

LRAN Briefing Paper Series

**Land**

STRUGGLES

Struggles

## **Land Struggles**

*LRAN Briefing Paper Series*

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# Land Struggles

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### Introduction

“Three-quarters of the world’s 852 million men and women suffering from hunger are found in rural areas and depend on agriculture for their survival. Most of them are landless farmers or have such tiny or unproductive plots of land that they cannot feed their families”. This was the assessment of the Food and Agriculture Organization of the United Nations (FAO) released at the second International Conference on Agrarian Reform and Rural Development in Porto Alegre, Brazil, in March 2006.

Immense numbers give an indication of the scale of the problem, but the urgency of the matter comes from an understanding that millions of people throughout the Global South who depend on agriculture for their livelihood are today in the process of losing their land. Many millions more who have been deprived of their land are engaged in a daily struggle to regain their rights, their dignity, and way of life.

The Land Research and Action Network’s briefing paper series is intended to highlight a selection of local perspectives on the root causes of land loss to and highlight some of the ongoing land struggles from around the world. Eight issue papers have been selected and trimmed down to publish in magazine form in simplified



English (Spanish and Portuguese to follow). These papers, their extended versions, and many more articles are also available on the [www.landaction.org](http://www.landaction.org) website. Papers will be added to this series to be published occasionally in an online edition.

The central theme running through the papers gathered here is the political nature of land loss and the related need for political empowerment of the landless. Land grabs that are clearly illegal have been carried out with impunity by the politically connected, from colonial times to the present day. However, land is also being lost by the rural poor, with no less devastating consequences, through the combined effect of neoliberal macro-economic and development policies. These have been pushed and stretched over the decades by institutions like the WTO, the World Bank, and IMF, that are unaccountable to local people, but which can be taken advantage of by national political elites. Policies promoting export production, the expansion of agribusiness, and the removal of import protections and public sector supports for national and local markets have undercut the economic viability of peasant, small and family farmers, and cooperative/collective agriculture. Over decades, farming peoples have been displaced from fertile lands toward steep and marginal soils, and the progressive incorporation of these displaced peoples into poorly paid seasonal labor forces for export agriculture.

In the first chapter of this series, Shalmali Guttal's paper entitled "Land Alienation in Cambodia" puts into local context the reasons for accelerated loss of lands and access to natural resources in Cambodia today, calling attention to the grave livelihood crisis among Cambodia's poor and vulnerable communities. Business interests, both agricultural and

non-agricultural, and large infrastructure projects are encroaching on communal and public lands, and territories of indigenous peoples with little opposition and often facilitated by the state.

Control over large expanses of land in turn reinforces the political power of large landowners. In the Philippines where the families of politicians and others well-connected to those with political power, have managed to arrange that massive landholdings remain untouched by land reforms. A strong mobilization of people's organizations succeeded in passing a relatively progressive reform program in 1988 only for it to be delayed and distorted in the following decades. One example of how far the Comprehensive Agrarian Reform Program strayed from its original aims is examined in Mary Ann Manahan and Carmina Flores-Obanil's paper "Leaseback Arrangements: Reversing Agrarian Reform Gains in the Philippines" included here as chapter 2.

Co-opting the powerful concept of agrarian reform, governments, and multilateral institutions since the 1980s have essentially taken up only one policy initiative on a more or less global scale, which they have presented as a positive step to redress the problems of access to land. This is the World Bank-designed and supported 'market-assisted' or 'negotiated' land reform. These feature the acceleration of policies to title lands, facilitate land markets, and increasingly, promote 'land bank' credit for land purchases by the poor. In our third chapter, Maria Luisa Mendonça's paper entitled "To their credit? Assessing the World Bank's Programmes in Brazil" presents some of the mounting evidence that these policies are unlikely to significantly improve access by the poor to land, or give them more secure tenure.

We are continually bombarded with news



of human rights abuses towards the landless and the land poor in countries around the world. Land reform is still resisted by local elites with force, often through private militia, sometimes by the police or army and intimidation of those involved in land struggles is rife. Sofia Monsalve's paper entitled "Human rights violations against peasants, indigenous peoples, and other rural communities" is produced here as chapter 4. This paper outlines some of the internationally recognized civil, economic, social, and cultural rights related to land and livelihood, and highlights the main patterns of human rights violations of rural peoples, with examples from around the world.

The present day slave conditions of agricultural workers in the huge sugar estates in Brazil are revealed in Maria Luisa Mendonça's paper entitled "Excess Sugar: the Devastating Impacts of the Sugarcane Industry in Brazil" included here as chapter 5. The paper also discusses the concentration of the industry in the hands of very few families and the increase of involvement of transnational corporations and the environmental problems that are being overlooked.

This is all the more worrying given the present trend to promote sugarcane for the production of agrofuel energy that is supposedly beneficial for the environment. In the paper by Edivan Pinto, Marluce Melo, and Maria Luisa Mendonça entitled "The Myth of Biofuels", the promises behind the current rush of optimism for biofuels are examined (chapter 6). The paper makes an assessment of the green credentials of biodiesel and bioethanol production in Brazil, which is set to build an agreement with the U.S. with the effect of controlling over two thirds of the world bio-ethanol production. Its expansion is expected to bring with it serious

consequences for the country, increasing both land concentration and its corollary landlessness.

This also represents a trend by which the products harvested from fertile lands flow overwhelmingly toward consumers in wealthy countries. Another example of capture of resources by wealthier strata around the globe is in the exclusive acquisition of large areas of land for tourism. Land acquired over the heads of the local people and sometimes illegally, for luxury tourism has been commonplace in many of the world's developing country resort locations. Where there is loss of land, combined with massive use of water resources, and cultural invasion, little space is left for traditional communities to thrive. The irony remains that local cultures are invariably used as marketing charms. A case that brought all these issues into sharp focus was the sudden displacement of hundreds of thousands of families following the Asian Tsunami. In chapter 7, entitled "When water was used to clear the land: Post-tsunami Reconstructions", Rebeca Leonard identifies the loss of land to tourism projects that was experienced by fishing communities in some of the countries worst affected. The paper highlights those communities who have been locked in a struggle to regain their land rights even when this led to the forfeit of development assistance. This is testament to the strong grassroots poor people's movements. Land occupations prove once again to be one of the most effective methods of pressuring governments to act, and reigning in the power of private landowners.

It becomes clear that the present trends toward greater land concentration and the accompanying industrialization of agriculture will make it impossible to achieve social or ecological sustainability. In the final chapter, Peter Rosset's paper entitled "Food Sovereignty and Agrarian



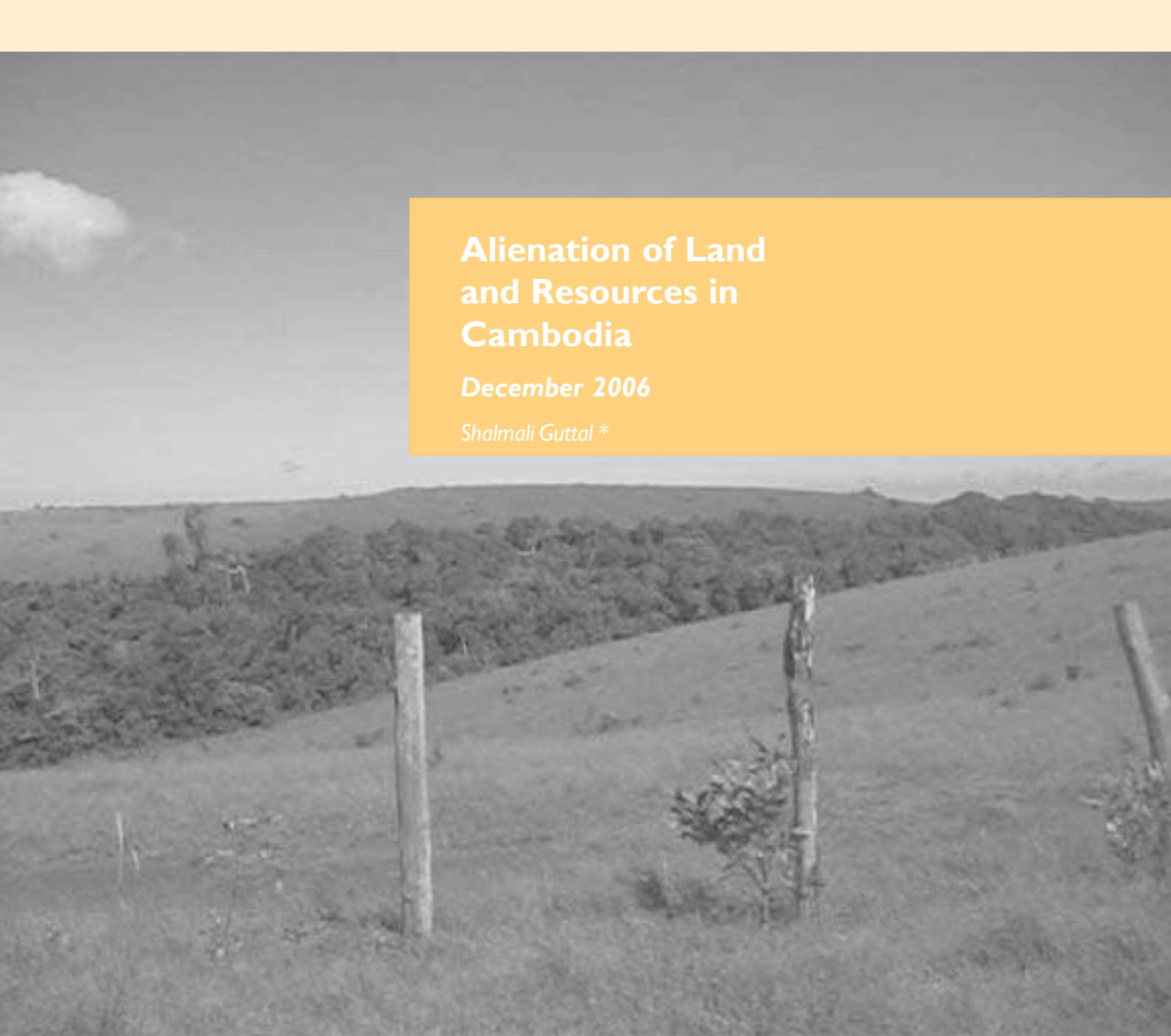
Reform: Alternative Model for the Rural World” summarizes research which shows, by contrast, the potential that could be achieved by the redistribution of land. Small farmers are found to be more productive, more efficient, and contribute more to broad-based regional development than the larger corporate farmers who hold the best land. Small farmers with secure tenure have demonstrated they can also be much better stewards of natural resources, protecting the long term productivity of their soils and conserving functional biodiversity on and around their farms.

