how they present investments and how they present deals as important:</b> MC: for PEZA the agri-industry zones, it is only really in 2007 that we started this program to give incentives to agro-instrual that register with PEZA. So only a few years... The government encouraged the entry of new investors in all sectors. IT and Agricultural ...[T]o provide opportunities to farmer's to better their lives, to get new technology, farm technology. From foreign investors. ...[T]here are some new technology for local farmers because MNCs ... And [the MNCs] teach them how to use them

Source: Fieldwork 2010

This chart not only shows how government agents attempt to present the deals as important for agricultural communities but also how various government agencies are actively involved in supporting foreign investments. The way they are supporting investments, positions the Philippine government in a certain manner in the deals. Rather than monitoring how the foreign investments will unravel, the government aims to ensure foreign investments are established through facilitation. The Philippine government is employing various political tools of facilitation, these are: (1) liberalize markets; (2) encourage private investors to come to the country; and (3) protect investments through manipulation and implementation of policies.

In the Philippines Trade Policy Review it is stated that, in the hope to attract and promote investments, reforms were and continue to be implemented which are aimed at 'investment liberalization, deregulation and privatization'(Trade Policy Review Body, Government of the Philippines 2005: 9-10). One of the main ambitions of these reforms is to encourage “invest in the Philippines.” The main way they do so is by granting incentives and invitations. The BOI goes on what they entitle “road shows,” in which representatives of the BOI go to prospective investor nations and essentially sell the Philippines to the investor<sup>15</sup>. One of the main selling points are the fiscal and non-fiscal incentives offered to investors. The table 2.2 outlines the fiscal and non-fiscal incentives given to investors registered with the PEZA or the BOI:

**Table 2.2**  
**Fiscal and Non Fiscal Incentives for Foreign Investors**

BOI	PEZA*
<i>Fiscal Incentives</i>	<i>Fiscal Incentives</i>
<ul style="list-style-type: none"> <li>• 4 to 8 years Income Tax Holiday</li> <li>• 0% duty on imported capital equipment (EO 528)</li> </ul>	<ul style="list-style-type: none"> <li>• 4 to 8 years Income Tax Holiday</li> <li>• Special 5% tax rate on gross income after the lapse of ITH (for IT Park/ Ecozone locators)</li> <li>• Tax and duty exemptions on imported capital equipment</li> <li>• Exemption from 12% input VAT on allowable local purchase of goods and services (e.g. Communication charges)</li> </ul>
<i>Non-Fiscal Incentives</i>	<i>Non-Fiscal Incentives</i>
<ul style="list-style-type: none"> <li>• Unrestricted use of consigned equipment</li> <li>• exemption from wharfage dues</li> <li>• Employment of foreign nationals</li> </ul>	<ul style="list-style-type: none"> <li>• Unrestricted use of consigned equipment</li> <li>• exemption from wharfage dues</li> <li>• employment of foreign nationals</li> </ul>

\*Presence of 7 Agro Industry Economic Zones. 1. Balo-I Agro Industrial EcoZones (Lanao del Norte) 2. DADC Economic Zone (DAVAO del Sur) 3. Philippine Packaging Agricultural Processing Zone (Cagayan de Oro) 4. San Carlos economic Zone (Negros Occidental) 5. Saranggani Economic Development Zone (South Cotabato) 6. SRC Allah Valley Economic Development Zone (South Cotabato) 7. SRC Calumpag Economic Development Zone (Gen. Santos City)

Source: BOI document produced for Researcher for 03/08/2010

The government bodies interviewed also engage in policy implementation, reformation, or manipulation, to address various policies that hinder investments. For example, some policies the government is looking at adjusting, waiving, or manoeuvring around, are: the restriction of the foreign ownership of land<sup>16</sup>, the conversion of already productive farm lands, and the exportation

<sup>15</sup> Information based on a KII with BOI representatives, on 02/08/10 in Manila, Philippines.

<sup>16</sup>Foreigners are not allowed to own land that is currently producing the country's staple crops, unless 60% is owned by a Filipino (Information provided in KII with BOI, on 02/08/10 in

of staple crops. Each of these policies are thought to hamper investments in the Philippines as presented in each government interview (for examples refer to Appendices D & E).

Various government officials also stated that, when it is not possible to change policies, they can manipulate them. For example, in the case of the first bothersome policy- the foreign ownership of land- the government is partnering up the foreign investors with local investors so that they can produce in a legal manner. At the same time, because of the agreements between the KSA and the Philippines, the KSA is actually allowed to lease land that is “unproductive farmland”<sup>17</sup>, thus a loop hole. This loop hole is based on their inter-governmental partnership based on previous agreements they have formed and on the dedication of the Philippines to the KSA. Another troublesome policy- the restriction on exporting staple crops- is manoeuvred around by allowing the KSA to produce basmati rice for export rather than white rice since basmati is not a staple crop.<sup>18</sup> What must be noted here is how the willingness to do manipulate policy shows a particular interest, commitment, and position of the Philippine government.<sup>19</sup> As by Lanie Dormiendo of the BOI:

[W]e are thinking of talking with these agencies [government agencies] to find out what we can do. How we can facilitate these investments.

[W]e are very optimistic in realizing this investment, in making it successful, so this could some way play a mogul for KSA to bring more investment for them in agriculture activities.<sup>20</sup>

Mr Agbon (the president of PADCC) further explained that the role of the government in these investments is mainly to create a pro market environment, in his words the role “is to create the environment for this kind [wide scale foreign investments] of agro-enterprises to develop and prosper<sup>21</sup>.”

The government is taking an active role in the deals while also portraying the investments as important for poverty alleviation. This allows the government to present itself as concerned with farming communities to justify the deals and prioritize the plans.<sup>22</sup> The way they do so is by describing foreign investments as the path to modernization and modernization as the path to success. Therefore, the way the government politically supports investments is complimented through discursive tools.

Manila, Philippines).

<sup>17</sup>The use of “unproductive” is similar to their use of “idle” as a discursive tool, the use of this tool will be discussed in the next section. Due to the MOAs between the two nations the KSA is allowed to produce in “unproductive” lands.

<sup>18</sup>So far it is not finalized whether investors can get around the “staple crop law” by exporting basmati rice rather than white rice, but it was suggested by each government official and an investor that they are approaching it as a possibility. Therefore so far basmati rice is only a discourse.

<sup>19</sup>An example of how policy is manipulated to support investments can be found in Appendix E.

<sup>20</sup> KII with BOI, on 02/08/10 in Manila, Philippines.

<sup>21</sup> KII- President of PADCC, on 05/08/10, in Manila Philippines.

<sup>22</sup> Refer to appendix D.

## Discursive Tools

The national political tools of the KSA and the Philippines are complemented with various discursive tools. The discourses are used by both governments separately and collaboratively for various intentions. Essentially, the discourses are applied to present the deals as beneficial, to legitimize the deals, and to promote their plans further. Some examples of the discursive terminology include: “collaborative efforts”, “productive partnerships”, “win-win agreements”, “Muslim charity”, etc. To give a clearer image of the discourses being employed in the joint investment in the Philippines, table 2.3 outlines a few of the discourses used, who it is used by, how, and for what intention.

**Table 2. 3**  
**Discursive Tools Chart**

Discursive Tool	Actors using it	Example from an interview or document	How they are used to Justify deals
“Idle” or “unproductive land”	A) Philippine Government B) Investors	Government (BOI): P: “So there are a lot of underutilized land that are just idle because no one is willing to utilize it. I think investors would give a boost to farmers so they could take advantage of the lands they have.”	By presenting the region targeted for a transnational land deal as having ample & open land.
“win-win”	A) Philippine government B) KSA government C) Institutions such as IFPRI and World Bank D) Investors	IFPRI: “A dual approach can help address the threats and tap the opportunities related to foreign direct investment in agricultural land. First, the threats need to be controlled through a code of conduct for hosting governments and foreign investor. Second the opportunities need to be facilitated by appropriate policies in the countries that are the target of these foreign direct investments” (IFPRI, 2009: 3)	By promoting land deals as mutually beneficially rather than exploitive
“economic zones of peace”	A) Philippine government B) KSA government C) Investors	Investors (Aztropex): R: “You can see the impact [of investments in conflict areas]. That's why we get the support. They [the rebel groups] know it would really help and bring something new to the people... Its development and then peace. It comes naturally that way. Bring economic activity and have peace.”	By presenting deals as a way to address conflict, and to connect land deals to development and development to peace processes
“Productive partnerships” & “cooperative efforts”	A) Philippine government B) KSA government	Philippine Government & KSA government (from Philippine press release): “...the Philippines will not only be able to provide the food requirements of the Kingdom through possible Saudi investments in Mindanao, but also stand as a strong partner in promoting inter-cultural and inter-religious dialogue for peace and stability for the rest of the world.”	By portraying the deals in the Philippines as a “win-win” through an actual partnership for development

Notes:

\*All examples were stated in interviews or found in documents; \*\*These are only a few of the terms used. Others include: the trickle down affect, development and modernization, basmati rice, Muslim brothers, Muslim charity, etc. For a more extensive chart refer to Appendix I.

Source: Fieldwork 2010- Interviews with government officials<sup>23</sup>

<sup>23</sup> KIIs- Information based on individual interviews and secondary data collection. These included: PADCC with Marris Agbon on 05/08/10; PEZA with Mae Celestino and Allan Bar-

The discourses are utilized for several reasons and by several actors. This was presented in both the interviews undertaken and in documents produced by both governments. For example, in a Philippine press statement discussing the future plans for the agricultural production of the KSA in the Philippines the following was stated by the Philippine agri-minister: “with the help of the Saudi government and Saudi agribusiness investors, this will begin the economic development process for Muslim Mindanao and greatly help promote a sustainable peace in the island” (Bugaoisan 2009A: parag. 5). In their words, the joint-initiative will alleviate poverty, develop the countryside and promote peace.

