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ABSTRACT

This study titled “Multinational Companies and Large Scale Acquisition of Land in Cameroon: Case of the Iko company in Nanga Eboko from 2006 to 2016” is aimed at portraying the impacts of land acquisition to the rural communities. Large scale acquisitions of land by multinational companies have increased in recent times tailored towards second generation agriculture in Cameroon. The concept that there is vacant and unproductive land in Cameroon opened land for foreign direct investment. The land laws in Cameroon classify land in to three domains; public, private and national domains. Land under the national domain is mostly occupied by the rural communities which is opened to foreign direct investments as the state is the custodian of land in this domain. The Sino-Cameroon Iko agriculture agreement was signed between the government of Cameroon and China for the Chinese Iko company to boast agriculture in Cameroon. In the agreement, the governments grant land concessions of 2000 hectares in the locality of Nanga-Eboko for a period of 99 years. From our findings, we came out with the conclusion that large scale acquisition of land by multinational companies affects the rural communities taking the case of the Sino-Cameroon Iko agriculture in Nanga Eboko. It deprives the community from access to arable land which is a source of their livelihood. To overcome the
negative effects, recommendations were made to ensure a peaceful coexistence with the rural communities.

**Key words**: Multinational, company, large scale, land, acquisition, Iko, Cameroon, Nanga-Eboko

### 1. INTRODUCTION

Cameroon has been attractive to investors in the agricultural sector that seeks to acquire large portions of land for foreign direct investments. According to the Food and Agriculture Organization (FAO), Cameroon has about 6.2 million hectares of arable land, of which only 1.3 million hectares (just about 20 percent) are cultivated \(^1\) (Samuel Nguiffo et al. 2005). The demand for land has increased both at the global and national level in recent years. Many multinationals seeking for large tracts of land for agriculture has increase drastically in Cameroon. The concept that there is plenty of arable land available for cultivation is based on the assumption that land is vacant and ownerless \(^2\) (Taylor et al. 2012). This has attracted many multinational companies seeking for large tracts of land for investments in Cameroon. The trend has change especially with the efforts of the state to improve on agriculture and economic growth in Cameroon in order to achieve her vision 2035 of Cameroon being an emerging nation. The second generation agriculture launch by the ministry of agriculture and rural development was focused on the mechanization of agriculture to improve the yields, attracted many Multinational companies to acquire large tracts of land for investments in Cameroon.

Since the global rise in food prices of most agricultural commodities, there has been an increase in the acquisition of arable land by multinational firms and foreign state agencies for commercial production in Cameroon. Land is generally acquired through negotiation with the government, which then grants access to land according to leasehold contracts or rarely, through outright purchase. This Commercial Pressure on Land (CPL) has been described as “neo-colonial” due to the extent of control over the state lease to foreign entities. As a result of these deals between the state and MNCs, fears have increased regarding potential negative impacts on food security on the local communities and environmental conditions.

The land law in Cameroon classifies land in three domains: public land, private land and national land \(^3\) (MINDAF 2008). Most MNCs seeking for large tracts of land go for land that is
classified under the national domain. Land is available to MNCs in three ways; it can be sold, it can be lease, it can be assigned on temporal or permanent basis⁴(Oliver Deschutter 2009). The land law in general sense is based on the conception that there is vacant and unexploited land in Cameroon. The local communities have traditionally claimed rights to state land which they regard as part of their customary holdings. Customary laws is a body of rules founding its legitimacy and tradition over the control and ownership of land. According to customary tenure system, land is usually held by clans or families on the basis of diverse blend of groups to individual rights accessed on the basis of multiples rights. The customary regime has a fundamentally different concept on ownership. It gives absolute rights to individuals over the ownership of land. MNCs go for land classified under customary holdings found in the rural areas. In Cameroon, most rural activities involves using customary land or resources to provide shelter, food and income from agriculture that is livestock rearing, fishing, gathering food non timber forest products and cultural values that shapes the identity of the people. The recent trend on large scale land acquisition portrays the general concept that large scale land acquisition or lease to MNCs will enhance economic development but the local population faced human rights challenges. The rural populations are deprived from the utilization of the land mainly because in the Cameroon law, customary rights are recognized in the Cameroon land law but it is not protected. Most of the rural population depends mainly on agriculture for their livelihood. As a result, when these large allotments of land are leased to multinationals, it seriously affects the rural population that depends on agriculture for their livelihood. The local communities are deprived from access to productive resources indispensable to their livelihood. Moreover, the state when leasing land to the national and foreign investors takes in to account the rights of land users that is they compensate for the products found in the land an no compensation is done for the land especially when the land is covered by customary ownership. Land is only compensated when it is covered by a land title. The land title officially shows prove of land ownership⁵(Chris Huggins 2011). As a result, MNCs that seeks for large allotments turn to deprive the local communities from land which is very essential for their livelihood.