Support for the struggles of peasants and the landless peoples is imperative, as Peter Rosset states in a series of guidelines for the future (printed on the back cover): “severe inequality in landholdings is inefficient,

environmentally and socially destructive, immoral, and impedes broad-based development”. The human rights of the poorest groups in society are being subject to persistent abuse. Access to land and productive resources by peasants and smallholder family farmers are a necessary precondition to realize the right to feed oneself. Where land has been lost, the only way this can be achieved sustainably is through truly redistributive agrarian reform that can challenge the established holders of power. This must be underpinned by strong support for essential services like credit that is affordable and carefully monitored, infrastructure, support for ecologically sound technologies, and access to markets and fair prices. “Perhaps most critical” says Rosset “is a step back from damaging free trade policies and dumping— which drive down farm prices and undercut the economic viability of farming— to be replaced by a food sovereignty perspective which places the highest priority on national production for national markets”.







## Alienation of Land and Resources in Cambodia

December 2006

Shalmali Guttal \*

*Today, at least a third of Cambodia's peoples - rural and urban - are facing systematic alienation from their lands, homes and livelihoods. Testimonies from rural communities, and reports and information compiled by environmental and human rights organizations show that the loss of lands, loss of access to natural resources and forced evictions are accelerating a crisis of grave proportions among Cambodia's poor and vulnerable communities. Illegal concessions given to those who are well-connected to exploit forests and establish industrial tree plantations over vast tracts of land are driving local people off their lands and adding to the numbers living in the shanty towns of Phnom Penh and other urban centers. Cambodia's rural communities, particularly indigenous peoples, have benefited little from the country's economic growth, or from the huge amounts of money that pour into the country every year in the form of development aid.*

### A brief history of land tenure and ownership

Cambodia has a territory of 18.1 million hectares, of which at least 6.5 million hectares is considered arable. Over 80% of the country's population lives in rural areas and depends on land, forests, rivers and other natural resources for its livelihood. Subsistence agriculture, fisheries and foraging in surrounding forests and woodlands are the main sources of food, employment, and income for Cambodia's rural communities.

Typically, a rural family would have a small plot of land for its house and small parcels of land around the village (from 1-3 hectares) for cultivating rice. Land ownership in Cambodia has historically been tied to land use. The value of land lay in its use and cultivation was accepted as a form of ownership. As recently as up to the 1960s, population density in much of rural Cambodia was low and there was an abundance of land compared to population size.

When the Khmer Rouge (KR) took full control of the country in 1975, they moved the majority of the country's population into rural agricultural production camps, uprooted rural communities from their traditional lands, expropriated all property, destroyed most land records, and collectivized all the lands. After the Khmer Rouge was ousted in 1979, rural communities returned to their villages and resumed farming on whatever lands were available, but all land were still considered state property. Recognition of private property was formally introduced in 1989 after the departure of Vietnamese troops. The government then started to allocate agricultural land to rural communities and established ownership rights for residential land up to 2 square km, and possession rights for cultivated land of less than five hectares. In the 1990s,

Cambodia was catapulted into a market economy, private property regimes started to define land use and ownership, and an unregulated land market started to burgeon.

A Land Law introduced in 1992 extended private property rights to Cambodian citizens. Through this law, people could apply for land certificates to confirm occupancy and use rights in rural areas, and ownership rights for dwellings in Phnom Penh. However, according to the Department of Cadastre and Geography, only about 14% of an estimated 4.5 million applicants have received formal land certificates since the early 1990s.

Also in the 1990s, the Royal Cambodian Government (RCG) introduced a number of private investment incentives through an economic reform agenda to promote economic and social development. Agricultural development was claimed as a priority with the aim of ensuring food security, providing raw materials for industry, increasing exports, and creating employment. During this time, the RCG started to grant economic concessions on forest and state lands to private companies. These concessions were outside existing laws and effectively dispossessed rural communities from farm and forest lands.

### How People Lose Their Lands

Landlessness and inequalities in land holdings are growing rapidly in Cambodia among both rural and urban communities. Landlessness is higher among female-headed households compared to male-headed households. Rural landlessness went from 13% in 1997 to 20% in 2004; although 2006 figures are yet unavailable, some Cambodia-based analysts assess that current landlessness is likely to be close



to 30%. Reports of land losses are coming in from every province. Added to this are growing numbers of “near landless”—those with plots of land too small for them to eke a living.

One reason for growing landlessness and land inequality is increasing demographic pressures in limited land areas. Cambodia’s population grew rapidly from the 1980s on, but the areas under agricultural cultivation grew at a much slower rate. In 2001, the total area under agricultural cultivation was less than that in the 1960s. Many agricultural and forest areas were covered with land mines starting from the KR period, making both cultivation and forest clearing risky. After lands started to be cleared of mines in the 1990s, some of the most fertile and plum lands were immediately claimed by wealthy businessmen and their political allies from Phnom Penh. Unrestrained foreign investment in areas such as tourism, manufacturing and agro-processing, and unregulated forest and land concessions further limited the agricultural land available to rural communities.

Demographic pressure also increased in the 1980s and 1990s because large numbers of people were returning from refugee camps along the Thai-Cambodian border. Upon return to their original villages or arrival in resettlement areas, many did not receive land because it was either already in use by another family, inaccessible due to land mines, or contested by multiple claimants. While many families subdivided their lands for relatives and offspring—thus resulting in smaller plots and greater inequalities in land holdings—many simply sold their lands and sought other employment in commercial plantations in nearby towns or in Phnom Penh.

One of the main causes of land loss is distress sale of land because of ill health, rising medical costs, and indebtedness. Despite a surge in NGO-run rural microcredit programs and privately run microfinance institutions, rural families are usually unable to access emergency loans or loans for agricultural production with low interest rates and favorable repayment terms. Some families take on second loans to repay the first loans and

### **Land grabbing validated by the establishment**

*In a particularly shocking case from 1999, a person who identified himself as the headman of the village Kbal Spean village, in Poipet Commune, Banteay Mancheay Province, claimed ownership of 51,214 square meters of land in and around the village near the Thai-Cambodian border. He said that he had cleared and cultivated the land and that current village residents had occupied the area illegally. Despite the fact that none of the villagers even recognized this man and the fact that his claims contradicted existing laws on land use and the size of landholdings, he was granted possession of the land by the provincial court. The ensuing conflict resulted in the deaths of five villagers in March 2005, when they were shot by armed security forces instructed to evict the villagers and implement the court’s verdict.*

*To date, the criminal prosecution following the killings is still languishing in the provincial court. The land conflict has yet to be resolved and community residents have been given plots of land that are too small for them to make a living.*

See *The High Price of Land: The Deadly Eviction of Kbal Spean*, Report by the Cambodian Human Rights Action Committee (CHRAC).



*Land is the repository of memory and keeps traces of the past in the absence of a strong written tradition. It is perceived as an open book from which anyone can read and learn about local history: place names, old roads, legends and stories attached to places. For local people, bulldozing the landscape is seen as erasing their history, and disturbing social organizations and traditions.<sup>1</sup>*



fall into classic debt traps where most of their incomes go towards repaying old debts. Crisis struck families either sell parts or all of their lands to better off families in their areas, or to business entities from Phnom Penh.

One of the most common ways for rural communities to lose their lands is through land grabbing by wealthy and powerful individuals and private companies. According to Chan Sopha, a highly respected local analyst, “From 1992-2003, rich people seized forests and sold timber; now they are seizing land and selling it.” Most rural families do not have legal land titles or certificates that assure them of security of tenure. Individuals and families with money and political connections are able to purchase fake and backdated land titles and certificates that “prove” their legal claim to specific plots. Often, the person making the claim is a person in authority such as the village or commune chief, or a well-connected official from the district or province and is supported by the local police and courts. Although Battambang and Banteay Meanchey provinces are considered to be hotspots (see box on

page 11), land grabbing is happening all over the country and many researchers believe that the situation is as bad in Pursat, Kompong Cham, Rattanakiri, Mondulhiri, Sihanoukville, and Phnom Penh.