Accordingly, both governments are also presenting land acquisitions as creating,

an economic zone of peace in Mindanao, through a joint and complimentary effort of both sides, as an effective and proven way to achieve lasting peace and progress in the region, while giving assurance that Saudi investments will be protected and highly regarded by all sectors, especially Filipino Muslims (Bugaoisan 2009B: parag. 5).

This partnership does not simply promote economic development but promotes “economic zones of peace” and is received by the Muslim communities in a high regard and will therefore be protected. The press release goes on to say that the KSA is optimistic that

the Philippines will not only be able to provide the food requirements of the Kingdom through possible Saudi investments in Mindanao, but also stand as a strong partner in promoting inter-cultural and inter-religious dialogue for peace and stability for the rest of the world (Bugaoisan 2009B: parag. 4).

This rhetoric is a clear tool used to justify an inter-governmental land deal, and paves the way for a particular joint investment occurring in the Autonomous Region of Muslim Mindanao (ARMM).<sup>24</sup>

It is clear that both governments are attempting to present these deals as a joint effort to help to develop the conflict area of the Philippines and at the same time address the KSA's Food security. Another report produced by the congress of the Philippines states that,

The congressional delegation also expressed their strong support for the ongoing cooperative efforts undertaken by Philippine and Saudi agriculture ministries to study various options for productive

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celo on 02/08/10; BOI with Paul Gamalinda and Lanie Dormiendo on 03/08/10; Aztropex with Ameerah rose Sira on : 04/08/10 and 25/08/10.

<sup>24</sup>The ARMM is a region of Mindanao created in 1989, which distinguishes the Muslim areas of Mindanao. The ARMM is still considered an “inseparable part of the national territory” (RA9054) of the Philippines. The ARMM will be further discussed in the chapter 3.

partnerships between the two countries (Bugaoisan 2009A: parag. 9).

The state representatives are emphasizing the visits from KSA representatives, “as an initial step in forging a strategic partnership through expanded trade and investment for the mutual benefit of both countries” (Bugaoisan 2009A: parag. 9). The “strategic partnership” is an important tool in order to create the image of a mutually beneficial arrangement, or a “win-win.” Take the words of the Minister of Agriculture of the KSA, as he described the Saudi government as

keenly interested in concrete cooperation between the Kingdom and the Philippines and their strong support for agriculture projects, specifically in grain production, aquamarine and livestock and in Halal processing plants (Bugaoisan 2009A: parag. 4).

Therefore, governmental officials from both states are working to establish “concrete cooperation” to support the agricultural production of the Philippines, especially the production which establishes a KSA food supply. This is seen, in their planned establishment of further Halal processing plants for example. These discourses will be further applied to the local level in Mindanao, particular this clear use of Muslim rhetoric of charity, development, and peace.

In short, an important discursive tool employed by both governments is how the two nations are coming together to establish investments that are beneficial for both nations. This idea of a joint-efforts is also grounded through the rhetoric of a long history of trade relations and governmental agreements. Their history is used to create an idea of a partnership with deep roots, and these deep roots are further used to prove how beneficial the deals can become.

## **The Shape of the Partnership: Agreements and their Uses**

### **Governmental Agreements**

Whether the history of a partnership is a discursive tool or not, the two states have in fact had a long history of trade relations. Not only does the KSA host many of the Philippines overseas workers, but they have also established trade agreements since the early 1990s. For example, in 1999 a MoA was signed between

the Philippine Chamber of Commerce and Industry (PCCI) and the Council of Saudi Chambers of Commerce and Industry (CSCCI)... for closer economic partnership between the Philippines and the Kingdom of Saudi Arabia (Philippine Chamber of Commerce and Industry 2009: parag. 2).

Then on September 23, 2002, a follow-up agreement was signed which established the Joint Philippines-Saudi and Saudi-Philippine Business Councils

to implement joint business endeavours in the Philippines (Philippine Chamber of Commerce and Industry 2009: parag. 3). On October 2<sup>nd</sup>, 2005 a MoA between the two governments for “the promotion and protection of investments” was signed and is said to have “fostered a more vigorous investment attitude for both the Philippines and KSA” (Philippine Board of Investments 2009: 14 ). These agreements incorporate various policies that encourage investment from the KSA such as tax incentives, the allowance of development of plantations in unproductive lands, and others.

Another important step was taken by the two countries on May 6 of 2009 when the Department of Agriculture (DA) of the Philippines organized a Philippine-Saudi Arabia business forum (Philippine Chamber of Commerce and Industry 2009: parag. 3). The forum brought together various Philippine and Saudi companies with the aim of establishing joint investments in Mindanao (Philippine Chamber of Commerce and Industry 2009: parag 3). According to DA secretary Aurthur Yap, the forum was “a good vehicle to widen the two nation's existing partnership to include cooperation in agriculture” (Philippine Chamber of Commerce 2009: parag. 3). Sec. Yap also urged the KSA to “pour investments into Mindanao to facilitate the KSA's food sufficiency program and bolster employment and peace and stability in the area” (Philippine Chamber of Commerce and Industry 2009: parag. 4). The KSA's investments are strongly urged by the Philippine government, in the words of Sec. Yap “the cultivation of deeper cooperation in the agricultural sector has the full support of the Philippine Government and DA” (Philippine Chamber of Commerce and Industry 2009: parag. 5).

The agreements above are only a few that have helped to establish the land deal in Mindanao. These agreements, and others like it, are important because they give KSA companies and investors access to areas of the Philippines that are unattainable for other foreign investors. As stated earlier, the Philippines has various strict rules in order to protect their local food supply. Some of these rules include, the inability of foreigners to, (1) own land, (2) produce in existing agricultural lands, and (3) export more than 40% of their supply of staple crops, amongst others<sup>25</sup>. The laws are aimed to protect food security, however, since the two governments have created a joint-effort to benefit both countries, they are able to get around some of these laws. Most importantly, KSA companies are allowed to (1) lease land through joint investment with a Philippine company, (2) produce in “unproductive” areas of Mindanao, and (3) export crops that are similar to staple crops but targeted for the KSA market, for example producing basmati rice rather than white rice. This idea will be discussed further in the next chapter, however it is important to note here how the partnership of the two states helps to facilitate the advancement of transnational corporate land deals in the Philippines through various national politics, discursive tools, and the establishment of agreements.

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<sup>25</sup>KII with BOI, on 02/08/10 in Manila, Philippines.

## **The Relevance of the Partnership**

All the above mentioned tools represent important processes involved in the implementation of the land deal in Mindanao. To reiterate, the governments utilize various tools to facilitate land deals which sets the stage for the local level dynamics of the deal. The processes at play in this particular joint investment so far are: first the two governments come together in what they explain is a joint-effort to address the concerns of both states; (2) they support their “partnership” through national politics such as policy manipulation or implementation; (3) they legitimise these processes through developmental rhetoric; and (4) they secure their plans through the use of previously imposed agreements, or the furthering of trade agreements.

Each of these represent the initial stages of the implementation of land deals and present the role of governments in shaping the deals. The local dynamics of Mindanao also represent an important stage in the processes of the land deal, this is the topic of the next chapter. This stage of analysis brings the gaze to a particular joint investment in Mindanao and the procedures underway at this moment in time.

## **Chapter 3**

# **The FEAIICO- Aztropex Joint Investment in Mindanao**

This chapter seeks to focus in on the dynamics of the joint investment that was initiated through government facilitation. In particular the aim is to highlight how the processes discussed in the past chapter are further pursued at the local level. The gaze will move from the partnership of the two governments to the stages after the partnership has been formed. These are recent processes that are currently intensifying as the deals are finalized. The relevance of this chapter is to understand how, once the partnership is formed, the tools used to create the partnership are furthered through the application of a joint investment. Therefore, this chapter seeks to answer the main question: What are the local dynamics surrounding the joint investment that develops out of the government initiatives? And, in so doing also seeks to present how the local peasants are responding to the plans. This will be done by first presenting the context of the local investment climate. This includes understanding the region of Mindanao as an investment zone, to clarify why and how joint investments are promoted in the area. Followed by an analysis of a particular joint investment occurring in the poorest region of Mindanao, the ARMM. To finally discuss what this particular joint investment could mean to the peasants of the Philippines.

### **Transnational Corporate Land Deals in Mindanao**

Mindanao is one of the largest islands of the Philippines and one of the richest in natural resources(Mindanao Economic Development Council 2004: section 2, parag. 2). With rich soils, a tropical climate, and typhoon free, Mindanao has one of the best growing conditions of the entire country. Mindanao is said to grow “most of the Philippines' major crops such as rubber (100% of national production), pineapple (91%), cacao (90%) as well as banana, coffee, corn and coconut (over 50%)”(Mindanao Economic Development Council 2004: section 2, parag. 1). The island is predominantly agricultural, in fact almost 1/3 of the land of Mindanao is devoted to farming and more than a third of the population of the island is employed in agriculture, fishery and forestry sectors(Mindanao Economic Development Council 2004: section 3, parag. 1).

Overall, Mindanao produces over 40% of the country's food and 30% of the country's agricultural exports(Mindanao Economic Development Council 2004: section 3, parag. 1). The island is also seen as an area of vast opportunity for development due to its resources of land, forest, and people(Mindanao Economic Development Council 2004: section 5). As stated by the Philippine government, “[i]f wisely harnessed, Mindanao's rich agricultural resources can serve as the Philippines' foundation for sustainable growth”

(Mindanao Economic Development Council 2004: section 5, parag 2). Local investors also promote Mindanao for its “vast resources.” More particularly, Aztropex (the local company involved in the joint investment to be discussed) describes the ARMM as “poised to become a major agro-industry area in Asia and the world” because of the regions “comparative advantages in resources” (Potential Agricultural Areas Mindanao 2010). Consequently, Mindanao and the ARMM is presented by both the government and local companies as a future agro-zone due to its flourishing resources.

