

PRESENTATION: LAND ISSUES FACING SMALLHOLDERS

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Well, good morning, and thank you to the World Food Prize Council, to the Ruan family, Ambassador Quinn, for asking me to come and talk about land issues, which lie right at the heart of ensuring smallholder farmers have a future.

And I better start with a confession. Unlike most of the other speakers here, I wasn’t born and brought up on a farm. In fact, my gardening skills are so bad I can kill a houseplant with one glance. But I did spend three years of my teenage time in Ethiopia in the 1960s, years that were hugely formative for me and really captured my interest, driving me along a path of doing development economics.

Ethiopia then presented a curious enigma of a country and landscape with huge potential in terms of the soils and rainfall, yet failing to raise much of its population beyond miserable subsistence. And it’s great to go back to Ethiopia, as I will later this week, and see a lot of the fundamental changes — not enough, but there’s a lot underway.

For the last few days we’ve heard a number of well-informed and passionate voices say very clearly that smallholder farmers, women and men, should be, must be at the center of agricultural development strategies, taking science and infrastructure to the farmer, building on their knowledge and energy so that farm incomes rise, poverty is cut and hunger is banished, while at the same time generating more resilient and sustainable systems.

We’ve heard from Kofi Annan, Jeff Raikes, Eleni Gabre-Madhin, Gordon Conway and now Rajiv Shah, that we should be helping smallholder farmers develop their businesses, manage their soil fertility better, try out new seeds and crops, get their crops to market and make sure they get paid in time — strong, influential voices and advocates.

I think we’re at one on this, but what about that fundamental, basic resource on which all of this depends — the land?

A famous Midwesterner, Mark Twain... I hope he counts — I think he was born in Missouri.

[Quinn] Yeah, near Iowa. It’s near Iowa.

...Who died exactly a hundred years ago, once urged people: “Buy land — they’re not making it anymore.” And lots of people seem to be taking his advice. So where does that leave smallholder farmers?

You need to have secure access to land if you want to be a farmer, either as an owner-occupier or a tenant. In many parts of Asia and Africa smallholder rights are insecure. In West Africa, for instance, which is the region I know best, less than 5 percent of land has any kind of paper documentation. And that tends to be

land in cities, land in irrigation schemes. And the process for getting land registered is long, slow, bureaucratic and expensive. So it's effectively impossible for the vast majority of people to undertake.

I have a Ghanaian friend who's a very eminent lawyer in Ghana at the University of Legon, and he tells me it took him more than 18 months — that's for a top lawyer — more than 18 months to get the registration of a purchase of land that he had made.

The fact that land rights aren't written down does not make them any less real, but it does make them a lot more insecure.

So land has become increasingly valuable. It's become a market asset. Even in more distant areas, people who thought they were secure are finding their customary rights of occupation and use at risk. And these may be people who have been farming, living there for many generations, 200, 300 years. This may be for their farmland, their woodland or their grazing land. Grazing land is often considered by government to be wasteland and unoccupied and therefore able to be transferred to others.

And this competition for land, what some people refer to as a "land grab," has been greatly accentuated by the impact of the oil, food and commodity price spike of 2008. It's difficult to know exactly how much land is being acquired in this way, as much of the negotiation is being done behind closed doors, over the heads of local people with compensation and consultation often minimal.

Evidence shows to date that it's often as much domestic investors and those from Europe and the U.S. who are most important, rather than the oft-quoted villains, if you like, from China and the Gulf.

So how much land is actually being involved in these deals? Well, I can't tell you. Nobody knows. Some say more than 50 million hectares around the world, others say much less. If it were 50 million hectares, then at an average of two hectares per household, that's the livelihoods of 25 million households. So it's not insignificant.

And in practice, such land acquisitions tend to be on the better land, the land with good water, good access to infrastructure, so that the impact is greater than the number of hectares per se.

We carried out a survey last year for FAO and IFAD, and I've got a couple of copies with me, and you can get it off the website. I'll give you the address at the end. And we came up with a figure of just over 2 million hectares for four countries in Africa — Ethiopia, Ghana, Madagascar, Mali — over the five-year period from 2004 to 2009. But I'm sure we did not get all of the data on these deals underway. Most of the investors were private sector, not foreign governments, with a very few large deals such as the 450,000 hectares in Madagascar, which had been leased to a European company.