Another form of land grabbing is facilitated through economic land concessions, most of which are granted without clear demarcations between concession and village lands. Over time, concessionaires start encroaching onto village agricultural lands and claiming them as part of the concession agreement. Since villagers do not know how much land has actually been allotted to the concessionaires and many do not have titles to prove their use and occupancy rights, they are easily robbed of their lands. Reports have started to come in from across the country that Forestry Authorities are “reclaiming” forest lands, many of which had been converted to agricultural lands for several years already. The common wisdom is that the Forestry Authorities will hand this “reclaimed” land over to private companies as concessions.







*“From 1992-2003, rich people seized forests and sold timber; now they are seizing land and selling it.”*

*-Chan Sophal*

In most cases of urban evictions and rural land grabbing, there is clear evidence of collusion among highly placed government officials, law enforcement authorities, and business elites. However, no legal action is taken against them because of their political connections. In fact, those who make decisions about ‘economic development’ in the country are also the main land and estate speculators.

### **The Curse of Concessions**

For over a decade, large tracts of land in Cambodia have been given away to private companies for economic land concessions. The RCG has either granted or is negotiating over 60 economic land concessions to private companies, which are awarded “on the basis of unsolicited bids with little or no prior consultation with local authorities or people living in villages that may be adversely affected”.<sup>1</sup> Many of these concessions are in areas where the land is already being used by village residents for agriculture and foraging, who have legally recognized claims to these lands through ownership

via occupation and use. Consequently, when companies move into concession areas and start felling trees, bulldozing forests, and closing off local peoples’ access to forests and water bodies, they face tremendous resistance from local residents who often have no prior information that their lands and forests are about to be taken over by outsiders. In some cases, company representatives try to placate village protests by bribing village leaders and promising services such as roads, health centers, and schools— promises that are rarely kept. Most often though, resistance from local residents is met by a display of power and authority from local police, military, and private armed security guards.

In 2004, it was estimated that about 2.7 million hectares of land were under concession contracts. Economic concessions include industrial tree plantations of mainly rubber, pine, acacia, oil palm, teak, coconut, and eucalyptus, and agro-industrial production of cash crops such as cassava, corn, sugarcane, and soybeans. They provide investors with exclusive rights over land in the concession areas for up



### Village land lost to concessions

*In 2004, the RCG agreed to give Wuzhishan L.S. Group, a Chinese-Cambodian private company, 199,000 hectares of land in Monduliri for a pine tree plantation. The concession's size is 20 times what is allowed under Cambodian law and the concession is located on lands inhabited by the Phnong indigenous community. Community residents have complained to the Provincial Government that the company has encroached on their grazing lands and company workers have desecrated their religious sites including burial grounds and spirit forests. Cattle, domestic animals, fruits, and vegetable owned by community residents have been stolen by company workers and the company has sprayed a strong and toxic herbicide in the concession area, contaminating the community's agricultural lands. Affected communities have made several complaints about the concession to Provincial authorities but have yet to receive justice. To this day, they continue to be at the receiving end of threats and other intimidation attempts from the company and local authorities.*

See Chris Lang, *The Death of the Forest, A Report on Wuzhishan's and Green Rich's tree plantation activities in Cambodia, (World Rainforest Movement, 2005)* and *The Pulp Invasion, The International Pulp and Paper Industry in the Mekong Region (World Rainforest Movement, 2003).*

to 99 years in exchange for land rental fees and taxes on revenues. Contracts are not publicly disclosed and there is little information available on the fees and taxes that the government is supposed to receive, or of the contractual obligations of the concessionaires. Clearly, current laws are being violated; for example, while the 2001 Land Law limits the size of economic concessions to 10,000 hectares in all but exceptional circumstances (which are not elaborated), most concessions greatly exceed this limit.

Concessions are also being granted for the extraction of gems, gold, sand, and minerals, and so-called "ecotourism" in which large tracts of indigenous peoples' lands and wildlife sanctuaries are being cordoned off (at places with electrified fences) to make ethnic minority-inspired resorts, safari parks, theme parks, spas, etc. None of these concessions are covered by the existing land and forest laws and all of them result in alienating

local communities from their lands and forests.

Economic concessions have been shown to have extremely serious negative impacts on local communities in and around the concessions areas. In some areas, communities have been evicted to make way for plantations and companies have bulldozed the forests on which communities depend for their livelihoods. In both indigenous and non-indigenous areas, there are reports that sacred spirit sites and ancestral burial grounds have been violated by concession company workers. Communities adjacent to many concession areas also report that companies have expanded the areas claimed in their contracts as well and encroached on village lands and commons.

Plantations are monocultures of specific tree or crop species. Repeated planting of the same crop/tree in close cycles



requires intensive use of chemical fertilizers, pesticides, and herbicides, which leach into the soil and ground water, reduce the fertility of surrounding areas, contaminate the soil and lead to illness among village residents.

In addition to economic and ecological damage are human rights abuses. Village residents are routinely intimidated by armed security guards hired by the concessionaires if they try to enter into forest and other commons areas or protest against encroachment. In several areas, the actions of armed guards have resulted in violence, injury and death of village residents. In many areas—for example, Pursat, Stung Treng, Kompong Speu, Mondulakiri (see box on page 14) and Koh Kong—communities have organized themselves to protest the loss of their lands and natural resources and the actions of concessionaires. They have appealed to local, provincial, and national authorities for help, which has not been forthcoming. Instead, public officials have generally shown a bias in favor of companies and have attempted to intimidate village residents to stop making complaints.

In many of these concession areas, while the forests have been cleared for timber extraction, little land has been actually brought under cultivation, for example, as in the Green Sea and Flour Manufacturing concessions in Stung Treng province, the Pheapimex concession in Pursat province, the Green Rich concession in Koh Kong province, and eight concessions in Kompong Speu province. According to some NGOs and human rights organizations, land speculation may well be the motivating force behind the granting of such large concession areas for such a long period of time. Sole use rights over such lands for periods as long as 99 years gives the concessionaires a free hand to sublease land parcels to needy village residents or

other private companies, or even sell the contract to a third party to take advantage of increasing land prices.

Local and national media, human rights organizations, and some NGOs have attempted to draw national and international attention to the environmental damage, economic distress and human rights abuses associated with economic concessions thus far. However, there are few indications that the RCG will review the concessions policies or reign in the concessionaires.

### Indigenous Peoples and Land

Some of the most blatant cases of land alienation through land grabbing, trickery, illegal transactions, and economic concessions have been recorded in indigenous peoples' communities, mostly in Ratanakiri and Mondulakiri provinces in Northeastern Cambodia but also in other parts of the country. Indigenous peoples are possibly the most disenfranchised and vulnerable groups in Cambodia. They have historically inhabited some of the most coveted lands in the country—lands that are sparsely populated, forested, located in beautiful upland and climatically pleasant areas, and that have been assessed to possess rich mineral deposits. In Ratanakiri and Mondulakiri, lands occupied and stewarded for hundreds of years by indigenous communities are being lost to provincial elites (some of who are indigenous peoples themselves), urban elites from Phnom Penh and to private companies for cassava, cashew nut, rubber, and pine tree plantations. In other regions of the country, land is being lost to tourism projects, commercial infrastructure, plantations and again, to urban elites mostly from Phnom Penh. Even portions of flooded



forests in the Tonle Sap area in the northwest are being grabbed or illegally traded.

The other major threat to indigenous peoples' territories is economic concessions for industrial tree plantations, cash crop production, extractive industry, and tourism. Forestry concessions for timber extraction have already depleted many of the forest areas indigenous peoples depend on. Although there is now a moratorium on "forestry concessions", logging continues in economic concession areas, many of which are on forest lands in any case. In all cases, economic concessions either sever or restrict the access of indigenous peoples to forests and woodlands, which are the main sources of non-timber forest products such as firewood, food, medicinal plants, honey, wild grasses, rattan, and resin. Indigenous communities are routinely intimidated by local authorities and private security guards employed by concessionaires when they attempt to resist or protest the takeover of their territories through concessions.

A relatively recent but growing threat to indigenous communities is mining concessions for gems and minerals. On October 11, 2006, the RCG representatives signed agreements with BHP Billiton from Australia and Mitsubishi Corporation from Japan for permission to explore for bauxite, gold, and copper on up to one million hectares of "available land" in Mondulakiri and Ratanakiri provinces. If bauxite is discovered, the RCG is willing to give permission for the construction of facilities to produce aluminum.