In Nanga Eboko sub division, the Chinese company behind large scale land acquisition in Cameroon is the conglomerates Shaanxi Land Reclamation General (SLRG). It is also known as Shaanxi state farm. In Cameroon, it operates through the subsidiary IKO limited, which in turn has established a local company called the Sino-Cameroon Iko agriculture limited, This Company is
involved in various agricultural ventures in Cameroon. In 2006, the government of Cameroon in
other to strengthened Sino- Cameroon relations signed an agreement with the Chinese Iko
company called the Sino-Cameroon Iko agriculture agreement. This agreement was to support the
government’s efforts to boast agriculture and promote second generation agriculture in
Cameroon. 120 million us dollars was to be invested by the company in Cameroon. (Elias Ngalame
2009) This agreement gave the Iko company 2000 hectares of land in the areas in Nanga Eboko.
These concessions by the Cameroon government gave the company vast tracts of land for a period
of 99 years (Jean-Bruno Tagne 2009). The agricultural venture is called the Sino-Cameroon Iko.
The long term lease of land has opened access for foreign investors to invest in agriculture as the
long term lease deprives the rural population from access to land. Moreover, the rural population,
suffer from the food shortage which have led to low standards of living in the rural communities.

1.2. Statement of problem

There has been the increasing demand for land for agriculture and for investments by
individuals and both national and foreign companies in Cameroon. This increase in demand is
mainly as a result of the increase in population and the demand for food. This rush for land
becomes very questionable especially in the area where these vast tracts of land are acquired.
Looking at the recent trend in the demand for land in Cameroon the worry is what are the
consequences of large scale land acquisition by IKO to the rural communities?

1.3. Significance of the study

This research is significant to policy makers to protect the rights of the local communities
when signing contracts granting land concessions to companies whether nationals or foreign
companies. Looking at the land law in Cameroon, customary ownership of land is recognised but
it is not protected most of the local community land does not have land title as a result the land is
classified under national domain. Companies seeking for land go for land under national domain
this turn to affects the customary right of ownership by the rural population mainly because it is
not protected by the state. Moreover, effective participation in land deals by the local communities
will reduce the conflicts between the MNCs and the local population where they are operating.
This will bring about peaceful coexistence and consequently will reduce the negative effects of
MNCs in their area of operation

1.4. Scope and delimitation
This study access large scale acquisition of land in Cameroon from 2006 to 2016. This time frame have been chosen to better understand the evolution and the dynamics in the historical survey on MNCS involved in large scale acquisition of land in Cameroon. 2006 has been chosen because it was at this year that Cameroon signed the Sino- Cameroon Iko Agriculture with the People’s Republic of China. The year 2016 has been chosen as the end of this research mainly because of the economic forum organized in Cameroon where the governments of Cameroon advertise Cameroon as land of attractiveness. This conference was to attract investor’s especially foreign investors to invest in Cameroon (Cameroon land of attractiveness). The sub division Nanga Eboko has been chosen as the case study mainly because of the Sino Cameroon Iko agriculture in Nanga Eboko involve in the acquisition of land in locality. The activities of Iko Company in Nanga Eboko have affected the indigenes of this community.

2. LITERATURE REVIEW

2.1. THE HISTORICAL EVOLUTION OF MULTINATIONAL COMPANIES IN CAMEROON

The existence of Multinational companies in Cameroon can be traced as far back as 1884 with the German annexation of Cameroon. The Germans set up agro industrial companies in Cameroon mainly in the cultivation of raw materials that was highly needed by the German industries8(Fanso 1989). The outbreak of the First World War in 1914 and the eventual defeat of the Germans in Cameroon saw the end of the German rule in Cameroon. Britain and France took over the German investments in Cameroon and continued with the administration. These investments were administered separately as a result of the partition of Cameroon by Britain and France.

