

# THIS IS OUR LAND

## WHY REJECT THE PRIVATIZATION OF CUSTOMARY LAND

Most of the world's land is still stewarded by communities under customary systems. Whether it is legally recognized public land or customary land, **billions of people rely on communally managed** farmland, pastures, forests, or savannas for their livelihoods. This collective management of resources is viewed in the capitalist model as an obstacle to individual wealth creation and the further accumulation of profit in private hands. Governments are therefore encouraged to adopt the notion of private property of land that is already dominant in Western societies.

In pursuit of the promise of attracting investment to spur development, governments are seeking to **privatize land by dismantling customary and collective tenure systems**. Whether it is through private titling efforts or by making customary land available for private investment or "development" projects, these **efforts to commodify land pose immediate threats to billions of people and the environment**. In addition to being the basis of rural livelihoods and economies, **customary land tenure systems constitute essential social systems and legal codes that govern lives and entire societies around the world**. This pamphlet breaks down some of the myths used to justify the privatization of land. It makes it clear that efforts to privatize land are not about development but about the profits of banks, corporations, and wealthy individuals.



### MYTH #1

**Privatizing Land is Necessary to Attract Private Investment**

### FACT

**Investments in production, processing, and marketing can improve the livelihoods of communities without alienating their land**

Governments in the Global South are making hundreds of millions of hectares of land available in order to attract private investment. Yet attracting private investment for the extraction of natural resources or expansion of industrial agriculture does not have to be the development paradigm. **There are actually many other paths for governments to follow that don't require privatizing the land**. Many examples from around the world demonstrate how private investment can be critical to improving production, processing, and marketing of goods without alienating people's land.

In West Africa for instance, investments into various stages of the dairy value chain have increased local production without affecting the customary tenure systems governing nearly 50 million nomadic herders and agro-pastoralists. As a result, local dairy production increased by over 50 percent between 2000 and 2016.

In Brazil, between 2004 and 2015, agricultural production increased while deforestation fell when land and resource rights were granted to Indigenous Peoples and communities under customary systems, alongside a strong network of protected areas, land use planning, and enforcement.

In Papua New Guinea, the informal economy and the agriculture sector highly depend on the maintenance of the customary land tenure system, which provides homes and livelihoods for the vast majority of the population. Whereas in recent decades logging and mining have had devastating human and environmental consequences, there are **clear alternatives to these extractive activities** – for example establishing in-country processing of wood rather than exporting round timber, investing in domestic trade, storage, and transformation of agricultural and forest products, and promoting high value export commodities such as cocoa and vanilla. **None of these activities require changes to existing customary land tenure systems** and can be the focus of investment promotion by governments.



## MYTH #2

Private Titles Increase Access to Credit & Loans

## FACT

When titled land is used as collateral it becomes possible for banks to legally take over the land if farmers experience a difficult harvest year and are unable to pay back their loan

Some “donor” governments and financial institutions such as the World Bank claim that converting customary tenure systems into private titles would reduce poverty. The theory that has been widely used to justify land titling projects around the world is that with a private title, landowners would be able to use their land as collateral to borrow money from banks so they can invest and escape poverty. Yet, research shows that when farmers with limited resources received a private title, **banks remained largely unwilling to offer them credit or loans.**<sup>1</sup> Furthermore, using titled land as collateral makes it possible for banks to legally take over the land if farmers experience a difficult harvest year and are unable to pay back their loan or mortgage – a phenomenon all too common during today’s climatic instability.<sup>2</sup> In order to invest and improve their livelihoods, rural people around the world need better returns for the goods they produce, a higher share in the income from extractive projects, as well as government policies allowing market regulation, insurance, and credit in support of investment. Instead, people are encouraged to buy into a system that does little to serve them in the best of times and **creates legal means of stealing their land** when hardship arises.