Although indigenous lands and territories are protected by Cambodian law, the law is not being faithfully implemented and in many cases it is even being

manipulated. Fake land certificates and transaction papers, dating back to before the 2001 Land Law was passed, have been miraculously produced by local officials and business entities from outside the communities, who claim that specific parcels of land 'legally' belong to them.<sup>2</sup> Often, individuals, families and entire communities are being coerced and bullied by powerful local and provincial authorities to either sell land or simply hand it over. Local communities report that the worst offenders are people in local/provincial government, police, and military, who are creating a climate of fear through threats, pressures, and other forms of intimidation. Instead of upholding the law, they are creating an environment that facilitates land alienation.<sup>3</sup>

### Development, Rights, and Resistance

Testimonies from rural communities, reports from district and province-based NGOs and researchers, and information compiled by human rights and environmental organizations show that the loss of lands, loss of access to natural resources, and forced evictions are accelerating a livelihood and economic crisis of grave proportions among Cambodia's poor and vulnerable communities. Cambodia's rural poor have benefited little from the country's economic growth or from the huge amounts of money that pour into the country every year in the form of development aid. Not only is poverty *not* being alleviated, on the contrary, more people are becoming impoverished and economically vulnerable. The destruction of bio-diversity and loss of access to forest products, fish, and other aquatic sources are severely compromising food security at local levels. Distress migration from rural to urban centers—especially Phnom





Penh—is increasing. But those who find their way to cities do not find secure employment or shelter; many live on the streets or in squatter settlements and continue to remain vulnerable to further eviction and displacement.

According to many human rights and development NGOs and researchers, the most comprehensive way to approach land and livelihood issues in the country is to locate them in a human rights framework that challenges the RCG, international donors, multilateral institutions, and Cambodian society to honestly examine the unfolding land crisis and take urgent steps to address it.

international development world, Cambodia is considered to be a post-conflict country now in an era of peace, stability and economic and social development, which broadly translates (for much of the development establishment) as an absence of war and adoption of an economic policy package aimed at facilitating market capitalism. In its 2006 report to the Consultative Group of Donors, the World Bank claims that “Starting from a base of very low output and very high poverty at the start of the 1990s, peace and economic liberalization have made possible a decade of rapid economic growth and

*Although Cambodia’s donors cannot be held directly responsible for land grabbing and dispossession, they certainly are culpable in financing a flawed development model and an authoritarian political regime.*

From January to September 2006, a total of about 250 cases of human rights violations were brought to the Cambodian League for the Promotion and Defense of Human Rights (LICADHO) for assistance, of which at least 106 were those of land grabbing. Figures of such violations compiled for every quarter by LICADHO show an increase in land grabbing. The victims are always poor and the offenders are usually politically connected, wealthy private and business entities. It is extremely difficult for victims to get legal redress since the legal process takes a long time, laws and rules are very complicated, legal procedures and institutions are easily manipulated by those with money and power, and verdicts in favor of the victims are rarely implemented.

An issue that frequently escapes attention in the rights discourse is the development model that Cambodia has adopted since the start of its “reconstruction” phase. In the

relatively rapid poverty reduction”.<sup>4</sup> But later in the same report the World Bank claim, “As with inequality, a trend to rising landlessness is inevitable given Cambodia’s transition from a socialist to a market economy since 1989”. Although Cambodia’s donors cannot be held directly responsible for land grabbing and dispossession, they certainly are culpable in financing a flawed development model and an authoritarian political regime.

Cambodia receives millions of dollars in aid and loans from international donors and creditors, all of who claim to promote good governance, human rights, and sustainable development. Donors frequently refer to problems related to corruption, absence of the rule of law, and the need for more “capacity building” to promote good governance.

Representatives from many donor agencies claim that they do not have any power over the RCG and its high level politicians, and that policies are more or less just paper, with no real impacts.



In an ostensible attempt to influence government policies and performance indirectly, donors and creditors have formed “Technical Working Groups” (TWGs) with the RCG that are supposed to ensure that donor priorities in various sectors are maintained in national development plans (which also are donor/creditor-driven). The TWG on land focuses on technical issues of land management such as the multi-donor Land Management and Administration Project (LMAP), the Land Allocation for Social and Economic Development (LASED), the development of the Sub-Decree on State Land Management, and the Sub-Decree on Economic Land Concessions. It never addresses land conflicts, violations of indigenous community rights, or any “political” issues for that matter; these are passed on to the World Bank-led Consultative Group of Donors and the RCG. According to Anne Ernst, Advisor to Star Kampuchea, who is monitoring donor responses to land conflicts, “Donors mainly concentrate on achieving the goals and objectives of their projects and want to avoid their projects getting stuck or even failing.”

Donors claim that if they try to address the issue of land conflicts (or any conflicts for that matter) in the TWGs, the RCG will stop working with them and they would have to close their programs. Many donors and international NGOs also use the growing power of China as a bilateral donor and investor in Cambodia, and the discovery of oil deposits as reasons why they need to maintain good relations with the RCG, thereby maintaining a presence in the country so that they can influence the RCG. Many local and national NGOs on their part depend on international NGOs and donors for survival and many are unwilling to take up contentious issues such as land conflicts that their funders have more or less removed from their funding rosters.

Despite this, however, rural and urban communities are organizing, linking with each other, and resisting the takeover of their lands and resources in every way possible. Progress is slow but in some places land grabbing and concessions have been slowed down or even halted. In the words of a village elder from Osvay commune in Stung Treng, “we will never let them take our lands”.

\* *Shalmali Guttal is a senior associate with Focus on the Global South.*

## Endnotes

<sup>1</sup> Land Concessions for Economic Purposes in Cambodia: A Human Rights Perspective, United Nations Cambodia Office of the High Commissioner for Human Rights, November 2004, 27.

<sup>1</sup> Brett M. Ballard, *Land Tenure Database Development in Cambodia*, (Phnom Penh: Cambodia Development Resource Institute, 2006).

<sup>2</sup> Personal interviews with community residents in Ratanakiri province.

<sup>3</sup> See for example, *Land Alienation in Indigenous Minority Communities – Ratanakiri Province, Cambodia* (Cambodia: NGO Forum on Cambodia, 2006).

<sup>4</sup> World Bank, Cambodia, Halving Poverty by 2015? Poverty Assessment 2006: Executive Summary, Prepared for the Consultative Group Meeting, Phnom Penh, February 2006.



*The Comprehensive Agrarian Reform Program in the Philippines is failing to live up to its promise for landless and poor farmers of secure access to land and improved livelihoods. Fierce resistance from landlords and a 10-year deferment period delayed implementation of the program in the commercial farm sector. Once lands were eventually redistributed through a market process, 'beneficiaries' were faced with a variety of financial problems, and were drawn into unfair and unclear contracts to lease their new lands back to the former landowner. Low rent incomes and promises of employment that are not met, leave many farmers destitute and unable to access further land. The case presented here poses the question what purpose does a land reform serve if farmers cannot retain access to and control of their lands and if the profits from the land remain primarily with the established financial and political powers?*