Since the German annexation of Cameroon and the eventual attainment of independence and reunification of British southern Cameroon and the Republic of Cameroon many multinational companies from different countries have operated in Cameroon in different domains like industrial, agriculture, banking, transport and communication.

These companies operate under the legal framework of the Cameroon investment code9(Ndiva kemou 1991). The priority of Cameroon to achieve economic growth was strategized by encouraging investments, creating more and better employment opportunities and to enhance technical progress.
2.2. THE SINO-CAMEROON RELATIONS AND THE IMPLANTATION OF CHINESE COMPANIES IN CAMEROON

On the 26 March 1971, Cameroon opened diplomatic relations with the people’s Republic of China. This saw the influx of Chinese multinational Companies in to Cameroon for Foreign Direct Investments. One of the Chinese Company in Cameroon that had involved in land acquisition was the Iko Company. As a result, to strengthened Sino Cameroon diplomatic relations, the Republic of China signed an agreement with the Cameroon government to improve on agricultural production in Cameroon. The first Chinese agricultural investments announced in Cameroon was the establishment in 2006 of the Sino-Cameroon joint venture, called Sino Cameroon Iko agriculture, that would exploit 10,000 hectares of land leased for 99 years from the Cameroon government. The plans were to cultivate rice, cassava, maize and other agricultural products on three different sites: 2000 hectares in Nanga–Eboko (in the Centre region’s Haute-Sanaga division), 4000 hectares in Ndjoré (in the same area, 100 km from Yaoundé); and another 4000 hectares in Santchou (in the West region). It was estimated at $62 million, the project was to be financed by Forum for China Africa Cooperation funds via the Exim Bank\(^\text{10}\) (Chris Alden 2009).

Land acquired by this company was classified under the national domain land with no land titles and the state the custodian of land under the national domain. Consequently, the local communities utilized this land for subsistence agriculture, hunting, gathering of fruits and ancestral sites. The rural population in utilizing land under the national domain claim customary ownership of the land which is not legally protected by the land law.

2.3. Classification of Land in Cameroon

The subsection of the land ordinance of 6 July 1974, established the different categories of land in Cameroon. This ordinance state that “State shall be the guardian of all lands and may intervene to ensure rational use of land or in the imperative interest of defense or the economic policies of the nation. These ordinances that institutionalized private property rights and state control regime established three legal categories of land in Cameroon: private property or private land, public property or public land and national land\(^\text{11}\) (MINDAF)”.

2.3.1. Public Land
Public land includes all land that cannot be acquired and which is therefore excluded from large-scale land transactions. Public property comprised all land that could not be owned by private individuals. Article 2, of ordinance no 74-2 of 6 July 1974 established rules governing state lands stipulated that;

“Public property shall comprise all personal and real property which by nature or intended purpose Is set apart either for the direct use of the public services. Public property shall be inalienable, Imprescriptible and unattachable. It shall not be liable to private expropriation”.

**Article 3.**Section 1-4 distinguished between the two categories of public property: natural and artificial public property.

**Natural Public Property**

Natural public property was property created by the almighty God such as rivers, coastland, waterways, sub-soil and air space. The ordinance defines natural public land as follows;

“Natural public property shall comprise coastlands, waterways, subsoil and air space. Coastlands shall comprise: the sea shore to the highest tide mark and a further zone of fifty metres measured from this tidemark; the banks and estuaries of waterways subject to tidal influence to the highest tide mark, and a further zone of twenty- five metres measured form this level; the soil and sub soil of the territorial sea. Waterways shall comprise; navigable or floatable waterways within the limits determined by the highest water level and a further zone of twenty- five metres measured from this level; marshland excluding developed farms; non navigable and non- floatable waterways within the limits determined by the high- water level; lakes, ponds and lagoons within the limits determined by the high water level. Subsoil and air space shall comprise respectively the sub- soil and the air space situated above the territory of the state and the territorial sea”\(^{(12)}\)(MINDAF)

As seen above this category of natural public property does not permit individuals to apply private appropriation of even the smallest portion of this natural property. It is owned by the public for the general benefit of the society\(^{(13)}\).