## MYTH #3

Privatizing Land Spurs Development

## FACT

Efforts to convert customary systems into private property rarely occurred historically without considerable social and economic displacement

There is little evidence that replacing customary or communal tenure systems with private titles leads to development. A comprehensive review of available research has examined the impact secure tenure has had on smallholders. It could only identify a few context specific cases where increased investment into agricultural land followed land tenure reforms.<sup>3</sup> The authors concluded: “available evidence provides a weak basis for establishing the general effectiveness of land tenure reform” and that in the case of Africa, **efforts to convert customary systems into private property “rarely occurred historically without considerable social and economic displacement.”**

Papua New Guinea is an example of the impact of this displacement as the Incorporated Landowner Groups (ILGs) have been used as a mechanism by logging and petroleum companies in particular to unlock and access customary land for resource extraction. Initially established to allow communities to lease portions of their land to private interests, ILGs have instead “undermined customary social and governance structures, marginalized women, and created a backdoor route for customary land alienation,”<sup>4</sup> while failing to bring development to communities.

In Rwanda, attempts to move complex tenure systems into the one size fits all mold of private titles have led to dispossession, distress sales, and concentration of land ownership.<sup>5</sup> Similar initiatives to “secure” land rights through titling have also backfired in Brazil, where a World Bank program in the State of Piau completely disregarded communal forms of tenure and implemented an individual title system that opened the door to “legalizing” land grabs, risking dispossession for thousands.<sup>6</sup> The impact was so disastrous that the Public Prosecutors Office asked the Bank to suspend the project. Similarly in Guatemala, a Bank sponsored land administration project resulted in Indigenous communities in Alta Verapaz losing their land to palm oil companies.



## MYTH #4

Land Markets Make Access to Land More Equitable

## FACT

When land is nothing more than a commodity, corporations can price farmers out of the markets

Another commonly advanced myth is that privatizing land will create land markets that will help overcome inequalities in access to land.<sup>7</sup> This is untrue, as the “creation” of land markets has been repeatedly found to **solidify existing inequalities in access to land**.<sup>8</sup> In South Africa, decades of colonialism and apartheid greatly concentrated land in the hands of the minority white population. Apartheid came to an end in 1994, and yet over 25 years of market-based land reform has failed to redistribute land, as 72 percent of the country’s private farmland remains in the hands of the white population who make up just nine percent of the country.<sup>9</sup>

As seen around the world over the past century, land markets are in fact purposefully designed to restrict poor people from accessing land. Within a market system where land is nothing more than a commodity, **corporations and wealthy individuals can price farmers and herders**, who rely on land for their livelihoods, **out of the markets**. This has resulted in growing landlessness and concentration of land in the hands of a few, as the decreasing average farm size in the Global South has coincided with the growth of mega-farms that can take up tens of thousands of hectares.<sup>10</sup> Globally the largest one percent of farms now operate more than 70 percent of the world’s farmland. In South Asia and Latin America, the top 10 percent of landowners own approximately 75 percent of all agricultural land while the bottom 50 percent own less than two percent.<sup>11</sup> While this growing consolidation is most extreme in Colombia – where farms over 500 hectares make up less than half a percent of all farms yet occupy over 67 percent of productive land – consolidated ownership exists in larger countries such as Mexico, where the largest one percent of farms control 56 percent of the country’s arable land.<sup>12</sup>



## MYTH #5

Customary Systems Fail to Provide Tenure Security

## FACT

Research has shown the recognition of group rights to be more effective than individual titling and that customary land has proven to be “highly resilient, continuous and flexible”

Promotion of the privatization of land often comes with spread of false information that customary and collective land tenure systems fail to provide tenure security. Yet, evidence refuting this myth has been abundant for decades. The first USAID country land tenure profiles from 1986 noted: “African countries with relatively good production records over the last twenty years have achieved them under remarkably diverse set of tenure arrangements, in which customary tenure figures prominently.”<sup>13</sup> In 2011, The European Union Task Force on Land stated: “land titling is not always the best way of increasing tenure security, and nor does it automatically lead to greater investment and productivity. In many places, land is held through unwritten, customary means, but it is not subject to insecurity.”<sup>14</sup>

After years of efforts to privatize land, the World Bank itself recognized in 2019 that safeguarding customary land rights should be a “development priority.”<sup>15</sup> The Bank also acknowledged the **recognition of group rights to be more effective than individual titling** and that customary land has proven to be “highly resilient, continuous and flexible.”