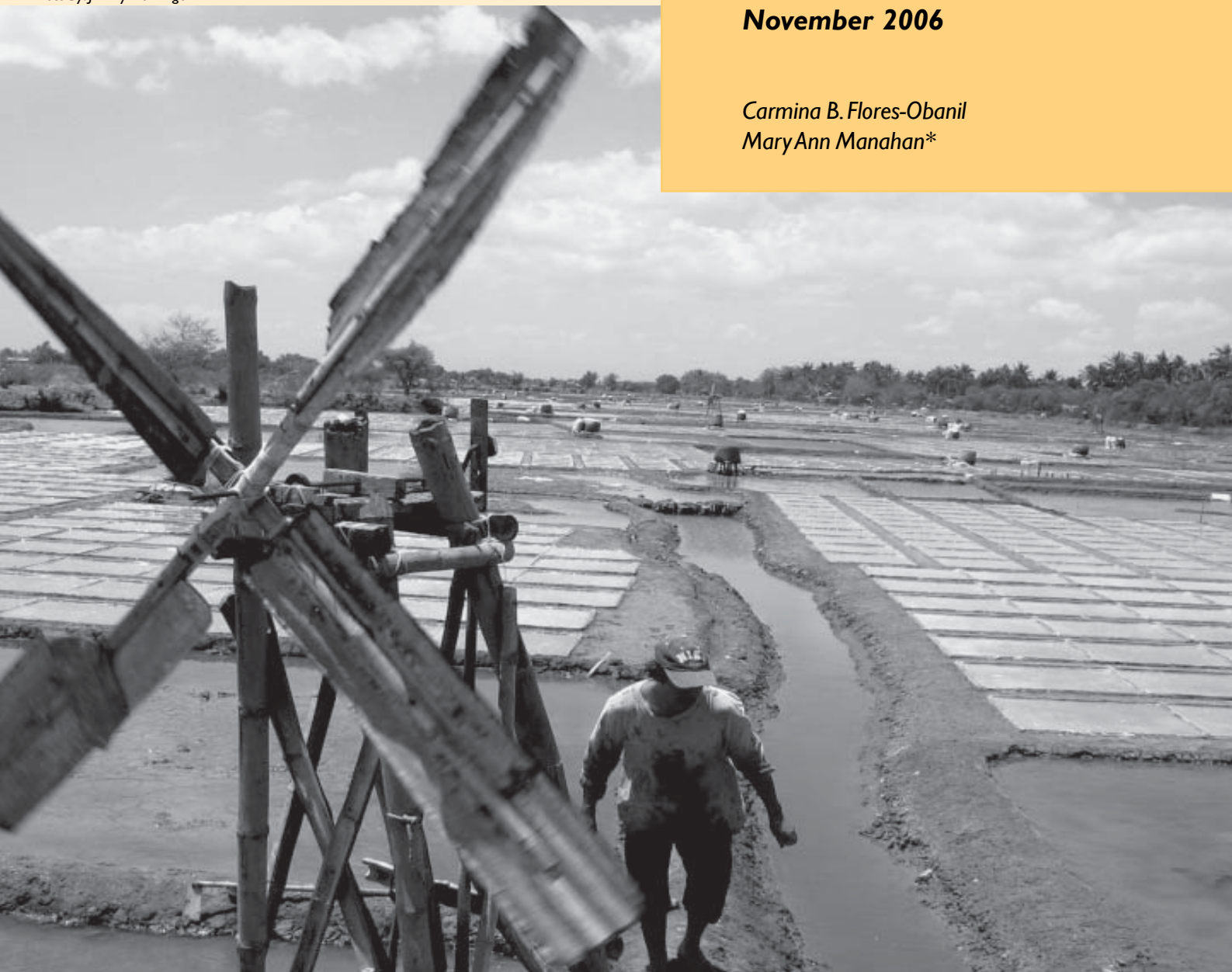
Photo by: Jimmy Domingo

## **Leaseback Arrangements:**

**Reversing Agrarian Reform  
Gains in the Philippines**

**November 2006**

Carmina B. Flores-Obanil  
MaryAnn Manahan\*





### The middle-income status of the Philippines under the Human

Development Index, has not offered any reprieve of hunger and poverty in the countryside. About 33 percent of Filipinos live below the poverty line, the majority are women, and 3 out of 4 poor people are rural folk. Poverty, as reflected in rural realities, primarily results from inequitable access to and control over the land—the motivating force for many of the country's revolutions and revolts in the past century.

One of the country's landmark policies in the struggle for land and social justice is the Comprehensive Agrarian Reform Program (CARP). Begun in 1988, CARP was designed to cover all agricultural land regardless of crop and ownership status. The program tries to address rural poverty and agrarian problems by “restructuring the agrarian landscape in the country, aimed at promoting social justice and improving farmers' incomes and productivity”.

Inclusive and participatory in principle, the program is supposed to benefit not only farmers but also farmworkers—both men and women. Potential agrarian reform beneficiaries (ARBs) are required to form cooperatives or associations, which in essence promotes collective activity, working together to make the land productive.

However, despite these progressive and redistributive elements, the program is full of ironies, inconsistencies, and failures. For example, the Comprehensive Agrarian Reform Law (CARL), was passed by a landlord-dominated Congress. Developed within a democracy, the law is a product of a compromise. The tensions between the progressive and conservative forces appear clear not only in the painfully slow way that the program is being implemented but also

with the internal inconsistencies and non-redistributive elements of the law.

Secondly, the program operates in a neoliberal policy environment. Beneficiaries are required to pay for the land awarded to them, using a price formula dependent on the crop produced on the land. Landlord resistance, the difficulty of land valuation and the consequential delay of land transfer are major obstacles that cripple the program's implementation. These are the major reasons why a significant number of reform beneficiaries themselves consider CARP a failure.

A powerful example of these inconsistencies and compromise was the ‘deferment period’ from 1988 to 1998

*It was touted as a “small brother-big brother scheme”*



Photo by: Jimmy Domingo

during which all redistribution of commercial farms was postponed. This ten-year deferment was voted in by Congress in response to powerful lobbying from agribusiness and landlords. Commercial farms comprise the most contentious landholdings. Pushing back the date of reform, the deferment allowed anti-reform forces to side-step around the law and ultimately



evade the program by converting farmland to exempted land use categories such as industry and pasture. This was just one among many other evasion mechanisms.

Data from July 1999 of the Department of Agrarian Reform's (DAR) Planning Division show that at least 1,935 commercial farms covering an area of 67,556 hectares were supposed to be distributed after 1998.

The end of the deferment period required government to tackle, once again, the twin problems of: (1) how to distribute 'expensive' private landholdings and provide adequate support services with a limited agrarian reform fund; and (2) how to break the growing resistance of big landowners who took advantage of the deferment to evade land distribution and keep control of their landholdings.

Two options were adopted to respond to these two problems. One was the introduction of a home-grown version of the controversial "market-assisted land reform" (MALR) where small farmers or agricultural workers can directly negotiate with the landowners to determine the land price as well as the other terms for the transfer of land ownership.

The second proposal was to introduce "alternative venture agreements" whereby agrarian reform beneficiaries may enter into business, 'ideally' after land distribution has been accomplished, with the former landowners or corporations. Under the DAR Administrative Order No. 2, 1999 entitled Joint Economic Enterprise for Productivity - JEEP, alternative venture agreements can come in many forms. In this article, we will look at one type of alternative venture agreement, referred to as leaseback arrangements.

### **Leaseback Arrangements: Ownership without Control of the Land**

Leaseback arrangements have been defined as a major mechanism for agrarian reform in the plantation sector in which a cooperative of worker-beneficiaries or individual farmers turn over the control of their land, through a lease contract, to a multinational or agribusiness corporation or former landowners in exchange for lease rental and possible employment in the farm as farmworkers. This is promoted in cases where dividing the land into small individual parcels is judged by the DAR as economically unsound or not feasible. The agreements should "optimize the operating size for agriculture production and also promote both security of tenure and security of income to farmer beneficiaries: Provided, that leaseback arrangements should be the last resort".<sup>1</sup>

The farmer or cooperative receives rent but takes responsibility for the 'amortization' (repayment of the land price) and the land taxes. In some cases, the lease is only binding on the farmer or cooperative while the private investors are usually given the option to move out of the lease area or to lease the same property to another possible investor. In most cases, the former landowner or an investor (whether individual or corporation or former lessee of the land) negotiate an alternative venture agreement prior to the redistribution of the landholding with the potential beneficiaries.

In 1998, schemes like leaseback, joint ventures, contract growing, etc. became part of the official strategy in the implementation of agrarian reform. As clarified by the then DAR Secretary Horacio "Boy" Morales, the intent of the (ousted, populist) Estrada administration was to "create an environment that will



attract external investors” and to explore “different models of partnerships involving agribusiness ventures for the post-land distribution arrangements between farmers and the processors/traders”. It was touted as a “small brother-big brother scheme”. To date, however, the first “big brother” Eduardo “Danding” Cojuangco has yet to transfer ownership of his hacienda in Negros Occidental to the “small brothers” and farmworkers.

### Leaseback Coverage

At present, there is no comprehensive data on the actual number of leaseback arrangements being implemented, the number of hectares covered by these leaseback arrangements, and the number of beneficiaries who entered into these leaseback arrangements. The same is true of the other types of alternative venture agreement (AVA) such as contract growing, joint ventures, etc. However, a recent study by the University of the Philippines, Los Baños revealed that about 90-92% of redistributed lands in the municipalities they surveyed are engaged in leaseback or other forms of production and contract growing arrangements with multinational agribusiness companies.<sup>2</sup>

On the basis of available data, we can surmise that such agreements (leaseback, contract growing, joint ventures, etc) have been negotiated in most of the deferred commercial farms that were distributed after 1998. Romulo dela Rosa (2005), who has done extensive research on agribusiness in Mindanao, asserts that agribusiness companies like Dole and Del Monte actually “invented the leaseback scheme to circumvent CARP”. The inadequacy of government support services often forces farmworkers to enter into such arrangements (since they lack the necessary capital to continue making

the land productive). In most cases, the AVAs are a precondition to the redistribution of land, i.e. the landowner will only accept the terms of CARP if the potential beneficiaries enter into an AVA with them.

### A Tale of Leaseback Arrangement in Bukidnon

Located in the heart of Mindanao, Bukidnon is the sixth largest province in the country. Dubbed as a “highland paradise” for its natural beauty, the province is also home to some of the largest agribusiness firms in the country. To name a few, Del Monte Philippines, Inc. (formerly Philippine Packing Corporation), Lapanday Diversified Products Corp., and Mt. Kitanglad Agri-Development Corporation are engaged in pineapple production. Dolefil (Dole Philippines) and Mt. Kitanglad Agri-Ventures, Inc. are in banana production. Bukidnon Sugar Milling Corporation (BUSCO) and Crystal Sugar Milling are in sugar milling and refining. Food manufacturing giants such as San Miguel Foods Corporation, Monterey Farms Corporation, and Swift Foods, Inc. have intensified contract breeding and growing operations in the province. There are also a considerable number of ARB or cooperative owner-operated farms in the area.

One of the landholdings which was redistributed to landless residents and farm workers is a portion of the 1,144 hectare-coffee plantation formerly owned by Millmar Development Corporation. The plantation traverses the barangays (villages) of Cawayan, Impalutao, Kibenton and some areas of the Higaonon tribe, an indigenous community. Millmar Development Corporation used to be owned by a foreign national who accumulated the landholdings from 1977-1981 from



Lumads (local indigenous peoples) for PhP500-800 (US\$10-16) per hectare for untitled lands and PhP1,000 (US\$20) per hectare for titled lands. He then converted the corn lands into a coffee plantation.