To give you a sense of the sensitivity of the work, one of the researchers asked not to have his name put on the report, because he feared trouble from his government if he was seen to have been involved in a study that might be seen to be critical of government policy on land allocation.

The World Bank has just released a report last month, a well-informed, detailed report called, "Rising Global Interest in Farmland — Can it yield sustainable and equitable benefits?" You can get it off their website. I strongly urge you to have a look at it. They also admit they don't know how many hectares are involved in these transactions. They can't get the data because the information is not freely available, and governments won't give it to them — not even the World Bank.

So why do these sales matter? Well, one critical thing to remember is that land rights once lost are almost never regained. It's not the kind of thing that you can get back. And you can develop as much market access

initiatives and bring appropriate science and technology to the smallholder, but if that smallholder loses secure access to land, either as an owner or as a tenant, then what's the point?

So I think it is incumbent on all of us to see how that security of that basic resource might best be made possible for smallholders and what roles government aid agencies, business, civil society might play.

Land security programs tend to involve a number of elements, all of which take time. First is the clarifying and documenting of rights through titling and certification. And this usually involves some kind of mapping of boundaries and agreement with neighbors as to where those boundaries lie before some kind of certificate is issued.

And there's some really interesting work going on in Tigray in Northern Ethiopia that shows that you can issue certificates in this way at the cost of around a dollar per plot. So it doesn't have to be prohibitively expensive.

There may need to be new legislation and various means to ensure that people know about the provisions of the law. It's good to have a series of laws on the statute book, but they're pretty well worthless unless people know that they're there, they know what they mean and how to access them. And there's some interesting work going on in Mozambique at the moment, setting up a sort of legal land fund that enables people to get access to that information.

Improving access to information about land holdings and land claims at village and higher levels is also urgently needed. We've seen the transformation of the banking and insurance system through the use of mobile technology. Is there some way of using this technology to make similar, big strides as regards mapping and protection of land rights?

Perhaps I should put my cards on the table. At IIED we've been trying to steer a tricky middle course between those on the one hand who say, "This is a land grab; all inward agricultural investment is bad," and on the other hand those people who say "Any investment is good investment."

We argue that you need to take a middle course and look at the detail. We argue that it makes more sense to invest in farmers rather than farmland. And for the people that we work with in many African countries, they say, "Let's look at the terms. Can a deal be done which brings benefits to local people, government and investors?"

We think that large-scale agricultural investment has great potential to raise rural incomes, to bring new technology and to open up new market opportunities for smallholder farmers when done in the right way. For example, local people can become contract farmers, or joint ventures can be set up between investor and local communities.

But as the World Bank report referred to earlier shows, many of the deals underway do not seem to be following that kind of practice, with investors targeting those countries where governance is weakest.

There are a number of risks for commercial companies involved in this kind of investment. Some of those are direct commercial risks, such as the challenges of large-scale agricultural production in many parts of Africa. Quite a lot of promise in Southern Africa, but elsewhere by and large, as soils back up, infrastructure tend to show that they are fairly inefficient as a way of using the resources.

And a whole range of noncommercial risks associated with the risk of renegotiation of the deal in relation to the kind of reputational risks that can be suffered by companies seen to be behaving in a way which is not deemed acceptable.

So what might be some of the next steps that could help us move agriculture investment in the right direction? And it's a touchy, difficult subject, given that governments claim sovereign right in deciding these questions. Therefore, what role for people outside that country?

However, I think you have to ask yourself — If many of you are investing in different parts of the smallholder farming system, you have a responsibility also to engage on issues around land rights and investment. So what would it be useful to do?

Ideas here are based on the work of my colleagues and partners in many of the countries where we work. And I'd be keen to get your views too on how you think the interest and capital from agricultural investment could best be harnessed.

Getting more and better information is important but difficult. Engaging with high-level decision-makers in government could also be a good route to provide the best possible legal counsel so that, when they come to negotiate these deals, they've got legal advice on their side, which is as good as it possibly can be and matches what companies and investors have on their side, helping engage debate at national level about the long-term consequences for their own agricultural development of leasing or selling large areas of prime farmland and bringing in a whole range of different groups and interests into that debate.