At the same time, the island is plagued with issues of poverty, war, and insecurity. In the case of Mindanao each of these issues are intertwined and feed off one another. Regardless of the fact that Mindanao is one of the richest in resources, it is still the poorest of the Philippines' island groups (Dearn 2009: section 4, parag. 1). In fact 50% live below the poverty line and all five of the regions of Mindanao are in the list of the top ten poorest regions of the country, the ARMM ranks one of the poorest (Dearn 2009: section 4, parag. 1). The ARMM is also a conflict zone. The conflict can be traced back to the arrival of the Spanish in the 16<sup>th</sup> century, however it was not until the Americans arrived in the 19<sup>th</sup> century that a real fracture in the island could be felt and lead to the intensification of the religious divisions (Dearn 2009: section 1, parag. 2). The Moros<sup>26</sup> wanted independence, and their originally “peaceful” demands escalated into a bloody war during the Marcos dictatorship (Dearn 2009: section 2, parag. 1).

Since then the war has escalated, causing a divide between the Moro Islamic Liberation Front (MILF)<sup>27</sup> and the rest of the island. Today, the MILF is classified as a terrorist group. One of the omnipresent demands of the MILF is for a Memorandum of Agreement for ancestral domains,<sup>28</sup> which would allow independent governance of the ARMM (Dearn 2009: section 2, parag. 4). Other than the MOA, reasons for the continuation of the conflict are: claims of suppressed Moro identity, claims of ethno-religious divides, and the clear existence of poverty (Dearn 2009: section 3, parag. 1).

There is growing poverty in the region and some argue that it is the reason for the continuation of the conflict (Dearn 2009: section 5). This argument is a particular favourite of the Philippine government and local investors (such as aztropex). Local and national bodies of government identify “development” and “growth” as the path to ending the conflict (Mindanao Economic Development Council 2004). In the words of the Mindanao Economic Development Council “[e]conomic development programs should be undertaken hand in hand with programs targeted at alleviating poverty and installing conditions that would lead to long-term peace” (Mindanao Economic Development Council 2004: parag. 11).

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<sup>26</sup>The Moros are the group of Muslims of the Philippines. There are ten different ethnic and indigenous groups making up the Moro population.

<sup>27</sup> The MILF (Moro Islamic Liberation Front) is an Islamic military group occupying the ARMM.

<sup>28</sup>“Ancestral domain” is the area classified by the government as belonging to a specific ethnic group. This is part of the ancestral domain act, which grants lands to ethnic groups who can prove to be “originally” from the area.

The need for peace is said to be one of the reasons the Philippine government is promoting Mindanao, and the ARMM in particular, as the number one place for foreign investment. Regional and national government bodies are claiming that it is not only important to bring economic development, it is vital in order to help stop the conflict (Mindanao Economic Development Council 2004). This is one of the arguments used to justify the foreign investments, as stated by the manager of Aztropex, “its development and then peace. It comes naturally that way. Bring economic activity and have peace.”<sup>29</sup> Aztropex presents this argument in their promotional video made for the KSA by explaining how other areas of the ARMM that have received investments from agri-businesses have transformed from “war-zones to eco-zones”<sup>30</sup> (Potential Agricultural Areas Mindanao 2010). They are therefore implying that the conflict areas transform to peaceful, economically viable, landscapes with the help of investments. Thus, investing in the ARMM is beneficial for foreigners since there is a dire need for economic development and a growing disparity.

To encourage investments in the region the ARMM Legislative Assembly passed a law on August 15, 2003 entitled the “REZA law” (Sarmiento 2008: parag. 5). “The REZA law provides the legal framework and mechanism for the creation, operation, administration, and coordination of the special economic zones within the region” (Sarmiento 2008: parag. 9). Along with this law came fiscal and non fiscal incentives such as tax holidays, tax exemptions, waiver on wharfage fees, amongst others, for foreigners who invest in the ARMM (Sarmiento 2008: parag. 10). This type of economic zone was implemented as part of the “peace process” of the region and was said to be done through the intentions of the Philippines development plan of 2004-2010 (Sarmiento 2008: parag. 8). In other words, in order to address the poverty and conflict of the region, foreign investments have been promoted through the implementation of special economic zones of the region. The use of special economic zones are very important for the promotion of transnational land deals. In fact, in interviews with PEZA, it was stated that there are plans to establish more SEZs in order to promote foreign investments in regions such as the ARMM.<sup>31</sup>

While foreign investors are attracted to the country due to the need for investment, the peasants are also encouraged to accept the deals for the same reason. Essentially, since they are so starved of capital they have no other option but to enter into agreements. Along with this the peasants are more willing to enter into deals with the KSA in particular because of the idea of a “Muslim connection” and “Muslim charity.” Both the Philippine government and the KSA are justifying the investments because of a Muslim relation. Also, the leaders of the ARMM are stating that they are supportive of the deal because of their religious links. For example, Nograles, a Mindanao representative explained that the Muslim area of Mindanao is especially supportive of the KSA's investments:

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<sup>29</sup> KII- First interview with manager of Aztropex, Amcerah Rose Sira on 04/08/10.

<sup>30</sup> Clarification: by “eco-zone” they mean economic zone, not ecological zone.

<sup>31</sup> KIIs- PEZA with Mae Celestino and Allan Barcelo on 02/08/10.

the people of Muslim Mindanao have very high regard for the Kingdom of Saudi Arabia as a purveyor of peace and development, and as host to thousands of Overseas Filipino workers from their area (Bugaoisan 2009B: parag. 3).<sup>32</sup>

The conflict and insecurity of the ARMM are being used as a tool to justify the joint investment as a way to bring peace to the area through development. With the investment they can transform the ARMM into,

an economic zone of peace... through a joint and complimentary effort of both sides, as an effective and proven way to achieve lasting peace and progress in the region, while giving assurance that Saudi investments will be protected and highly regarded by all sectors, especially Filipino Muslims (Bugaoisan 2009B: parag. 5).

At the same time, since the area has been characterised by warfare and insecurity much of the area is labelled as “untapped,” leaving “abundant” natural resources. Essentially, since the area is controlled by the MILF there has been little development in the area meaning much of the resources are still open to exploitation. Due to the MOA between the KSA and the Philippines, the KSA is actually allowed to develop agricultural land in areas that are “unproductive,” meaning, because there is vast forest land in the area that is “untapped” there is land that is more accessible for the foreign investors. Also, since the ARMM has different jurisdiction than the rest of Mindanao, there are different policies that actually make it more open to investors. As stated by Ameerah Sira, “its even more flexi. Open to anything. Because it autonomous, they are not bound to follow the rules and regulations of the national agencies which is why its good. It's an advantage.”<sup>33</sup>

Therefore, there are several reasons and ways the ARMM is being targeted for development. The reasons include, (1) due to the conflict it is in need of development (or at least as a discursive tool); (2) also because of the conflict the farmers are more willing to support the investments since they are starved for capital; (3) for the same reason, the area is abundant with vast resources and land; and (4) since the area is autonomous there are some different policies making it more open to investments. The ways the region is targeted include, (1) the use of discursive tools of development and peace, and development as foreign investment; and (2) the use of political tools such as, special economic zones, the MOAs between the KSA and the Philippines, and the policies of the ARMM that leave it more open to agreements. All of the reasons for the ARMM to be targeted and all of the tools used, are intertwined and feed off one another to create an implementation process based on a development discourse which paints the joint investment as an act of poverty and conflict alleviation. Each of these were and are central for the establishment, facilitation, and protection of the joint investment between FEAICO and Aztropex.

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<sup>32</sup> This idea will be further discussed with the joint investment in the next section.

<sup>33</sup> KII- Second interview with manager of Aztropex, Ameerah Rose Sira on 25/08/10

## The Joint Investment: FEAICO and Aztropex

Due to the above mentioned reasons and tools, the ARMM is considered as a possible “foundation for sustainable growth” (Mindanao Economic Development Council 2004: section 5, parag. 2), which is why it has been targeted for a KSA-Philippine joint investment . The two investors involved are a Philippine subsidiary of a Saudi company, called Aztropex, and a Saudi Consortium formed by the KSA government, called FEAICO. Here are the words of the Manager of Aztropex, Ameerah Rose Sira, explaining how the plans originated:

[M]y assistance was requested to help their group [FEAICO], because this group is subsidized by the government. The companies in KSA are very lucky because they are subsidized by the government by 60%. So he asked for assistance with regards to land acquisition, so because I have more exposure and networks when it comes to indigenous people, and our brothers in the ARMM, he came to me<sup>34</sup>.

Then there was a trade mission in Saudi when the president [of the Philippines] actually met with the head of agriculture [of the KSA] and presented that there is an available of 1million hectares here in the Philippines. But there is really land available if you go back to the requirement of Saudi. We are talking of a contiguous area for plantations, not grower ship of farmer or farms there.

The current plan that developed out of the government support is to establish plantations of pineapple, banana, and rice, corn, and grains<sup>35</sup>. Eventually they hope to set up an agri-industry zone and an export processing zone, with the help of PEZA.<sup>36</sup> Mrs. Sira has stated that a majority of the food will be sent to the KSA, however, they may also sell some of the products locally.