In 1989, through the Voluntary-Offer-to-Sell mode of CARP, the Corporation sold 295 hectares of the coffee plantation to the Department of Agrarian Reform; 144 hectares were located in Brgy. Kibenton, and the 151 hectares in Brgy. Cawayan and a portion of Impalutao. The remaining 849 hectares, located in Brgy. Impalutao (where the coffee plant/factory is situated), were exempted from land redistribution.

In order to benefit from CARP, the landless residents and farm workers in the area organized themselves into three local peoples' organizations: CIARBA (Cawayan-Impalutao Agrarian Reform Beneficiaries Association) was organized in 1990; CARABAO (Cawayan Agrarian Reform Beneficiaries Association) comprised of mixed settlers of Lumads and former farmworkers of Millmar Development Corporation; and the *Kadumahan*, a Lumad organization of the Higaonon tribe, whose members hold Certificates of Land Title.

The 151 hectares in Brgy. Cawayan went to CIARBA members. The records show that 17 Mother Certificates of Landownership and Acquisition (i.e. collective titles) were awarded to CIARBA members in 1991. Each landless resident and/or farmworker-beneficiary received one to three hectares of land. The new farmer-owners converted the land from coffee to corn production.

Non-governmental organizations helped in facilitating the identification of agrarian reform beneficiaries in the area. A partnership among NGOs, peoples' organizations, and the DAR was set up under the name Tripartite Partnership

for Agrarian Reform and Rural Development (TriPARRD) in the early 90s to speed up the land transfer and delivery of support services to farmer beneficiaries. Cawayan and Impalutao were in the first batch of pilot areas in Bukidnon under the TriPARRD program.

According to the agrarian reform law, land redistribution should be coupled with education and livelihood trainings, among others, to effectively assist the "new landowners" in developing their lands and livelihoods. The DAR via



TRIPARRD provided leadership trainings to CIARBA which focused on strengthening institution building. But other than this, no additional support services such as access to capital and finance were provided to CIARBA. Their counterpart CARABAO was more fortunate; its members received a package of support services, which included infrastructure (solar dryer, farm-to-market roads), working animals, and a training center, among others. CARABAO was perhaps given priority as it was registered as a cooperative.

The farmers-landowners went into individual farming from 1992 to 2000. Because of the difficulty in accessing capital and finance the members of CIARBA sold their corn harvest to traders or middlemen, who in return provided





### Del Monte-CIARBA Lease Contract Details

- 25-year lease
- Annual land rent of PhP 5,150 (US\$ 103) per hectare (half of which will go to amortization dues and the half to the farmers as rent income)
- 3-year cash advances for the first 3 years and one-year cash advances for the succeeding years
- Payment for permanent crops or trees in the lands (ranging from PhP 50-800 or US\$ 1-16 depending on the tree).

the capital they needed in the form of farm inputs such as seeds, fertilizers, and chemicals. At harvest time, the middlemen cum traders deduct the debt of the farmers and whatever is left goes to the farmers as their income. This arrangement barely allows the farmers to survive and ensnares them into a cycle of indebtedness. As a result, many of the agrarian reform beneficiaries failed to pay the amortization fees for their lands.

To address the growing problem, CIARBA was advised by the local government and DAR provincial office to merge and form a cooperative with the other two organizations. Thus in 1998, they established the CARABAO Farmers Cooperative (CFC) to access support services. Unfortunately it was too late for them. The DAR told them that there were no more funds available to finance support services.

In 1998, according to Ka Ramir Batungmalaque, vice president of CIARBA, people from the Del Monte company investigated and scanned the area of Brgy. Cawayan. Apparently, Del Monte was scouting for new lands to exploit as part of the expansion of their operations. Two years later, a provincial representative of the Land Bank of the Philippines went to Brgy. Cawayan to collect the land amortization payments due them. CIARBA was unable to

produce payment. The Bank representative threatened foreclosure for non-payment. But he also 'opened and promoted' the idea of leaseback arrangements and informed them that this might be a solution to their amortization woes.

In the same year, representatives from Del Monte convened a public hearing and gave an orientation on the benefits and advantages of leaseback arrangements to the members of CIARBA and other organizations. The following advantages were cited: (1) Del Monte would pay for their amortization through the rent of their lands, in essence, freeing the farmer-owners of their obligation to the government; (2) the farmers-landowners would be given priority when hiring new farm workers.

Caught in a situation where their lands were threatened by foreclosure, the ARBs were compelled to enter into what seemed to be a win-win solution.

Del Monte offered the following: (1) a 25-year lease; (2) annual land rent of PhP5,150 (US\$ 103) per hectare (half of which will go to their amortization dues and the half to the farmers as rent income); (3) 3-year cash advances for the first 3 years and one-year cash advances for the succeeding years; (4) payment for permanent crops or trees in the lands





(ranging from PhP 50-800 or US\$ 1-16 depending on the tree). So, a farmer like Ka Ramir with three hectares of land would get PhP15,450 (US\$ 309) a year or roughly PhP429 (roughly US\$ 9) per month.

CIARBA did try a counter-offer, a contract growing arrangement on their own terms. But Del Monte refused because it would entail the corporation to provide the equipment, facilities, machinery and inputs, as well as an assured market for the farmers, while the farmers would take care of the production, labor, and management of the land.

Finally, after a lengthy stalemate, on May 23, 2001, some of the members of CIARBA entered into leaseback contract with Del Monte. An official contract signing was held in the gym of Impasug-ong. ARBs such as Ka Helen Padla were made to sign the contract before Del Monte's representatives. Present during the event were representatives of the local government, Land Bank, and the DAR Provincial office who put a seal of legitimacy and legality to the arrangement. In protest, NGOs were noticeably absent during the supposed contract signing. The members of CIARBA who entered into leaseback contracts with Del Monte thought that their financial woes were finally over. But much later on, they would realize that what first seemed to be win-win solution turned out to be a losing proposition for them.

*Many CIARBA members do not earn enough or are unable to find other sources of income to support their families.*

### Leaseback Woes: Impact on CARP Beneficiaries and Program

Five years after entering the contract, members of CIARBA have not yet received a copy of the signed contract. They verbally agreed and signed to the terms set by Del Monte but the details of the contract remain unclear. They have reportedly requested Del Monte repeatedly for a copy of the contract but the usual response was that that Marco Lorenzo, Senior Manager of Del Monte Philippines, had not yet signed the contract. Meanwhile, the agribusiness operations are already in full swing.

Apart from the inexistent contract, one of the problems is whether Del Monte had indeed paid their amortization. Based on their documents, the receipt given by Del Monte specifies the amount of land rent and advances they receive and for which years. It likewise specifies the amount of amortization due to the Land Bank of the Philippines (LBP). Del Monte's payment slips serve as notice of the land rent, cash advances, and amortization fees they paid to CIARBA members and LBP. However, according to Ka Helen and Ka Ramir, the provincial office of the Land Bank have yet to provide them with any records that would verify that such payments were really made by Del Monte. They already sent a resolution to DAR, LBP, and Del Monte seeking how much has been paid but the agencies and the corporation have yet to respond.

Del Monte also reneged on its promise of hiring the landowners as farmworkers. Among the approved beneficiaries within CIARBA, only one resident became a permanent worker. Instead, Del Monte brought regular workers from another municipality, Manolo Fortich and other areas. There is also an increasing trend of contractualization i.e. the replacement of regular workers with temporary workers





who cannot acquire welfare benefits and must meet high short-term productivity targets. Often the temporary workers are hired via agencies in the local towns. This makes it very difficult for CIARBA members to get jobs in their own lands.

Many CIARBA members do not earn enough or are unable to find other sources of income to support their families. Most no longer hold land that they could till. Today, given the same choice, they say that they would not enter into a leaseback agreement with any company, even if the offer is more tempting. As Ka Ramir puts it, “It’s difficult to find land nowadays. It’s easy if you’re rich. Land is still important”. Ka Helen’s heart is filled with unease and worry, fearing for the future of her eight children. She does not have any documents nor contract that would support her claim to her land.

If there is anything positive that came out of this experience, it is that it imparted lessons to other people’s organizations. The farmers of Brgy. Kibenton in 2003, for instance, had a better deal because they compelled Del Monte to make Marco Lorenzo sign a contract before they implemented an agreement. Others chose DOLE, because for them this corporation provided a better offer: (1) 25 years contract with an annual land rent of PHP12,000 per

hectare (US\$240); (2) 2-year cash advances but the landowner-beneficiary-leaser would need to pay his/her amortization directly to the LBP. However, even in these cases, while the farmers were able to exercise their leverage, they still lose their control and access to the land.

The CIARBA members’ experience of the leaseback contract with Del Monte compelled them to do some rethinking. For one, CIARBA members want to reclaim their land but do not know how to go about it. Ideas to start the process of reclaiming their land include the following: (1) Ask DAR to facilitate the legal process of acquiring the contract from Del Monte, and to consider the ‘inexistent’ contract as grounds for cancellation; (2) Request the local government to investigate complaints that Del Monte broke some of its promises, such as to prioritize CIARBA members in hiring workers and consider this as a ground for rescinding the contract; (3) Insist DAR National to look at the anomalous implementation of leaseback arrangements, especially in Bukidnon.