**Artificial Public Property**

Ordinance no. 77-2 of 10\(^{th}\) January 1977 defines the artificial public property of the state. “It shall comprised roads, motorways commercial sea or river ports and public monuments. The concessions of traditional and property especially in the provinces where the concessions of chiefdoms is considered as the join property of the community.” A Land certificate was not to be
issued on the concession of a traditional chiefdom which is public property\textsuperscript{14}. Public land in general was controlled by the ministry of state property and land tenure. It is the state that may confer the management to such bodies in a formal way so as to avoid conflicts between the state administrative authorities and local governments\textsuperscript{15}(Hanry Lanyuy).

2.3.2. Private Land

Ordinance no. 74-1 subsection 2 of 6 July 1974 establishes the categories of land subject to private property. This includes; registered land, freeholds, land acquired under the transcription system, land covered by a final concession and land entered in the Grundbuch in German Cameroon\textsuperscript{16}(MINCAF).

Private land comprised two types of property owners. The first was made up of national persons and cooperate bodies of private law that hold a land title or land certificate on a parcel of land on the national territory. The law conferred the most absolute prerogatives of property rights on private owners. As such, the land certificate is the only official documents that private land owners should have before they can claim the ownership of a parcel of land in the national territory. Private land owners have the right to use the parcel of land for different purposes such as farming and building. No one has the right to question why they have not developed the land. Nobody has the right to settle on the land without any authorization by the land owner. The second type of private property owner is the state private property owner. The state may also have land certificates on parcel of land that constitute private property rights of the state or state private land.

Therefore, Cameroonians have the right to respect state private lands just as they respect private individual lands even more because they are the property of the state. The only person empowered by law and regulations of the Republic to manage state private land on behalf of the state is the minister in charge of lands or in certain circumstances the prime minister and the president of the Republic\textsuperscript{17}(Sobseh 2011).

2.3.3. National Lands

Article\textsuperscript{14}, of ordinance no. 71-1 of 6 July 1974 stipulates that;

‘National land shall as of right comprised land which at the date which the present ordinance enters into force, are not classed in to the public or private of the state and other public bodies. National lands shall not include lands covered by private property rights. In the event of forfeiture as provided for in article 4 and 5, the lands in question shall be incorporated as of right in the national lands”. National land was land opened to foreign direct investments. This category of land
is managed by the state to enhance economic growth and development. Thus, multinational companies and foreign investors that seek to acquire large tracts of land for foreign direct investments seek for land categorized under the national domain. National land is classified in to two categories according to the provisions of article15 of ordinance no 74-1 stated as follows; National land shall be divided in to two categories(1) land occupied with houses, farms, plantations and grazing land manifesting human presence and development( 2) Land free of any effective occupation18(Tientcheu Nelson 2005).

The first category of national land comprises unregistered land occupied or used by the individuals, local and indigenous communities. Occupants of such land only have users right. They do not legally have ownership rights over land. The second category consist of unoccupied land which is land that can be describe as bare or vacant land without owners or free spaces. Consequently, national land is legally occupied in two ways; first as a single occupant in the case of individuals, local and indigenous communities who do not have ownership rights over land allocated. Ownership rights are only issued to holders of land certificates following a registration procedure. This type of land occupation is considered legitimate and in compliance with the law.

The second type of occupation of national land is govern by the notion of land concessions under which land is granted to investors for socio- economic development project promoters. These concessions are given to multinational companies in Cameroon to acquire large tracts of land to improve on foreign direct investments and enhance economic growth and development in Cameroon19(Mvondo et al 2008). The second type of occupation of national land open access to foreign companies or multinational companies to acquire large tracts of land in Cameroon for foreign direct investments. However, it is very important to note that the state is the trustee or the custodian of national land. The state can allocate a portion of national land for the implementation of projects for the interest of the public. It is through this method that portions of national land are incorporated in to public or private state land. 70% of the land is classified under the national domain, 20% under the public Domain and 10% under the private domain. A majority of land is under the national domain where MNCs seeking for land in Cameroon are allocated land under the national domain which is in most cases occupied by the rural communities.