The proposed areas consist, so far, of up to 70,000 hectares of contiguous area around Mindanao. A large portion of the land consolidated is in the ARMM<sup>37</sup>. In this case, the land is currently owned by Moro clans, with each clan headed by a separate leader. Each parcel of land is owned legally by a family, with an average of 5 to 10 hectares per family and held through customary tenure. In the KII with Mrs. Sira, she described the ownership of the land as legally held by the Moro clans and viewed to be held legally by the government. Mrs. Sira explained that this is another reason for the interest in the land as it means the deal is more stable. The land that has been consolidated is around the ARMM as well as in some other areas of Mindanao, there is there-

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<sup>34</sup> KII- First interview with manager of Aztropex, Ameerah Rose Sira on 04/08/10

<sup>35</sup> When the interview was conducted the contract was about to be signed to begin the construction of the deal. It is unknown to the researcher if the deal is developing or if it is still in the planning stage. All the details of the investment are derived from an interview and a follow-up interview with Ameerah Sira (manager of Aztropex).

<sup>36</sup> KII- First interview with manager of Aztropex, Ameerah Rose Sira on 04/08/10 .

<sup>37</sup> The proposed agreements have distinguished possible areas around Mindanao with different land ownership arrangements in each area. The area in the ARMM has specific ownership arrangement which is distinguished as legally held by the investors.

fore different land ownership for all the various areas consolidated for the investments. However, in the ARMM in particular, Mrs. Sira explains that the land is owned by the families legally<sup>38</sup>. The planned lease arrangement will consist of each family parcel being lumped together and giving the leader of the entire clan control of all the land. Therefore, by consolidating the land of an entire clan they can get approximately 300 hectares (on average and depending on the size of the clan) and at the same time the investors will only have to deal with the elite of the clan<sup>39</sup>.

In summary, the elite of each clan will acquire the land of each family, organize it, lease it to the investors, and be the representative of the clan partaking in the plans with the investors. The remunerations for the lease under this arrangements are likely to be organized by clan leaders as the investors have said that they will only work with the heads of the clans for efficiency purposes. Once the land is leased, the plan is to hire some of the owners back to work on the land for wages. Mrs. Sera explains that the land that will be leased is “unproductive.”<sup>40</sup> Since it is “unproductive”, due to the MOA between the KSA and the Philippines, the KSA company can produce on the land for export purposes.

The land is currently said to be a “MILF camp,” meaning the areas are under the control of the MILF. It is claimed by the investor that they plan to hire some of these rebels in order to bring “peace” to the area. That being said, the leader of the MILF has actually given written consent for this investment as the MILF is buying into this idea of “development then peace<sup>41</sup>” or is promoting the idea for personal reasons. In the words of the leader of the MILF, this investment would bring much needed development to the area and therefore, the MILF will give both physical and political support<sup>42</sup>. At the same time, the leader of the MILF stated that they are not only supporting the plans because of the development it could bring, but also because it is coming from their “Muslim brothers<sup>43</sup>.” This is important since the root of their struggles in the ARMM is described by the MILF as a religious war and therefore, since the investor is Muslim they can justify their support. Along with this the KSA is using this Muslim discourse as a tool to present this investment as Muslim charity. Thus, their “religious sameness” is used both for the MILF and the

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<sup>38</sup>Since the land deal is in the processing stage and literally was being established as the researcher was in Mindanao, the exact details of the ownership and amount of remuneration of all the areas Aztropex has been able to consolidate are unknown. However, from discussions with the management of the investment, the land is claimed to be held through private ownership and organized through clans. Since the plan is in the processing stage, it is possible that agreements may change.

<sup>39</sup> All information of agreement based on both KIIs with Ameerah Rose Sira (Aztropex: 04/08/10 and 25/08/10).

<sup>40</sup>Even though it is described as “unproductive” it is still land being utilised by communities. Either for forest products, for small scale agriculture, or possible grazing of animals, amongst other possibilities.

<sup>41</sup>The author of this study has actual documented proof of the support of the leader of MILF, which can not be disclosed for confidentiality purposes.

<sup>42</sup>Based on confidential material.

<sup>43</sup>Based on a confidential material.

KSA to justify the investment. This discursive tool is also used by the Philippine government, as discussed previously.

This joint investment is significant for several reasons, related mainly to the current stage of the processes of the land deal. The identifiable moment, present at the time of this research, represented the stage where the efforts of government officials are realised through the joint-initiatives of the private investors and the local dynamics that surround the investment. The current stage represented in this joint investment includes: (1) how both governments came together to establish a “productive partnership” which sowed the seed of the investment; (2) the partnership of the investors that developed out of the government efforts; and (3) the ways land was acquired through the use of, first, the rhetoric of development and peace, and “untapped/idle” land, and, second, through the use of politics such as policies and the government's agreements.

This stage also further highlights the two reasons for the joint investment to occur in this particular region. The first is related to the population itself: first of all, the communities are impoverished, in need of development, under the strong hold of local elites who are supportive of the investments, and “desperate” because of a century long conflict, and open to cooperation due to an “Islamic connection”. The second is based on the fact it is a conflict area: again this connects to the communities willingness to cooperate since investors are usually hesitant to enter the area, as well as the fact that there is “abundant resources” and these resources include the communities themselves, the land, and the natural resources found on the farms, forests, and fisheries.<sup>44</sup>

## **Perspectives and Responses of Farmers**

The farmers on land are actually considered to be one of the various “ample” resources in the region (Potential Agricultural Areas Mindanao 2010). Therefore, the farmers are considered as one of the tools of implementation. That being said, the farmers also have a very specific role in the joint investment. The way the governments and the investors are justifying the deal is by saying they will “develop” the land and bring “peace” and “security” to the region. At the same time the peasants are viewed as a resource, to both provide land and to work the land. Therefore, the peasants are used as a tool based on their impoverished status to justify transnational corporate land deals. This is carried over to the promise of the MILF leader to support the deal as “Muslim charity,” which brings “economic well-being” to the communities.

At this moment of the joint investment in the ARMM it remains to be seen how much the farmers are actually a part of the decision making process. In an interview with the Philippine investor it was clearly stated that the leaders of the clans would be the one's who would control the land, organize it, and lease it to the investors. Where do the less powerful members of the communities stand in the deals. How much their voices will be heard? And, how

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<sup>44</sup>There are other reasons for the interest in Mindanao, such as, it is typhoon free, has rich soils, and is an agrarian economy.

much they really want to lease their land? It is very possible that the elites of the communities could pressure community members to lease the land or that the leaders simply agree without the consent of the entire community. At the same time, since the leader of the MILF is supporting the deal, how much space is there for contestation in the first place? The MILF is a powerful force in the communities, and therefore if the leader of the group decides the investments are for the best then the rest of the people living in the area occupied by the MILF may have no other option but to submit to the deals. Accordingly, since it is a conflict zone and under different jurisdiction there won't be much monitoring from the government or from NGOs since many of these areas are difficult to reach.

These possibilities are, so far, just possibilities. The researcher was unable to visit the ARMM due to the conflict and at the same time since the investment is in the planning stages it is difficult to say exactly what the place of the farmers in the areas truly is, or will be. However, at this moment in the implementation process a clear perspective of the peasantry is presented. Peasants and farmer groups from the area were interviewed and therefore some voices and concerns can be raised. At the same time other farmers from around Mindanao were also interviewed allowing for representations of various perspectives and opinions in regards to the particular deal and transnational land deals in general. At this moment in time, there exists a clear distinction between different farmers based on how they view transnational land deals. These distinctions represent the local dynamics surrounding the deal and help to approach the main research objective, to understand how a land deal is occurring in Mindanao, by introducing the local dynamics surrounding the joint investment and the responses of the local farmers. The variety of opinions and perspectives of the Philippine farmers are outlined in chart 3.1 which presents some of the opinions of different farmers given in interviews and focus groups:

**Table 3.1 Farmers' Perspectives & Opinions of Transnational Land Deals**

Group/org.	Examples from Excerpts
TFM	A) Example of view of investment: "I would not be the one to discourage these investors, these can also bring development to the communities. What I'm pointing out only is the development that is fair enough for the community, not development only for the big people or for the investors or for the government officials up there while the people are suffering."
MEARBAI	A) Example of the personal views of land deals: "Maybe there are benefits that Filipinos could have from foreign investments but I think only if the government has proper policy on that."
KPM-NMKL	A) Example of view of the local power relations surrounding deals: "you can see that the names, faces, that is the same the landlords, bourgeoisie compradors are actually controlling the land."
MAPALAD MPC	A) Example of mistrust for plantations to provide sufficient support: The companies would say that they will provide jobs... What can the IPs and farmers do? We are not engineers or professionals. We will only be labourers. Maintenance labourers in a 1.5 hectares there is only one person but if you distribute it, the family from the father, mother, brothers even relatives will contribute to developing the land. If you let companies, only one person will benefit. So what is the purpose? Where is the employment campaign?
United Farmers in Hacienda Yulo	A) Example of view of land deals: The foreign land grab actually added to the problem of landlessness in such a way that it reinforces monopoly over the land . And the land lords, because land is not yet distributed to the millions of Filipino farmers, it is the landlord and the foreign investors that convince the government who take advantage of the fruit of the land.

Notes: \*Only 5 were chosen out of 20 farming groups interviews, however those chosen were meant to represent a political spectrum with varying views of transnational land deals and how they plan to respond (or are already responding)

Source: Fieldwork 2010- Interviews and Focus groups with farming groups, NGOs and networks<sup>45</sup>

The reasons for the variety of perspectives is related to the fact that farming communities are not monolithic but an heterogeneous mixture of different beliefs, values, and ideologies. Within the peasantry are class relations and power dynamics and, at the same time, different levels of acceptance of foreign investments and different levels of cooperation with the government and investors. Consequently then, there are various views and varied responses to transnational land deals, which inevitably influences how the peasants may be affected by the deals and the way farmers are approaching these deals based on various circumstances and beliefs. However, one reason that was given by the farmers interviewed is the poverty that plagues their communities. After decades of neglect and the failure to develop rural infrastructure, facilities, and

<sup>45</sup> Information based on two key informant interviews (KII) and three focus groups (FG): 1) KII- Farmers Network TFM, with Executive Direction Alfrelando Nayal on 26/07/10; 2) KII- Farmer coop MEARBAI, with Malaya Dionisio 27/07/10; 3) FG- Farmer coop KPM-N-MKL, with Floriata Ceiya, on 06/08/10; 4) FG- Farmers coop MAPALAD MPC, with Peter Tuminiay, on 06/08/10; 5) FG- Farmers coop United Farmers in Hacienda Yulo, Eric Laurel, on 04/08/10.

employment opportunities, peasants are in a place where they have no other option but to lease their land and to take up employment from the foreign investors or local investors. To some, entering into agreements is important as it provides a steady way of life and wage. As stated in an interview with a farming cooperative member, Malaya Dionisio,

More farmers now are relying on foreign investments. There are government financial support programs but it is not easy to avail them. While in the case of some foreigners, they will just come and propose investments and then give us capital. It is easier to avail foreign finances than the government's support<sup>46</sup>.