In addition to the case presented above, other studies such as Ofreneo’s study in 2000 also showed the negative impact of leaseback arrangements on agrarian reform beneficiaries and confirmed that such arrangements undermine the essence of agrarian reform.

### Revisiting Leaseback Agreements

Clearly, the Philippine government needs to determine the actual number of lands covered by leaseback, joint venture agreements, and other such schemes, not only for the purpose of monitoring such schemes but to also assure the public that the benefits of agrarian reform



accrue to the identified beneficiaries. Since the initial studies show that these leaseback agreements and other AVAs have been detrimental to interests of the agrarian reform beneficiaries, the government should undertake a serious rethink and reconsider its track of pursuing this particular strategy.

This is the least that the government can do given its inability to provide the full complement of support services needed by agrarian reform beneficiaries to make their awarded lands productive. Agrarian reform goes far beyond merely endowing land to a landless farmer. It should entail empowering those farmers so that they may improve their economic viability, and uplift their dignity and lives. It necessitates giving the beneficiaries effective control over the land resource. Leaseback arrangements, whereby farmers lose power over their land, thus, should not be an option in the schemes for agrarian reform implementation.

The leaseback and other AVA contracts should be examined thoroughly by

government to ensure that beneficiaries of the agrarian reform will not be disadvantaged by the terms of the agreement. More importantly, it should ensure that beneficiaries are educated about breach of contract and how to escape from unfair contracts.

Peasant organizations and other civil society advocates of agrarian reform should monitor this particular trend as it negates the very essence of agrarian reform. It defeats the purpose of their main advocacy of land redistribution; only to have it reversed under an AVA scheme. This is especially crucial given the aggressive promotion of the current government for agribusiness as a development strategy for the agriculture sector, and an impending funding deadline for CARP in 2008. Only by being vigilant, by persistently staking their claims, and demanding accountability from government will the gains of agrarian reform be preserved and protected.

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*Mary Ann Manahan is a researcher with Focus on the Global South, Philippines Program and a member of the Land Research and Action Network (LRAN).*

## Endnotes

- <sup>1</sup> Comprehensive Agrarian Reform Law, Section 44, 1987.
- <sup>2</sup> See UPLB Foundation, Inc., *An Assessment of the Comprehensive Agrarian Reform Program and its Impact on Rural Communities: Meso and Micro Perspectives* Presented at the National Conference on the Results of the Comprehensive Agrarian Reform Program-Impact Assessment Studies (Phase II), Quezon City, September 2007.

This article is summarized from a paper that was first featured in Farm Bulletin, Vol. 1, Issue no. 2, 2006. It was written in collaboration with the Philippine Campaign for Agrarian Reform Network (AR-NOW!). The full annotated article is available on [www.landaction.org](http://www.landaction.org)



## To their credit?

### ***Assessing the World Bank's Programmes in Brazil***

*Maria Luisa Mendonça\**

This article presents the summary results of the first comprehensive review of the World Bank's programs in rural Brazil based on a study by the Land Research and Action Network. The study exposes some of the realities for the thousands of families who were brought into the 'counter agrarian reform program' of the Bank. Families who could have staked a claim to their lands through the existing legal process without going into debt, families who were not party to negotiations for land, who never fully understood the conditions of their loan, who did not receive support services, and who as a result are facing the inability to meet loan repayments, and ongoing poverty. Families who are now more motivated to join a community organized struggle for their rights.



**T**he Brazilian Constitution sets out the imperative of an agrarian reform system based on the social function of land. Under the Constitution, land reform must take place through the expropriation of very large landholdings that do not fulfil a social function or are considered unproductive. “Unproductive” farms are those classified as not achieving 80% of the use of tillable land or whose yields are below 100% of the average per-hectare productivity rates. The expropriation process includes long-term payment of compensation (through 20-year bonds) for the value of the land, and cash payments for improvements. Since the World Bank began to involve itself in land reform programs in Brazil, they have initiated a ‘counter agrarian reform’ promoting the ‘negotiated’ purchase and sale of land.

### The ‘Counter Agrarian Reform’ of the World Bank

The World Bank has been the target of denunciations by social movements throughout the world, which protest against the impacts of its policies and the institution’s ideology that promotes the expansion of neoliberalism.

Under the pretext of “economic aid,” the World Bank influences the model of development and the economic policies of peripheral countries. These policies are reflected in rural areas, where the World Bank concentrates its programs, and promotes the privatization of territory, leaving its distribution to the rules of the market. According to this model, the rural poor should pursue “efficiency”, integrating their production to the necessities of large agribusiness.

In Brazil, the ideology of the Bank had its biggest influence on the government of Fernando Henrique Cardoso (FHC), which established an agrarian policy

called the “New Rural World,” which sought to: (1) settle landless families under a policy of social compensation; (2) decentralize land settlement projects, transferring responsibility from the federal government to state and municipal governments; (3) substitute the constitutional instrument of land expropriation with market-based land reform, based on the negotiated purchase and sale of land.

During the government of FHC, the World Bank initiated three programs which inaugurated a neo-liberal model of access to land and rural development: *Cédula da Terra*, *Banco da Terra*, and *Crédito Fundiário*. These policies consist, basically, of the financing of land purchases by workers, which becomes a debt to be paid in twenty years. These programs have been seen to benefit large, unproductive landowners who are ‘rewarded’ with cash payments for their unused lands, many of which are sold with inflated prices. Reports from the grassroots movements have highlighted that many of the areas acquired were unsuitable for the generation of sufficient wealth to be able to repay the debts, making production (either for the market or for the settled families’ subsistence) unviable.

Under a ‘reform by land market’, the state effectively legitimates the existing landholdings of the rural oligarchies, however extensive and however contested. Associations of beneficiaries created to administer the purchase of these lands are often organized and manipulated by the large landowners themselves. In these cases, the workers often do not realize that the negotiation does not favor them, and are not aware that the lands they are buying could have been considered for expropriation.

With the beginning of Luis Inacio “Lula” da Silva’s administration, rural grassroots movements expected a reversal of this





### Research Methodology

The study was a result of the work of the Land Research Action Network (LRAN). The coordination and field work was done by the Network of Grassroots Researchers, constituted by Via Campesina organizations in Brazil – the Pastoral Land Commission (CPT), the Landless Workers Movement (MST), the Rural Women's Movement (MMC), the Movement of Small Farmers (MPA), the Movement of People Affected by Dams (MAB), the Rural Youth Pastoral (PJR), and the Brazilian Federation of Agronomy Students (FEAB), as well as by the Social Network for Justice and Human Rights. The technical coordination of the study was done by Criterium Advisors in Research.

**Sample Group:** The survey was conducted with 1,677 interviews in 161 municipalities, in 13 states of Brazil, including: Bahia, Maranhão, Paraíba, Pernambuco, Piauí, Rio Grande do Norte, Sergipe, Espírito Santo, Goiás, Minas Gerais, Mato Grosso do Sul, Rio Grande do Sul and Santa Catarina.

**Note:** In the states of Santa Catarina (SC) and Rio Grande do Sul (RS) where the Bank's loan contract is individual, 292 interviews (118 in SC and 174 in RS) were made in 40 municipalities (16 in SC and 24 in RS).

In the other states where the loan contracts are collective and made through associations, 1,385 interviews were made in 121 municipalities.

**Method for drawing sample:** Probabilistic sampling stratified by state.

**Margin of Error:**  $\pm 4$  percentage points.

**Dates of data collection:** July to December 2005.

policy. Echoing statements by Lula himself, their expectation was that a truly redistributive agrarian reform would be at the center of the political agenda, because of its potential to create jobs, for the guarantee of food sovereignty, and as the basis for an alternative model of development.

Instead, we have seen the continuation of World Bank policies in rural areas. In November 2003, the Minister for Agrarian Development announced the "National Plan for Agrarian Reform: Peace, Production and Quality of Life in Rural Areas". One of the principal proposals in the plan, with the goal to reach 130,000 families, was the continuation of the Bank's Land Credit program.

The market-assisted land reform (MALR) program is touted to benefit the poor

principally through accelerating their access to land. Whereas prior agrarian reform programs suffered persistent delays, MALR gives priority to giving landowners the incentives to sell off their excess land, at will, and at 100% market cost. As the opportunity to buy is created, the poor beneficiaries are 'enabled' to select the land that is now available on the market and negotiate the price of the land they would like to purchase. The program aims to give a cash sum per capita (usually to groups of beneficiaries but in some pilot cases to individuals), of which the part that is used for land purchase is considered a 20-year loan at market interest rates, while the remainder becomes an additional top up grant to finance the necessary investments to become productive.

Below we present the principal results of



the collaborative research survey conducted on the basis of 1,677 interviews. This sample can be considered representative of 60 thousand families participating in the World Bank's rural credit programs in Brazil: *Cédula da Terra*, *Banco da Terra*, *Crédito Fundiário* and *Nossa Primeira Terra* during the period between 1997 and 2005.

