

Report Part Title: Punjab and Sindh: Land Grab in the Heartland?

Report Title: China-Pakistan Economic Corridor:

Report Subtitle: Opportunities and Risks

Report Author(s): International Crisis Group

Published by: International Crisis Group (2018)

Stable URL: <https://www.jstor.org/stable/resrep31487.8>

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact support@jstor.org.

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at <https://about.jstor.org/terms>



International Crisis Group is collaborating with JSTOR to digitize, preserve and extend access to this content.

V. Punjab and Sindh: Land Grab in the Heartland?

The CPEC Long-Term Plan outlined a focus on agricultural modernisation, setting as goals, among others, “to strengthen agricultural construction” and “to promote the systematic, large-scale, standardised and intensified construction of agricultural industry”.¹⁰⁹ These aspirations dovetail with Islamabad’s pleas to Beijing to encourage Pakistani food imports as one way to mitigate a sizeable trade imbalance.¹¹⁰ A Lahore-based agriculturalist and food business representative, who was close to the PML-N government, said that Pakistani land and labour would be used, with Chinese enterprises introducing better technology and marketing efforts. “We currently meet 7 per cent of the world’s food needs”, he said. “We could be meeting 20 to 25 per cent”.¹¹¹

While CPEC advocates expect that Pakistan’s “untapped agricultural potential” can be realised through such cooperation with China, there is still little clarity about CPEC’s agricultural component. “What has the government promised the Chinese in this sector?” queried a political economist.¹¹² Moreover, CPEC’s focus on agricultural development could result in opposition similar to that in Gwadar in other parts of the country, including in the Punjab heartland and Sindh, where most land is privately owned.¹¹³ Chinese agricultural projects in Central Asia have sparked protests over agricultural deals and reforms perceived as friendly to Chinese enterprises.¹¹⁴ The same could occur in Pakistan.

A. Agricultural Cooperation: Punjab’s Challenges

Any ambitious agricultural modernisation project will require the acquisition and consolidation of large tracts of cultivated or cultivable land but such state-owned lands are in short supply. Small farmers own much of central Punjab’s cultivated agricultural land, the most fertile in the country. There are large private landholdings in southern Punjab and Sindh but these are the currency of political fortunes; land-owners would risk losing political influence should they sell up. An analyst noted: “Many of these landlords won’t be able to get elected to a local body if they sell”.¹¹⁵

One model, a high-level Punjab official said, could entail purchasing smaller farmers’ properties and leasing them back, while guaranteeing the supply of high-quality seeds, low-cost fertiliser and agricultural machinery, as well as good prices for their crops, thus reducing the risks of landlessness and displacement.¹¹⁶ The lure

¹⁰⁹ “Long-Term Plan for China-Pakistan Economic Corridor”, op. cit.

¹¹⁰ “China urged to encourage imports from Pakistan”, *Dawn*, 17 January 2018.

¹¹¹ Crisis Group interview, Lahore, November 2017.

¹¹² Crisis Group interview, Lahore, November 2017. “Agriculture’s golden promise”, “CPEC 2018 Summit”, op. cit.

¹¹³ Crisis Group interviews, Lahore, November 2017; Karachi, January 2018.

¹¹⁴ In Kazakhstan, the protests “became a vehicle for airing other grievances, including fears of an influx of Chinese migrants and distrust of Chinese companies, particularly their labour and environmental practices”. Crisis Group Report, *Central Asia’s Silk Road Rivalries*, op. cit.

¹¹⁵ The average holding in central Punjab is around 5-6 acres. Nationally, only 10 per cent of owners own more than 12.5 acres of land. Crisis Group interview, Lahore, November 2017. See also Agricultural Census 2010, Pakistan Bureau of Statistics, government of Pakistan.

¹¹⁶ Crisis Group interview, Lahore, November 2017.

of cash compensation might convince many to sell their lands and/or accept relocation. But the availability of such land, and the provision of quality inputs and guaranteed prices, could attract entrepreneurs seeking to maximise profits in a short timeframe with little interest in the long-term viability of such projects.¹¹⁷

Large-scale displacement and dispossession, were they to accompany CPEC agricultural projects, would increase social and political tensions. Tenant and small farmers have resisted past attempts by the state to deprive them of their land or their rights to cultivate it, a notable example being the mobilisation of tenant farmers on military-run farms in Punjab's Okara district, a dispute that has lasted for years. Despite arrests and harassment, the Tenant Associations of Punjab (Anjuman Muza-reen Punjab), spearheading the resistance, continues to fight for ownership rights for tenant farmers of lands claimed by the army.¹¹⁸ "If the state forces small farmers to sell", said a human rights activist, "there will be local resistance and conflict".¹¹⁹

There are three broad categories of land ownership: individual; collective (ten or more owners); and land whose transfer or sale was not completed officially and whose ownership and property rights therefore are not clear. Tenants and farmers on land in the last category are particularly vulnerable to expulsion; according to activists, journalists, economists and other close observers, they will likely resist pressure by officials to vacate their lands.¹²⁰ According to the Land Acquisition Act of 1894, under which the state can acquire land "needed for a public purpose or for a Company", compensation is only given to formal owners of land, and excludes tenant farmers and those without deeds.¹²¹ Absent measures that recognise the right to compensation of tenant farmers and those lacking formal ownership documentation, whether through legal reform or, in its absence, executive decision, lands acquired for CPEC projects under the 1894 act could devastate pastoral communities. Given otherwise limited job opportunities and the inadequate shelter provided by the state, land dispossession will have a particularly adverse impact on women-led households.

¹¹⁷ Crisis Group interview, Punjab-based agriculturalist, Lahore, November 2017.