2.4. Importance of land to the rural communities

Land is life to the rural population in Cameroon. Land is not just property or an asset to the rural people, but it has cultural, economic, social-economic and even political significance. In most
rural areas of Cameroon land has an enormous cultural significance. For instance, Land is perceived as the resting place for ancestors. For this reason, land on which an ancestor was buried is highly valued by the family lineage\textsuperscript{20}(Cutla et al 2012). Due to this, in some rural areas, though land has emerged to have a commercial value, there are still specific areas with cultural attributes which normally cannot be sold. Land ownership in many rural areas in Cameroon is a form of security and power. Many rural inter-communal squabbles can be traced to have struggle for land as one of its cause. To these rural people, owning land does not just signify power but secures a future for their descendants in the community.

Land as a resource for agriculture includes crops, livestock, fishery and forestry. Agriculture is the main economic activity of the rural population in Cameroon. Agriculture is also a source of food to rural communities. Food is one of the most important basic needs of humans. The rural people still largely practice subsistence agriculture and produce on small scale usually for family consumption and commercial purposes which brings family income. This income is used to meet other needs such as education, health and other basic needs.

Land is a source of Shelter to the local population. In most areas of rural Cameroon, land is perceived as a perpetual home. , rural land has family ties too. Reasons why people may migrate from their area of origin (villages) but would always return to build their permanent home on the land where they have their family ties.

3. Methodology

This work on Multinational Companies and large Scale acquisition of land in Cameroon is conducted in the locality of Nanga Eboko. We used two methods to bring out the finding that is the qualitative and quantitative methods. In this work we try to quantify data collected on the classification of land in Cameroon. We indicated that 70% of the land is classified under the national domain, 20% under the public domain and 10% under the private domain. We focused on land under the national domain where foreign companies seeks to acquire, which is mostly occupy by the rural communities. This turn to deprive the rural communities from access to land. We also use the qualitative method where information we got from interviews and question interpreted carefully on what the informants said in the course of the field work.

4. FINDINGS

The Iko company in Nanga- Eboko, have since 2006 acquire large tracts of land which have been left vacant depriving the rural population from arable land. Transparency in granting land
concessions for foreign investment is one of the negative effects in this agricultural venture. Access to information is a problem as the local communities are not aware of the amount of concessions granted by the state. The concessions granted to the Sino-Cameroon Iko agriculture were unsure by the local communities as some indigenes say they have acquired more than 4000 hectares while others talk of 6000 hectares\(^2\)\(^1\)(Kenfack et al 2016).

Furthermore, access to land is also one of the negative effects of large-scale land acquisition to the rural population. Access to arable land by the local communities becomes a problem when the state grants large-scale land concessions for Foreign Direct Investments. They look for the most fertile areas to acquire the large allotments of land which deprive the local population from access to arable land.

The 2000 hectares of land concessions granted by the state to the Sino Cameroon Iko agriculture in this Nanga-Eboko deprives the rural population from access to arable land and natural resources. This is mainly because land at the rural area is mostly covered by customary land ownership which is not protected by law\(^2\)\(^2\)(RELUFA et al 2016). As such, it is classified under the national domain in which the state is the custodian of land under the national domain.

In addition, large-scale production turns to bring about environmental and social impacts which affect the local communities\(^2\)\(^3\)(Michael Richard 2013). The contamination of waters and the use of chemicals such as pesticides and fertilizers affect the community. The Sino-Cameroon Iko agriculture has brought social impacts in the locality. The contamination of river Sanaga with chemicals and the use of pesticides have created environmental hazards which have affected the local population especially the population involved in fishing. More so, the rents paid on the land concessions to the state are not felt by the rural population. 10% of the amount according to the law should use in the development of the locality that the concession have affected. The trickerdown effect becomes a problem.

Large scale land acquisition rarely takes into account demographic growth and as concessions are usually for long periods they inevitably lead to land shortages in future. The government signed concession with the Sino Cameroon Iko agriculture to acquire 2000 hectares
of land for a period of 99 years. They did not take into account demographic growth which turns to affects the future generation of the local communities. Long term land concessions have been signed by the governments and foreign investors to acquire large scale land for agriculture without taking into consideration the demographic growth. This effects sustainable development in the local communities.