It is important to restate that not all farming communities are open to investment. For example in another interview with Eric Laurel, of the farming coop Hacienda Yola of Laguna, the following was said,

The land grabbing is inhuman and anti people because it is the interest of the foreign people that are being advanced by the government instead of the interest of the farmers... they also destroyed the environment of the Philippines through land use conversion... The people, instead of being supported by the government are the ones already suppressed by the government, from their ranks they are being discontented that the government does nothing about foreign ownership of land<sup>47</sup>.

Therefore, there are diverging views of land deals from farmers. While some farmers are all together against investors, and think land should be in the hands of the local farmers, others may accept investments in their area because of the possibilities for economic growth, employment, infrastructural development and technological transfer. These diversified views can lead to fragmented farming communities and networks, which may lead to further marginalization.

The peasants are not only dis-empowered politically through fragmentation, but also through the deepening of capitalist relations and limiting the farmers access to land. This is seen in the way farmers with access to land will be forced to lease or sell their land due to limited options. Once farmers have sold or leased their land they themselves are transformed from owners of land to owners of labour and through the process are disenfranchised. If these processes continue, a large scale transformation could occur. However, when looking to the countryside of the Philippines and speaking with the farmers it is clear that many communities are standing up against the trend and rejecting the processes forced upon them.

This is one of the biggest concerns that is drawn out of the past and current processes of the implementation of the joint investment . Many farmers define their lives based on having access to land. They do this in several ways: by supporting themselves and their families through access to their own

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<sup>46</sup> KII- Farmer coop MEARBAL, with Malaya Dionisio, on 27/07/10 in Mindanao.

<sup>47</sup> FG with KMP network on 04/08/10 in Manila- Eric Laurel member of Farming group Hacienda Yola of Laguna

land; by tracing the roots of their family through a parcel of land; by defining their identity based on the relations which surround land; and much more. This can be seen in farmers' views of the CARP struggle as worthwhile due to the transformations that followed once they acquired land. In short, even if farmers find themselves struggling due to the lack of capital in agriculture, many explain that acquiring land from CARP has been a life changing experience because of the independence attached to having their own piece of land. Take the words of Malaya Dionisio, a member of the MEARBAI cooperative:

Escaping from the previous landowner/business partner was very beneficial, it brought a lot of changes in terms of our way of life.<sup>48</sup>

Or take the words of Nisa Radores of the CARP beneficiaries and coop CD HARBMCO,

But the best thing that happened to us, before we were only plain workers, but now we are the owners... (T)here are many changes. We felt freedom in terms of our working conditions. Our skills were enhanced, we can think more, we can make visions for our farm, unlike before that we had limited choices<sup>49</sup>.

Overall, possessing land is not just about being able to produce independently, but the status, the freedom and the livelihood that goes with it. This can be seen in the way that farmers define their lives based on having access to land. For example, throughout the field research, a question was posed to all of the farmers as to why they feel land is the heart of so many disputes in their community and why they are concerned with maintaining access to land. Here are some of their voices<sup>50</sup>:

Jonathan: Land for us as farmers is life. The life of farmers relies on the land. We are not professionals, we are not employees. We rely on the land for our daily consumption, education, health and other needs from the land and it is very important for us.

Hilda: Land is very important. When God made the earth, he created land and then the people. We have been created after as stewards of the land. Land is interconnected to our life.

Noland: Land is our life, life is our land. Nothing in this world does not depend on land. Clothes even. Without land we have no life.

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<sup>48</sup> KII- Farmer coop MEARBAI, with Malaya Dionisio, on 27/07/10 in Mindanao

<sup>49</sup> FG with CD HARBMCO on 27/07/10- Nisa Radore Secretary of coop

<sup>50</sup>FG with PAKISAMA network on 06/08/10 in Mindanao: 1) Jonathan Balume (founding chairman of KOROFI), from Koronadal, South Cotabato; 2) Hilda Sanahan (Committee Chair in the cooperative PALAMBO), from San Vicente, Sumilao, Bukidnon; 3) Noland Peñas of Panaw Sumilao MPC, from Bukidnon; 4) Flor Caya (Village Councilor of KPMD), from Monkayo, Compostela Valley

Flor: As for me. Land is very important because since time immemorial even the old fathers, grandfathers they have been living on this land. Land is life because all of your needs come from land that is why we, until now, struggle with the land.

Above are just few of the voices of the many individuals interviewed, however the themes remained similar throughout all the interviews. For many of the farmers the worth of land is based on the power it bestows on them and the ability it gives them to lead a self-sustaining life, connected to their roots. Most importantly, land for them is life, it is how they define themselves and how they hope their children will define themselves in the future. Therefore, the vary strategy which is supposedly aimed at aiding the farmers could in fact dis-empower them further by transforming them from owners of land to owners of labour.

As stated throughout, farming communities are not monolithic and therefore responses are, and will continue to be, divided. This means while some groups will remain silent or complacent, others will contest these deals if they develop around their communities or if they feel threatened by transnational corporate land deals in the Philippines in general. Many farmers are rejecting the deals and the processes being imposed on them. Some farming groups attach the poverty in the countryside to practices of wide scale farming and the domination of farmland by the elite, for example as Willie Marbella put it,

Land should be owned by majority of the Filipino people and not by only a few rich people. To add to that, access to land is very important for the millions of Filipino farmers because it is actually the monopoly of land and capital dependency the root causes of poverty in the Philippines. Land monopoly is the root cause of the Filipino wide-skewed disproportionate poverty<sup>51</sup>.

At the same time, others reject the notion that these investments will benefit their communities and base this concern on their previous experiences with plantation owners and foreign investors. In the words of Noland, a member of the PAKISAMA network,

The plantations are here in the provinces, so where is the income? Where is the equal sharing of the income? ...with that arrangement it[plantation sized farming] will not benefit us especially IPs[indigenous peoples], farmers and rural women. Because what we want is food security and the security of food is through peaceful tenurial settlement of our land, with no development aggression<sup>52</sup>.

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<sup>51</sup> FG with KMP network on 04/08/10: Wille Marbella of Kilusang Magbubukid ng Pilipinas

<sup>52</sup>FG with PAKISAMA network on 06/08/10 in Mindanao: Noland Peñas of Panaw Sumilao MPC, from Bukidnon.

Others feel the pressure of the large scale farming systems as they are forced out of small-scale farming by various means. Noland continues,

Because for example, in my two hectares of land we won't allow it [the leasing of his land to plantations], but it is [the land] surrounded by banana plantations. We have nothing to do because the toxic and chemicals will go to our farms. The strategic positioning of the companies is to surround most of the farmers who do not want to lease and it will eventually be forced to rent their land to companies because the farmers could not stop contamination. We won't allow that<sup>53</sup>.

Many farmers are concerned with what is going on around them, the oncoming pressures, and the uncertainty of their future. At the same time however, they are not willing to let it happen smoothly. The peasants are contesting these processes in various ways, through various forms of education, mobilization, by rejecting mechanised agriculture through organic and traditional forms of agriculture, through lobbying, and through linking to international networks.<sup>54</sup> Even though at this moment of the land deal the structure is one that could marginalize peasants and plays off of the concerns of the farmers, farming networks are attempting to alter the process by rejecting it. This is an important aspect of the local dynamics of the particular joint investment as it represents the responses of farmers as a possible friction in the investors and governments' plans. This is reflected in the words of Nestor Villanueva of Hacienda Yulo, as he describes his view of the strengthening, rather than weakening, of farming organizations:

The struggle that we are waging is not weakening instead its getting stronger and stronger like the wind. The wind from time to time could be blowing strong, sometimes not really strong. The government is actually becoming part of the struggle that is going strong, because the more that the government is converting the land, the more it is suppressing the people, the stronger the struggle becomes. Through collective effort, we strongly believe that eventually we will gain victory<sup>55</sup>.

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<sup>53</sup>FG with PAKISAMA network on 06/08/10 in Mindanao: Noland Peñas of Panaw Sumilao MPC, from Bukidnon.

<sup>54</sup>Examples given in interviews.

<sup>55</sup> FG with KMP network on 04/08/10: Coop member and activist Nestor Villanueva of Hacienda Yulo

## Chapter 4

# Concluding Reflections: Land Deals and Peasants

This research has aimed to examine a specific joint investment involving various key actors to take a closer look at how land deals are occurring in Mindanao, Philippines. By focusing on how a particular deal is occurring in one country, the objective was to highlight and analyse the precise moment of a joint investment under-way at the time of the research. This was done in order to clarify the various stages of the implementation processes involved in land deals, and more particularly to understand the processes of one deal. In so doing the aim was to portray the way deals are rooted in context specific situations that initiate, facilitate, and secure land deals. This was done by posing three broad questions: (1) What are the tools used by two governments to establish a joint investment?; (2) What are the local dynamics surrounding the joint investment that develop out of the government initiatives? And, (3) how are the local peasants responding to this? The analysis has therefore centred on the key implementation processes prior to and during the establishment of one particular joint investment in Mindanao, Philippines.