¹¹⁸ Under the Musharraf regime, in 2000, the army tried to force around 200,000 tenants in the Okara military farms to pay rent, instead of a share of the crop, which would have given the army ownership rights. Leased in 1930 for twenty years to the army, the lease since then had not been renewed. Farmers cultivating lands with unclear property rights for 25 years have the first right of ownership. Though Okara tenant farmers were forced to sign contracts for the cash rent system in early 2018, the Tenants Association continues to support their struggle for ownership rights. "Harvest of hope: The struggles of tenant farmers in Okara Military Farms, Pakistan", *La Via Campesina*, 15 June 2018; Kunwar Khuldune Shahid, "This land is our land: Peasants in Okara fight for their rights", *Newsline*, June 2016; "Soiled Hands: The Pakistan Army's Repression of the Punjab Farmers' Movement", Human Rights Watch, 20 July 2004; Shahrukh Rafi Khan and Asim Sajjad Akhtar, *The Military and Denied Development in the Pakistani Punjab* (London/New York, 2014). See also Basim Usmani, "The peasants' revolt", *The Guardian*, 4 November 2007.

¹¹⁹ Crisis Group interview, Lahore, December 2017. In May 2018, a lawyer filed a petition in the Supreme Court to bar Chinese citizens from purchasing land in Pakistan. "Pakistan: Lawyer files petition in Supreme Court to stop Chinese citizens from buying land", *The Nation*, 8 May 2018.

¹²⁰ Crisis Group interviews, Lahore, Karachi, November-December 2017.

¹²¹ Text of the Land Acquisition Act, 1894 at www.punjablaws.gov.pk.

B. CPEC and Sindh's Tharparkar District

Sindh's impoverished Tharparkar district is the site of Pakistan's largest coal mining and power project, now a high-profile element of CPEC. The CPEC envisages mining thirteen blocks, covering 9,000 sq km, and doing so will likely displace many locals. As speculators enter the property market, many locals also could sell their lands and join the ranks of the unemployed. This reliance on coal for power projects will also pose serious environmental risks.¹²²

One component of the Tharparkar mining and power project, run by a Pakistani multinational firm, provides a model for mitigating the disruptive effects of such development by giving locals stakes in the enterprise. The firm, which has the contract for one of the thirteen blocks, mainly employs locals on the mining site, with Chinese workers only providing technical expertise.¹²³ It is building model villages, including homes, places of worship and markets, to resettle some 450 displaced families, and making long-term investments in skills development, training, jobs, education and health, including for women and girls. In a region with high maternal and child mortality, the company has set up a free health clinic for women, operated by a well-regarded hospital. Local women work for the mine, including as dump truck drivers and engineers.¹²⁴

The next mine to come online will be run and staffed by a Chinese company. A well-informed coal industry professional said that thus far the project envisages no guarantees of employment for locals and has involved limited consultation with communities potentially affected.¹²⁵ The federal and provincial governments should develop a socially and economically responsible regulatory framework, including through local consultations and with input from civil society organisations, for all companies awarded contracts for coal mining and power projects in Tharparkar. That framework should include employment guarantees for locals, including women, mitigation of environmental damage and protection of local culture. Employing non-residents would provoke resentment and disrupt the region's delicate religious, demographic and socio-cultural balance.

Tharparkar is one of the few regions in Pakistan with a Hindu majority and has a sensitive location bordering India. As a result, locals claim, security agencies doubt their loyalty to the state.¹²⁶ As in Gwadar and Gilgit-Baltistan, the security presence

¹²² A Thar-based coal engineer said, "[Sindh Chief Minister] Murad Ali Shah knows that coal is Sindh's only major resource. His government knows that it has to maximise now because the world later won't let us rely on coal-powered projects". Crisis Group interview, Tharparkar, February 2018.

¹²³ Sindh Engro Coal Mining is a joint venture of the Sindh government and six private companies, Engro Energy, Habib Bank Ltd, Hubco and two Chinese companies, CMEC and SPIC. "First layer of Thar coal extracted five months ahead of schedule", *Dawn*, 11 June 2018.

¹²⁴ The provincial government provides the land and the firm, Engro, builds the houses. If the locals agree, the houses will be transferred to women family members. Crisis Group interview, company representative, Tharparkar, February 2018. Quality education is being provided through a well-regarded privately owned network of low-cost formal schools. Crisis Group visited these and other projects. Crisis Group interviews, Engro employees, woman engineer working on Engro coal project, Tharparkar, February 2018. See also "In Pakistan's coal rush, some women drivers break cultural barriers", Reuters, 29 September 2017.

¹²⁵ "This company (Engro) has been socially responsible", said an analyst, "but what will other companies do?" Crisis Group interviews, Karachi, December 2017, Tharparkar, February 2018.

¹²⁶ Crisis Group interviews, Tharparkar, February 2018.

is overbearing, with agencies keeping a close eye on activists and others that question CPEC developments. In late 2016 and 2017, enforced disappearances of activists and journalists in the district became common. Some observers suspect that opposition to CPEC was a factor. A writer and researcher in Umerkot town said, "the intelligence agencies treat [the critics of CPEC] as their enemies".¹²⁷ A representative of a company working in Tharparkar added, "the security presence in the region is already overbearing. In this atmosphere of intimidation and fear, locals do not dare openly criticise any CPEC project".¹²⁸ Stifling democratic debate could result in anti-CPEC sentiments assuming a far more hostile form in the future.

¹²⁷ Quoted in Moosa Kaleem, "Reasons behind the increase in missing persons in Sindh", *Herald*, 13 November 2017. See also Editorial, "Missing in Sindh", *Dawn*, 8 August 2017; and "Sindh abductions: Three more activists go missing in Thar", *Dawn*, 8 August 2017.

¹²⁸ Crisis Group interview, Karachi, December 2017.