It could also be well worth working with some of the principal investors, especially those from our own countries, to encourage adoption of better practice guidelines and establish a race to the top rather than a race to the bottom in terms of standards of behavior. And also keeping pressure and scrutiny from within the country key to ensuring that political accountability between government and citizens. Obviously the extent to which that's possible varies depending on freedom of the press and how far government is willing to be questioned on these issues.

Citizen empowerment is a key part of farmers being able to stand up for their own rights. As I say, farmers need to know the law, they need to know their rights and how to protect them. And some of the work we're doing on legal tools for citizen empowerment is how we're taking forward that particular body of work.

So if you'd like to find out more, do please visit our website, but I'd be keen to get your thoughts through some questions as to how this difficult political subject can be incorporated in our debate here around putting smallholders right at the heart of any kind of agricultural development strategy.

Thank you.

Ambassador Quinn

Thank you, Dr. Toulmin, for a wonderful presentation to start us off this morning. I want to say I, in three different assignments I had, confronted land issues in what was then South Vietnam. They endeavored to have a major land reform program to take land that had sort of absentee owners and give it directly to those who were farming it. And it was a major effort and had a lot of legal., but seemed to work.

In the Philippines it was how to take plantations and break them up and divide them among the workers. And there was... Even the president, President Aquino, pointed out, even in their own family, which had a large sugar plantation, this was difficult to achieve. And of course there's a reluctance on the part of people who have large land holdings to give away complete control over it.

The third was in Cambodia where every farmer, every person was taken off their land and put in these battalions, labor battalions and forced to work in unbelievably harsh circumstances. And then when the Khmer Rouge were overthrown and people came back trying to claim their land, which they had no paper to

it — it became disputes. It was who remembers where your land was and what furrow it might be that was the demarcation that was traditionally always how you knew where your land was.

But one thing became clear in all of this was — if a smallholder didn't feel that her or his land was really secure in their holding, they weren't going to do the investment in it; they wouldn't be willing to give up or become part of a large-scale irrigation. And so what an intractable issue it often could become. And finally it was sort of the powerful local government officials who would favor one side against smallholders.

So I don't know if you, maybe as a first question, if any of those sort of resonate with you and do you see things getting better in that regard, governments becoming more responsible?

Camilla Toulmin

Well, thank you. I think that much of what you say resonates hugely, and I think if you look at the experience, say, of China and the introduction of the household responsibility system at the end of the '70s, you see an enormous energy unleashed when people feel that they've got strong rights over the land which they're farming. It means you put a lot more energy into the care of the soil, of the vegetation, of the drainage and so on.

And you see that in terms of the vastly improved yields and productivity, particularly when you combine it with freedom to market and sell your crop. So, yes, I think there are enormously powerful forces that can be unleashed. You see the same thing happening in the former Soviet Union.

Until about four or five years ago, I thought things were very much moving in the right direction. I've been working on this topic, looking at simple, low-cost methods for registering rights to land for the last 15 or 20 years. Until about five years ago, I thought everything was moving in the right direction. We got a lot of interest from many national governments who saw the huge benefit from providing secure rights to the smallholder farmers.

But when land began to become something that was much more hotly competed for, both domestically but also from outside investors, a lot of that attitude changed. And so now governments, a number of governments, are seeing that agricultural land a bit as they've seen their oil and gas, a bit as they've seen the forest resources — as a really valuable national asset that should be managed by national government rather than by the local communities and people dependent on those resources.

So I think there has been a significant shift in the last five years because of the value of the resource itself and the fact that it's now become an asset that can be bought and sold on the global stage.

Quinn

So thank you very, very much.

Toulmin

I have a present for you, if I'm allowed to do so.

Quinn

Absolutely. We always have more time for presents for me.

Toulmin

For you and your colleagues. This is a video that we just produced that goes back to a couple of places in Kenya and Burkina that we filmed 20 years ago that goes back just now and shows the enormous progress that has been made from more careful management of soils and land and vegetation in those countries. And so I want that to be an inspiration for your ongoing work in this field.

Quinn

Oh, thank you, thank you very much. That was wonderful, thank you.