6. Recommendations

The concept of large scale acquisition of land by multinational companies has increase with time due to the global demand for arable land for Foreign Direct Investments. After a detail study of the Sino Cameroon Iko agriculture and large scale acquisition of land in the locality of Nanga Eboko, We can say that the large scale acquisition of land by foreign investors to a greater extend have negatively impact the rural community. In order to bridge the negative effects of the Iko company and large scale land acquisition, the following recommendations would help to reduce the negative effects and ensure that large scale land acquisition for agricultural production, alleviates poverty and enhance economic growth and development in the local communities and in Cameroon in general.

There should be transparency when signing land deals with multinationals. The local communities should be involve and informed in negotiations over land deals. This will help to protect their rights and interest when negotiating land deals with foreign investors. Also, the population should have access to information on land deals and on their activities. Lack of information about operations on large-scale land concessions makes it hard to monitor the extent to which the companies that run these projects fulfill their social, environmental and legal commitments.

Moreover, there should be a land law reform that protects the rights of the rural population by recognizing and protecting customary land ownership. Provisions should be made to enable the rights to acquired large-scale concessions emanates from the customary land landowners rather than the state. This will reduce the conflicts that emanates between the investors and the local communities on land issues.

Also, long lease of land by the government to foreign investors should be redefined. For example the Sino Cameroon Iko agriculture allocates 10000 hectares of land in three main regions in Cameroon to be cultivated for a period of 99 years. These long term lease gives the investor the rights to be the custodian of land which is a resource to the determine of the local community.
Even if this companies ensure transfer of technology, the population in future will faced the problem in future of having access to land to implement the skills transferred taking in to consideration demographic growth and the long lease sign with foreign investors.

In addition, the land law in Cameroon does not favours the youthful population, this is because the 1974 law is still applicable today which does not favour the youths to have land titles. Only those born before 1974 can have access to land titles while does born after 1974 can have access to land title only by inheritance. Thus, most of the youths have land covered by customary land ownership which is not protected by law. A land law reform is very necessary to protects the youths to have access to land ownership.

Note should be taken that no matter the terms of the agreements, the principal objective of this multinational companies is to maximize profit. Thus, the government should protect the interest of the people by signing temporal or short term concessions so that population would have access to arable land in future to implement the skills and technology acquired. Finally, the social and the environmental impacts should be taken in to consideration when signing concessions. It is hard to assess the social commitments that these companies have made because it is extremely difficult to access the terms and conditions of their agreements and the contracts say little about this issue. Thus, there should be careful environmental impact assessment and monitoring 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 and environmental uses. Above all the state should ensure effective follow up of their activities to reduce the negative effects to the rural communities and enhance growth and development.

7. CONCLUSION

The Sino Cameroon Iko agriculture and large scale acquisition of land in Nanga-Eboko have affected the rural population. Large scale land concessions have been viewed by the government as a means to boast production, enhance economic growth and development. This to a greater extend have negatively impact the rural population. The concessions deprived the population from access to land which is a source of their livelihood. The agricultural venture in this locality has faced major challenges which have greatly affected their operations in this locality. As a result, the governments vision to alleviate poverty, promote second generation agriculture by promoting the mechanization of agriculture should not be vested on foreign direct investments in granting large
tracts of land for agriculture. National and local entrepreneurship should be encouraged and promoted. This will enhance sustainable development rather than signing long lease contracts to foreign investors that are out to protect their interest.

However, in other to ensure that the allocations of large tracts of land by the government to foreign companies to achieved its vision, we make the following recommendations which will help reduce the negative effects of their activities and land acquisition to contributes in its totality to improve the conditions of the rural population and at the national level contribute to the attainment of the government objectives. This will greatly reduce the negative effects of multinational companies involved in large scale acquisition of land for agricultural investments.

12. Chapter 1, article 2 and 3, of Ordinance no. 74-2 of 6 July 1974 to established rules governing state lands.
13. Interview with Hanry Ngwanyi Lanyuy, aged 40, civil administrator, MINDAF, Yaounde,16 June 2016 12:30pm
15. Interview with Tate Daniel,40years, Teacher,Nanga Eboko, 07 August 2017, 11:00am.