By focusing in on the particularities of one deal it is also possible to clarify the generics that occur throughout many transnational land deals. The key similarity interlacing each deal is how it is a representation of the current global transformations under-way that allow for transnational land deals to flourish. The transformations are both subtle and obvious, and are most clearly seen in the way these processes are legitimised and supported through ideas of foreign investments as development, development as modernization, and modernization as poverty-alleviation. In other words, the transformations are rooted in neoliberal globalization and supported by international agencies calling for various “codes of conduct.”

The generics and particularities brought out through the analysis of one joint investment also subtly contributes to debates surrounding transnational corporate land deals; debates regarding whether a “win-win” is possible and whether a Code of Conduct is enough to ensure that transnational corporate land deals benefit farmers. This was understood through the identification of the possible effects of one deal on Philippine farmers based on the policies, politics and rhetoric used to promote the deal by the governments, investors, and local elite.

Based on the analysis of the place of the farmers in the joint investment, it can be argued that the notions of a “win-win”, “collaborative effort”, “Muslim charity,” “development,” and “peace,” are all just words if the plans are not implemented in a manner that truly addresses the concerns of the farmers. Certain aspects of transnational corporate land deals highlight the improbability of this. Some of these include the way deals are rooted in a convergence of crises; contingent on capitalist processes, uses of land, and views of the

peasantry; how they are implemented through transnational power relations and political dynamics; and how they flourish in an unbalanced agro-food system; amongst others. In short, it is the embeddedness of the transnational corporate land deal in the global agro-food system and the global, national, and local dynamics that surround each deal, that suggest the improbability of a “win-win” situation. In the words of Stephen Elkin,

An alliance between public officials and land interests will be at the centre of any local politics where capital can move in and out of local boundaries at will. A politics with such an alliance at its centre will be unlikely to pursue egalitarian policies for any significant sort and will more than likely work to reinforce existing material differences among the population (Cited in Daniel and Mittal, 2010: no page number).

In other words, in the case of the Philippines, the possibility of the land deal to unravel in an egalitarian manner is overshadowed by the distinct local, national, and transnational power relations and the political, social and economic dynamics present at the current stage of the land deal implementation.

In summary, the way the governments, investors, and international agencies, promote the transnational corporate land deal is supporting a type of rural development based in a capitalistic view of agriculture. This capitalist view of agriculture, attached to transnational corporate land deals, is rooted in a system of interlinked transformations, which combine and contribute to the newest threat to the peasants of the Philippines. To many farmers, the most pressing threat is the way a land deal captures their key resource -land- and in so doing uproots their identity. This threat is validated through the reality that some farmers “choose” to enter into agreements due to their position within a “system of no other option.” What this means is, the transformations of agricultural production and the political, social and economic relations that surround production, have put many farmers in a position in which they have no other option but to agree to lease or sell their land and transform from owners of land to sellers of labour. Consequently, whether the farmers are forced off the land physically or not, the transition is still imposed through the legitimisation processes of “development.”

It has been argued throughout that Philippine farmers not only rely on land for subsistence but also define their lives based on having access to land. The final questions must therefore be posed, if transnational land deals are accepted as a new development mechanism to address poverty in the countryside, what will farming communities and production look like in the future? And, how will farmers' identity be constructed under this new system of agriculture? To emphasize this concern, the final word will be given to Laurencio Igmen, a Municipal Tribal Chieftain from Banga, South Cotabato, as he describes the essence of land ownership for farmers:

For me, all things that live on earth will go down to land. All of the source is from land, all of our meaning comes of land. If there is no land, there is no life.<sup>56</sup>

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<sup>56</sup> FG with PAKISAMA network on 06/08/10: Laurencio Ighen of SAMATIKU Municipal Tribal Chieftain from Banga, South Cotabato

## Appendices

### Appendix A:

An example of one of the many Codes of Conduct. This is the COC set by IFPRI:

IFPRI's proposal for a CoC in land deals<sup>23</sup>

Transparency in negotiations	Existing local landholders must be informed and involved in negotiations over land deals. Free, prior, and informed consent is the standard to be upheld. Particular efforts are required to protect the rights of indigenous and other marginalized ethnic groups. The media and civil society can play a key role in making information available to the public.
Respect for existing rights	Those who lose land should be compensated and rehabilitated to an equivalent livelihood. The standards of the World Commission on Dams provide an example of such policies.
Sharing of benefits	The local community should benefit, not lose, from foreign investment in agriculture. Leases are preferable to lump-sum compensation because they provide an ongoing revenue stream when land is taken away for other uses. Contract farming or out-grower schemes are even better because they leave smallholders in control of their land but still deliver output to the outside investor. Explicit measures are needed for enforcement if agreed-upon investment or compensation is not forthcoming.
Environmental sustainability	Careful environmental impact assessment and monitoring are required to ensure sound and sustainable agricultural production practices that guard against depletion of soils, loss of critical biodiversity, increased greenhouse gas emissions, or significant diversion of water from other human or environmental uses.
Adherence to national trade policies	When national food security is at risk (for instance, in case of an acute drought), domestic supplies should have priority. Foreign investors should not have the right to export during an acute national food crisis.

### Appendix B:

**Source:** Philippine Board of Investments (2010): Document Produced by BOI for the Researcher. Entitled “Inputs on Key Advantages of Philippine Agriculture.”

**Example of** the government view of transnational land deals as necessary for development can be seen in the importance of Agriculture and their belief in the need to modernize for poverty alleviation.

## INPUTS ON KEY ADVANTAGES OF PHILIPPINE AGRICULTURE

### **A. Physical resources**

1. The Philippines has vast lands which are mostly arable for agricultural commodity production and other types of agriculture activities. In fact it has at present some 12 million hectares planted to food crops.

2. Being archipelagic in nature, the country also possesses a long coastline which makes the fishery industry a thriving industry in the country.

3. Access to water for irrigation is somehow complemented by its archipelagic characteristic

4. The weather patterns and climatic conditions of the country also allow to be able to produce the best quality of fruits and vegetables, not to mention top dollar earners/export commodities like banana, mango, and pineapple among others

5. Labor force in the country is strong and very much adept in agricultural practices

6. Its location exhibits easy access for other neighboring Asian countries, which allows the Philippines to become a strategic and viable agri trade partner and investment hub

### **B. Policy support**

#### Agriculture and Fisheries Modernization Act (AFMA)

The Act has the following objectives which also manifests the Government's support for the development of the agribusiness sector:

- a. To modernize the agriculture and fisheries sector by transforming these sectors from a resourced-based to a technology-based industry;
- b. To enhance profits and incomes in the agriculture and fisheries sector particularly the small farmers and fisherfolk, by ensuring equitable access to assets, resources and services, and promoting high-value crops, value-added-processing, agribusiness activities and agro-industrialization;
- c. To encourage horizontal and vertical integration, consolidation and expansion of agriculture and fisheries activities, groups, functions and other services through the organization of cooperatives, farmers and fisherfolks' associations, corporations, nucleus estates and consolidated farms and to enable these entities to benefit from economies of scale, afford them a stronger ne-

gotiating position, pursue more focused, efficient and appropriate research and development efforts and enable them to hire professional managers;

d. To pursue a market-driven approach to enhance the comparative advantage of our agriculture and fisheries sectors in the world market; and

e. To induce the agriculture and fisheries sector to ascend continuously the value-added ladder by subjecting their traditional or new products to further processing in order to minimize the marketing of raw, unfinished or unprocessed products;

### **C. Agriculture's role in the economy**

1. Philippine agriculture plays a vital role in the economy. This attaches the high priority of transforming agriculture into a modern, dynamic and competitive sector. A sustained expansion of the national economy requires sustained growth in the agricultural sector.

2. Agriculture including forestry and fishery, plays a dominant role in the Philippine economy. The country's population is predominantly rural (70 percent of the total) and two-thirds of this population depends on farming for their livelihood. In terms of employment, about one-half of the labor force is engaged in agricultural activities.

3. Primarily, Philippine agriculture consisted of rice, corn, coconut, sugar, banana, livestock, poultry, other crops and fishery production activities.

4. The sector's contribution to the economy has been substantial 23% of gross domestic product in 1995. It registered a growth rate of 3.2%. The growth was mainly due to the expansion of the poultry, livestock, and palay subsectors.

5. The importance of agriculture in the country dates back even to the Philippines' early history, and has therefore greatly helped in shaping the country's economy, let alone in boosting the key performance indicators

### **Appendix C:**

**An example** of how government believes the best way to address issues of countryside is through foreign investments, seen in Mr. Agbon's view of the need for public-private partnerships

As Mr. Agbon of the Philippine Agricultural Development Commercial Corporation (PADCC) states,

Because you would need private sector and this kind of investments to sustain it [agriculture]. Government could only provide for the public goods, roads, perhaps some post harvest facilities

but actually putting up an enterprise will need to have a partnership between the producer and other traders or investors. So the government's role is to create the environment for this kind of agro-enterprises to develop and prosper.

To Mr. Agbon, the way to uplift the farming sector is by connecting the government to the investors in order to facilitate agro-enterprises. In other words, not only is it important to unite the public and private sectors to uplift the farmers, but the way farmers can be uplifted is through "agro-enterprises"

#### **Appendix D:**

**Examples** of how the new president is thought to be very favourable for foreign investments and how this helps investment.

#### **Example A) BOI**

T: what do you think are the main barriers of foreign investments?

P: for one its the restriction on the foreign equity viewership. For participation. Specifically for the rice and corn. The exportation for rice and corn. Since it is regulated it is mostly rice and corn. For high value crops like the bananas we do not have that much restriction. Its quite liberalized. Foreign participation is quite liberalized.