## MYTH #6

Land Reforms Centered on Interests of Farmers

## FACT

The privatization of land is geared towards serving corporate profits at the expense of fighting poverty or improving livelihoods

From Brazil, to the Philippines and South Africa, people are calling for land reform to equitably redistribute land that was wrongly seized and accumulated during colonial times. However, recent land reform programs centered on private titling fail to address these pressing demands. The lack of evidence of development outcomes, along with these individual examples of the detrimental impact on people and communities, makes it clear that the **privatization of land**, encouraged by financial institutions and a few Western countries, is **not about fighting poverty or improving livelihoods**. The process of transitioning locally developed customary systems – that generally offer tenure security – into private titled land is likely to result in landlessness and land concentration. While insecure land tenure remains a pressing issue around the world, privatizing land does not offer communities the security and stability they need. Rather than promoting development, these efforts are just **another avenue for further colonization** and exploitation of natural resources for the **benefit of private interests and multinational corporations** that pose fresh threats to livelihoods and environment, and further the climate crisis.

This pamphlet is based on *Driving Dispossession*, an Oakland Institute report available at: <https://www.oaklandinstitute.org/driving-dispossession>

## Endnotes

- 1 Lawry, S et al. "The impact of land property rights interventions on investment and agricultural productivity in developing countries: a systematic review." *Journal of Development Effectiveness* 9, no. 1 (2017): 61-81; Gilbert, A. "De Soto's The Mystery of Capital: reflections on the book's public impact." *International Development Planning Review* 34, no. 3 (2012): v-xviii.
- 2 Binswanger-Mkhize, H.P. Bourguignon, C. and R. van den Brink, eds. *Agricultural Land Redistribution: Towards Greater Consensus on the "How"*. World Bank, 2009; p.14.
- 3 Lawry, S et al. "The impact of land property rights interventions on investment and agricultural productivity in developing countries: a systematic review." *Journal of Development Effectiveness* 9, no. 1 (2017): 61-81.
- 4 ACT NOW, A Critique of Incorporated Land Groups, 11.
- 5 Huggins, C.D. "'Control Grabbing' and small-scale agricultural intensification: emerging patterns of state-facilitated 'agricultural investment' in Rwanda." *Journal of Peasant Studies* 41, no. 3 (2014): 365-384.
- 6 Campanha Nacional em Defesa do Cerrado. "The World Bank's land program in the State of Piauí, Brazil, is a license for land grabbing." CSO Joint Statement. March 21, 2018; ActionAid. "World Bank Program Forcing Local Communities Off Their Land." Press Release.
- 7 World Bank. *World Development Report 2008: Agriculture for development*-World Bank, 2007. p.15.
- 8 Binswanger-Mkhize, H.P. Bourguignon, C. and R. van den Brink, eds. *Agricultural Land Redistribution: Towards Greater Consensus on the "How"*. *Op. Cit.*
- 9 Republic of South Africa: Department of Rural Development and Land Reform. *Land Audit Report*. November, 2017.
- 10 The Land Inequality Initiative. *Uneven Ground: Land Inequality at the Heart of Unequal Societies*. November, 2020.
- 11 *Ibid.*
- 12 Guereña, Arantxa. *Unearthed: land, power, and inequality in Latin America*. Oxfam International, 2016.
- 13 Riddell, J. and C. Dickerman. *Country profiles of land tenure: Africa 1986*. Land Tenure Center, University of Wisconsin-Madison, 1986.
- 14 EU Task Force on Land. *EU Land Policy Guidelines*. November 2011.
- 15 World Bank. *Enabling the Business of Agriculture 2019*. Data on safeguards for land rights.