T: Do you think there is a possibility to change that regulations

P: that's part of the foreign ownership on the production trading of rice and corn. It is in the negative list as I mentioned we have the foreign investment act. Which liberalized the participation of foreign investment into the country except for those in the negative investment list. And the processing barter purchase or commercial production of rice and corn or the by products are included in the negative list. Its limited in these activities. Although there is a provision by the national food authority which would initially allow majority foreign ownership. But they have to be divested for 30 years. It should be divested to local authorities. Satisfying the 40%. But only for rice and corn. But for other we would have a number of foreign players especially the trade an commercial production. The high value crops.

#### **Example B) PEZA**

MC: After election there has been even more interest from foreign investors. I the new president was a factor. Because of the trust of the government right now is transparency and its being echoed through out the world. And maybe the Philippine plus factor. So economist forecast that in he nest few months. So the boom is just around the corner

T: so because of the new government there is more trust from foreign investors?

MC: its a factor. But at the end of the day you have to be here and see for yourself. You have to see what the IPAs is offering to the investors. But its a factor, the Philippines is again on the Map.

It would mean an increase in FDI for the country. And more jobs. As I mentioned before we are measured by 3 yard sticks : Employment, investment, and exports.

### **Appendix E:**

**An example** of the manipulation of policy in an Interview with Ameerah Rose Sira (manager of Aztropex)

T: and how does it work in ARMM in regards to laws on land ownership and exportation of staple crops? Because I know there are various laws. Is there a different law for ARMM?

R: Its even more flexi. Open to anything. Because it autonomous, they are not bound to follow rules and regulation of the national agencies which is why its good. It's an advantage.

T: can foreigners own land?

R: no, still no.

T: are there different laws about exporting staple crops?

R: no that is only for existing farms for what is established. But for new ones because you are going to establish new farms for your own supply to KSA. So there is no limit to that. Its everywhere in the Philippines. But even the past president, encouraged the king and the minister of agriculture to go to Mindanao because its typhoon free area and all these great business opportunities are here. There is no reason to go to Visayas or other places and waste their investment.

I don't there will be defined limitations on exportation. Because its them who will investment. On the technology, the structures, employment.

### **Appendix F:**

**An example** from an interview with the manager of Aztropex of how she thinks the government is using these investments for poverty reduction.

Rose: And this all brings in investment. Because we are showing we are serious about investment.

This is also part of the 100 day agenda of the president. Which was mentioned during the inaugural speech of the president.

T: what is in the 100 day agenda?

R: well what are his programs, what is he planning to do in 100 days. One of that is to organize a committee to look into the land reform. And within his term that should be finished. And made more win win for all.

T: are they promoting this to foreign investment?

R: yes of course. This would all address one of his agenda “poverty reduction” to bring opportunity to those who aren't employed. And a course of income. There are lots of Filipinos that need it.

They know they are rich, they have their own land but don't know what to do with that land. They need technology. They need to know what to do with that simple paper of title. If they don't have the market and the know how... its basic.

Its always the middle man that survive. They get richer than the land owners themselves. It should be the land owners and, The public private partnership are going hand in hand to business opportunities, investments, to improve and alleviate poverty and other government programs. So the private sector can help the president in different ways. I ask the gov't agencies to help assist, you make things easier for me and I will help you. We should compete with each other but work together to achieve 1 goal- to uplift the economic well-being of the community. That's the public private relationship.

**Appendix G:**  
**List of Farmer groups interviewed**

Note\* Information is based on websites and from interviews

<b>Organization Name</b>	<b>Type of org.</b>
Task Force (TFM)	Federation of farm workers
Mindanao Farm Workers development centre (MFDC)	NGO working with farmers to achieve CARP
Marsman Employees Agrarian Reform Beneficeries Inc. (MEARBAI)	Cooperative of farm workers struggling to attain land reform

	Status: Achieved
Twin Rivers Employees Agrarian Reform Beneficiaries Association Inc. (TREAR-BAI)	Association of farm workers struggling to attain land Status: Ongoing since 1997
Concepcion Dum Lan Hijo Ar Beneficiaries Mo Coop (CD HARBMCO)	Beneficiaries from 3 different farming villages Status: Achieved but locked to land owners contract
Kalipunan ng Samahang Magsasaka sa Kanayunan (KASAMAKA)	Coalition of various marginalized sectors
Philnet RDI	Coalition of various marginalized sectors
SIM CARRD	A regional network and resource institution in Mindanao
Tricom, inc.	NGO working with “tri-people” in Mindanao.
ANGOC	NGO focus on food security, agrarian reform, sustainable agriculture, participatory governance and rural development.
AR NOW	Same as above
CARRD	Network of farmers. Aimed at supporting various farmers groups in various initiatives related to CARP
SALIGAN (SENTRO NG ALTERNATIBONG LINGAP PANLIGAL)	A legal resource non-governmental organization doing developmental legal work with women, workers, farmers and fishers, the urban poor, and local communities.
PAKISAMA	A national peasant confederation and movement
KASAMA KI	Federation of Peasant Organizations in Southern Tagalog/Philippine Peasant Movement
KMP	Federation of farmer organizations
KPM-NMKL	Women's group with IPs
KPMD-SACARBEMCO	IPs and Farmers cooperative with 160 Ips
PANAW Sumilao MPC	Women's group
CPM	IP Farmers group
SEC- SAMATHIW	Ip Farmers group
SAMATIKU	Ip Farmers group
MAPALAD MPC	Ip Farmers group
KOROFA	Ip Farmers group
SUIVE, inc	Ip Farmers group

Kasama-TK	Farmers coop: Member of Network of “Radical” farmers groups KMP
Hacienda Yulo	Farmers coop: Member of Network of “Radical” farmers groups KMP
United Farmers in Hacienda Yulo	Farmers coop: Member of Network of “Radical” farmers groups KMP
Kilusang Magbubukid ng Pilipinas (KMP) or Peasant Movement of the Philippines	Farmers coop: Member of Network of “Radical” farmers groups KMP
Ibon Foundation	Research-education-information development institution

**Appendix H:**  
**Extended version of Discourse Chart**

Discursive Tool	Actors using it	Examples from an interview	How used to Justify deals
<b>“Idle” or “unproductive land” or “underutilized” (and others similar)</b>	A) Philippine Government B) Investors	A) Government (BOI): P: “So there are a lot of underutilized land that are just idle because no one is willing to utilize it. I think investors would give a boost to farmers so they could take advantage of the lands they have.” B) Investor (Aztropex): R: “But for me it would still be important to plant into new idle areas that aren’t productive that you can maximize and not threaten food security.”	To present the region targeted for a transnational land deal as having ample land.
<b>“win-win” deals</b>	A) Philippine government B) KSA government C) Transnational institutions (i.e. IFPRI and World Bank) D) Investors	A) IFPRI: “A dual approach can help address the threats and tap the opportunities related to foreign direct investment in agricultural land. First, the threats need to be controlled through a code of conduct for hosting governments and foreign investor. Second the opportunities need to be facilitated by appropriate policies in the countries that are the target of these foreign direct investments” (IFPRI, 2009: 3)	To promote land deals as mutually beneficially
<b>“Development” &amp; “Moderniza-</b>	A) Philippine Gov-	1) Investor (Aztropex):	To present land deals as beneficial for com-

<p><b>tion”</b></p>	<p>ernment B) KSA government C) Investors D) Farmers E) NGOs F) Institutions such as IFPRI and World Bank, etc.</p>	<p>R: “Yes it is a win-win situation. Yes we are here for profit but we also want to do something for you. We need a 2 way relationship that we can coexist longer. Its not just economic its also social development. You have to go there with social preparations.” 2) Government (PADCC): A: “That [land deals] would bring in economic development. The farmers also learn new technologies from the investors because what we would be encountering is that the investors are not only bringing capitals but are also bringing in technologies. So they would need land and labor on the farmers. So I guess that’s the sharing feature.”</p>	<p>munities and country</p>
<p><b>“economic zones for peace”</b></p>	<p>A) Philippine government B) KSA government C) Investors</p>	<p>1) Philippine Government &amp; KSA government (press release from meeting of two agro ministers of both countries): “possible creation of an economic zone of peace in Mindanao, through a joint and complimentary effort of both sides, as an effective and proven way to achieve lasting peace and progress in the region, while giving assurance that Saudi investments will be protected and highly regarded by all sectors, especially Filipino Muslims. 2) Investors (Aztropex): R: “You can see the impact [of investments in conflict areas]. That's why we get the support. They [the rebel groups] know it would really help and bring something new to the people... Its development and then peace. It comes naturally that way. Bring economic activity and have peace.”</p>	<p>To represent transnational land deals as a way to address conflict and to connect land deals to development</p>
<p><b>“Productive partnerships” &amp; “co-operative efforts”</b></p>	<p>A) Philippine government B) KSA government</p>	<p>1) Philippine Government &amp; KSA government (press release from meeting of two agro ministers of both countries): “...the Philippines will not only be able to provide the food re-</p>	<p>To portray the deals in the Philippines as a “win-win”through an actual partnership for development</p>

		quirements of the Kingdom through possible Saudi investments in Mindanao, but also stand as a strong partner in promoting inter-cultural and inter-religious dialogue for peace and stability for the rest of the world.”	
<b>“Trickle Down Affect”</b>	A) Philippine government B) KSA government C) investors D) Institutions such as IFPRI and World Bank, etc.	1) Philippine government (PEZA): MC: “Its a multiplier affect. When investment comes it it not only bring jobs to the people in agriculture economic zones but also the corresponding jobs. But also jobs related and around in the area. like transportation and what not.” 2) Philippine government (BOI): L: “its about the trickle down affect of the investment. Infrastructure development that we have agriculture land. Technology transfer and know how. Practices in agriculture production. I think that would be most of the benefits.”	To create an image of land deals that not only farmers will benefit but also the surrounding communities through this “trickle down affect”
<b>Notes:</b> <b>*All examples were stated in interviews or found in documents</b> <b>**These are only a few of the terms used. Others include: the trickle down affect, development and modernization, basmati rice, Muslim brothers, Muslim charity, etc.</b>			

**Appendix I:**  
**Government involvement and perspectives**

	<b>Role</b>	<b>View of Foreign Investments</b>	<b>Excerpt from interview</b>
<b>P A D C C</b>	<p><b>In summary:</b> Organize, implement and secure investment.</p> <p><b>In their words</b> (some activities include):</p> <ol style="list-style-type: none"> <li>assistance and provision of general support in the identification and evaluation of suitable agricultural lands</li> <li>endorsement of the project to interest and qualified landowners</li> <li>provision of complete data and information necessary in the implementation of the project</li> <li>Consolidation, packaging, and contract negotiation with land owners</li> <li>Facilitation of endorsements, accreditation, licenses, and permits from concerned government agencies</li> </ol> <p><i>*For more examples go to website: <a href="http://www.philagribiz.com/">www.philagribiz.com/</a></i></p>	<p><b>In Summary:</b> government role should be to encourage investment and allow for successful investment plans, then development and benefit in livelihood will follow</p> <p><b>Examples of what was said in interview:</b></p> <ol style="list-style-type: none"> <li>government lacks resources and ability to fund investment therefore must look to investors</li> <li>these investments bring needed development to farming communities</li> <li>will lead to job creation, economic growth, increase in living standards</li> <li>overall development is related to modernization and modernization brings welfare for farmers</li> </ol>	<p><b>A) Ex. of view of modernizing agriculture:</b></p> <p>A: We are largely an agricultural country. There's so much land to develop and I think food is still the continuing concern for the generations to come... [B]ut he [the farmer] has to realize that this is the scale [large scale farming], this is the time to adapt to newer technologies, or adapt mechanize farming whenever applicable.</p> <p><b>B) Ex. of Public-Private partnership in foreign investments:</b></p> <p>Because you would need private sector and this kind of investments to sustain it. Government could only provide for the public goods, roads, perhaps some post harvest facilities but actually putting up an enterprise will need to have a partnership between the producer and other traders or investors. So the government's role is to create the environment for this kind of agro enterprises to develop and prosper.</p>
<b>B O I</b>	<p><b>In summary:</b> Main activities include encouraging investments though economic incentives &amp; non economic incentives and see investments through.</p> <p><b>In their words</b> (some activities include):</p> <ol style="list-style-type: none"> <li>Timely investment advice and facilitation regarding investor's business transactions;</li> <li>Assistance in the selection of ideal investment location Joint Venture Matching Services for international local and foreign entrepreneurs;</li> <li>Investment advice and facilitation for Small and Medium Entrepreneur (SMEs);</li> <li>Business linkages with pub-</li> </ol>	<p><b>In Summary:</b> Investment are key to developing farming communities, investors can fill in the holes of the government, and create a trickle down affect</p> <p><b>Examples of what was said in interview:</b></p> <ol style="list-style-type: none"> <li>Foreign investments in agriculture have a trickle down affect</li> <li>Government is using these deals to alleviate poverty through moderniza-</li> </ol>	<p><b>A) Ex. of their view of benefits of deal:</b></p> <p>PG: Usually they [farmers] would of course lack capital to utilize their land so investors would be willing to utilize their land. More investment in agriculture sector would me more job and work opportunity... They can benefit through technology such as milling and refining. So that would also be an advantages in terms of development. Any economic activity would have a trickle down affect. It would lead to economic growth</p> <p><b>B) Ex. of their of why its needed:</b></p> <p>PG: Its not because of the production suffering but because</p>

	Role	View of Foreign Investments	Excerpt from interview
	<p>lic and private sector; e. Investment briefings, in-bound and outbound missions, seminars and conferences for local and foreign investors <i>*For more examples: http://www.boi.gov.ph/</i></p>	<p>tion c. Government is taking the joint investment with KSA as a mogul for more development from Gulf and other countries (therefore they have direct stakes) d. Investments are needed to strengthen agri. sector</p>	<p>farmers are not encouraged to produce because they don't have the necessary capital or finances. So there are a lot of underutilized land that are just idle because no one is willing to utilize it. I think investors would give a boost to farmers so they could take advantage of the lands they have... I think this is the reason why our department in agriculture is very active in promoting agricultural activities, even rice in corn where there is limitation in the participation in foreign investors.</p>
<b>PEZA</b>	<p><b>In summary:</b> Investment promotion, give economic and non-economic incentives, secure investments <b>In their words</b> (some activities include): a. Effective management of economic zones; b. Efficient administration of economic and non economic incentives; c. Focused investment promotion and proactive developmental activities.  <i>*For more examples: http://www.peza.gov.ph/</i></p>	<p>a. Must continue to bring foreign investors to establish a “win-win” for KSA and PH b. Investment leads to economic growth and economic growth in communities and a better livelihood through creating jobs and uplifting communities c. Must facilitate a public-private partnership to developing rural areas because government cannot do it alone</p>	<p><b>A) Ex. of how they view investments:</b> MC:Yah its a multiplier affect [foriegn investments]. When investment comes it is not only bring jobs to the people in agriculture economic zones but also the corresponding jobs. But also jobs related and around in the area... And if we create one job for one Filipino it creates money for family. So it is really a catalyst. <b>B) Ex. of how agri-industry zones are being promoted more and why:</b> MC: for PEZA the agri insutrial zones, it is only really in 2007 that we started this program to give incentives to agro-instrual that register with PEZA. So only a few years... The government encouraged the entry of new investors in all sectors. IT and Agricultural ...[T]o provide opportunities to farmer's to better their lives, to get new technology, farm technology. From foreign investors. ...[T]here are some new technology for local farmers because MNCs ... And [the MNCs] teach them how to use them</p>
<p>Note: *Information is based, on interviews with government representatives from each agency, documents provided in interviews, and websites; **Excerpts from longer interviews and summarized roles and perspectives; ***Be weary of discursive tools, for example: “underutilized land”, “development”, “idle land”, etc.</p>			

**Appendix J:****List of all the interviews (KII) and focus groups (FG)**

Information includes: Who interview was with, what their agency is, when the interview was, and type of interview.

	<b>Name</b>	<b>Organization</b>	<b>Date</b>	<b>Type</b>
1	Afrelardo Nayal (ED)	Task Force (TFM)	26/07/10	KII
2	Ondo Magaway	Mindanao Farm Workers development centre (MFDC)	26/07/10	KII
3	Dionusuib Nakaya (Secretary)	Marsman Employees Agrarian Reform Beneficeries Inc. (MEARBAI)	27/07/10	KII
	Malaya Dionisio	MEARBAI	27/07/10	KII
4	Fractuoso Donayne (chairman)	Twin Rivers Employees Agrarian Reform Beneficiaries Association Inc. (TREARBAI)	27/07/10	KII
5	1) Rogelio C. Frions (Manager) 2) Benjamin Manlios (Chairman) 3) Nisa Radores (Secretary)	Concepcion Dum Lan Hijo Ar Beneficiaries Mo Coop (CD HARBMCO)	27/07/10	FG
6	Harold A. Berayo (Vice President)	Kalipunan ng Samahang Magsasaka sa Kanayunan (KASAMAKA)	27/07/10	KII
7	Salavador H. Feranil (regional coordinator)	Philnet RDI	28/07/10	KII
8	Tim Villarin (Executive Director)	SIM CARRD	30/07/10	KII
9	Narciso Jover (Executive Director)	Tricom, inc.	30/07/10	KII

10	Marciel	ANGOC	02/08/10	KII
11	Marciel	AR NOW		On-line
12	Bobot Nerva	CARRD	02/08/10	KII
13	Aison Garcia	SALIGAN (SENTRO NG ALTERN-ATIBONG LINGAP PANLIGAL)	02/08/10	KII
		PAKISAMA		FG
15	Axel	KASAMA KI	04/08/10	FG
16		KMP	04/08/10	FG
17	Florita Ceiya	KPM-NMKL	06/08/10	FG
18	Gerardo B. Magbanua	KPMD-SACARBE-MCO	06/08/10	FG
19	Hilda M.San-ahan	PANAW Sumilao MPC	06/08/10	FG
20	Danico B. Duron	CPM	06/08/10	FG
21	Benedicio P. Pastera	SEC- SAMATIIW	06/08/10	FG
22	Laurencio C. Igenen	SAMATIKU	06/08/10	FG
23	Peter Tuminiaay	MAPALAD MPC	06/08/10	FG
24	Jonathan Balome	KOROFA	06/08/10	FG
25	Noland	SUIVE, inc	06/08/10	FG
26	Guillermo Bautista - Chairperson	Kasama-TK	04/08/10	FG
27	Nestor Villanueva - Farmworker	Hacienda Yulo	04/08/10	FG
28	Eric Laurel - Secretary General,	United Farmers in Hacienda Yulo	04/08/10	FG

29	Willy Marbella, Spokesperson	Kilusang Magbubukid ng Pilipinas (KMP) or Peasant Movement of the Philippines	04/08/10	FG
30	Jen Guste -	Ibon Foundation	04/08/10	FG
31	Paul Gamalinda & Lanie Dormiendo	Board of Investments	03/08/10	KII
32	Mr Agbon	Philippine Agricultural Development Commercial Corporation	05/08/10	KII
32	Mae Celestine & Allan Barcelo	Philippine Economic Zone Authority	02/08/10	KII
33	Ameerah rose Sira (manager)	Aztropex	1 <sup>st</sup> : 04/08/10 2 <sup>nd</sup> : 25/08/10	KII

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