Only two of the states where the survey was carried out (Rio Grande do Sul and Santa Catarina) supported individual contracts to purchase land. In the other eleven states the contracts are collective. It could be expected that beneficiaries under individual contract would be more aware of the rules of the programs, but the results broadly reflect a widespread lack of information relating to important aspects of the programs. Results are also divided between beneficiaries entering the programs during 2003-2005, the period of Lula's presidency, and those joining under the previous administration.

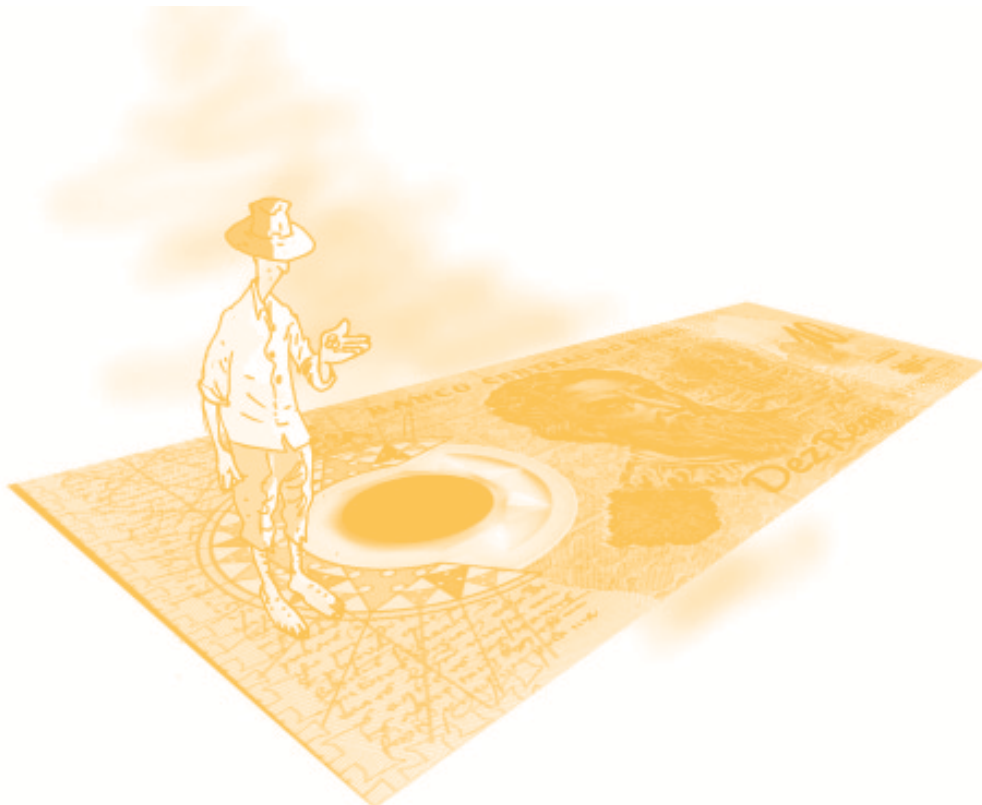
## Principal Results

### Land Purchase

In regard to the negotiation for the purchase of land, 41% of the families surveyed stated that they did not participate in this process. This number increases to 61% when the land was purchased through collective contracts, which represent the majority of the land purchase projects financed by the World Bank. Amongst the families that entered into the program between 2003 and 2005, 58% did not participate in the negotiation.

The research shows that 35% of the families surveyed did not have the opportunity to choose the land they purchased. This percentage increases to 51% of the families in collective contracts, and to 52% of the families which entered into the program between 2003 and 2005.

In 50% of the cases surveyed, there had already been a substitution of the family



residing on the land, which signifies a high turnover of 'beneficiaries' and a high level of land abandonment in the programs.

#### *Loan Contracts for Land Purchase*

Only 53% of those interviewed affirmed that they had received a copy of the loan contract for the purchase of their land. Only 36% had actually read the contract. In spite of having received the contract, 15% had not read it, which correlates to a high rate of illiteracy among workers. Among those interviewed that participated in the collective contract projects through associations, only 31% had access to the loan contract.

Of the families surveyed, 42% did not know the penalties listed in the contract in the case that they were unable to pay their loan. Among the families in collective contracts, this number increases to 48%. More than one-third of those interviewed (36%) did not know the number of loan payment installments to which they had agreed upon signing the contract: 26% admitted they did not know the number, 7% did not remember the number, and 3% gave wrong responses as to the number of loan payment installments stated in the loan contract. Among the families with collective contracts, 50% did not remember the number of loan payment installments to which they had agreed.

The large majority of those interviewed (81%) did not know the interest rate to which they had agreed upon signing the loan contract: 51% admitted that they did not know the amount, 11% did not remember the amount, and 19% cited an incorrect interest rate amount. The low level of beneficiary knowledge as to their interest rate amount is highlighted among those with collective contracts (64%), and among those who signed the contract between 2003 and 2005 (68%).

#### *Characteristics of the Lands Purchased*

41% of the families stated that they had received land was totally abandoned. This number increases to 56% of the families with collective contracts who bought their land through associations. In these cases, the lands purchased are large in size (and therefore can be classified as *latifúndios*). These lands were eligible for expropriation by the government for agrarian reform.

#### *Investments in Improvements and/or Production*

36% of the families surveyed did not receive additional financing from the Bank to begin agricultural production. Among the families with collective contracts, only 47% received additional financing.

In the areas researched, there was a general lack of basic infrastructure for the maintenance of the families on their purchased land: 20% did not have electricity, 27% did not have potable water, 48% had no access to schools or crèches, 74% had no irrigation or access to water for production, 76% did not have a health clinic, 29% had no health practitioner, 72% had no ambulance service, and 22% had no public school transportation. The lack of specialized technical assistance for agricultural production was also noted: only 14% of the families surveyed received regular technical assistance.

#### *Knowledge of Misappropriation of Resources*

Questioned about the misappropriation of project resources, 16% of those interviewed stated they had knowledge of corruption in the negotiation for land, and 15% stated to have knowledge of corruption in infrastructural improvement projects. Making open





reference to corruption can be dangerous to respondents, so it is possible that the number of cases of corruption is higher.

### **Quality of Life after Land Purchase**

Due to the difficulties experienced as a result of the lack of infrastructure investments or financing to begin production, a high number of respondents were unable to produce enough to sustain their families, and fewer were able to pay installments on their loans. In 46% of the cases relating to individual loan contracts, agricultural production on the land was insufficient to meet the needs to sustain the beneficiary families, and 47% stated that the money that they earn through agricultural production is not sufficient to pay installments on their loans.

Such problems were more prevalent under the collective contracts, 56% of the families stated that the agricultural production on the land was not sufficient to sustain the family, and 54% stated that the money that they earn through production is not sufficient to pay installments on their Bank loans.

In terms of poverty alleviation, 19% of the families surveyed revealed that they currently experienced or had experienced hunger since their entry into the Bank's program. Among the families with collective contracts, this number increases to 26%. Because this type of question can cause embarrassment, principally for male providers of food for the family, it is possible that the real figure actually stands higher.

### **Participation in Social Movements**

The research shows that 58% of the families surveyed have never participated in an organization to defend their rights. This number reveals the high level of social alienation these families

experience. This social alienation increases the likelihood that these families are misinformed about the real conditions of the Bank's program. When they join the program, many of them do not understand that they are getting into debt.

In the legitimate search for a plot of land on which to live and work, these families are deceived by associations which have no legitimacy or real collective participation, and by deceitful propaganda from government bodies, labor unions and other intermediaries. Many of the families already lived on the lands that they purchased, long enough to be considered 'posseiros', that is, they could have staked a legal claim to these lands in their own right. Yet large landowners managed to organize these families into associations, and through collective loan contracts succeeded in selling them unproductive lands of poor quality at inflated prices.

When the question was asked as to the disposition of families to participate in any movement for the struggle for their rights, 78% responded positively. This reveals that among the families surveyed,

*Only 53% of those interviewed affirmed that they had received a copy of the loan contract for the purchase of their land. 81% of those interviewed did not know the interest rate to which they had agreed upon signing the loan contract.*



there exists a strong willingness to organize. 25% of them admitted that they had participated in a land occupation, despite all of the propaganda that exists in order to deter these families from community organized forms of agrarian reform.

### **Socio-Economic Profile**

Many families that participate in the program depend on other income generating activities to survive. In most cases, they work as laborers on large farms in the region, or receive some form of financial aid from government social programs. Families that are able to pay their loan installments may be using government resources to do so, including the *Bolsa Familia* social welfare payment scheme, and pension plans, etc.

The majority of the families that participate in the program already lived in rural areas (73%). However, a relevant percentage (26%) lived in urban areas. This correlates to a significant demand from urban areas also highlighted in other studies, which have found that in Brazil, there currently exists a sizeable sector of the urban population that wants to leave the social problems of the city (unemployment, lack of housing, etc.), and seeks to obtain a plot of land on which to live and work.

The researchers found many of the projects abandoned by their supposed beneficiaries. In many cases, families left the land because the program was not viable. In other cases, the land was bought from them by middle-class city dwellers who are using the areas for recreation and holidays.

*\* Maria Luisa Mendonça is a journalist and Director of Network for Social Justice and Human Rights.*

For more information about the comprehensive survey of World Bank's programs in rural Brazil, visit [www.social.org.br](http://www.social.org.br).



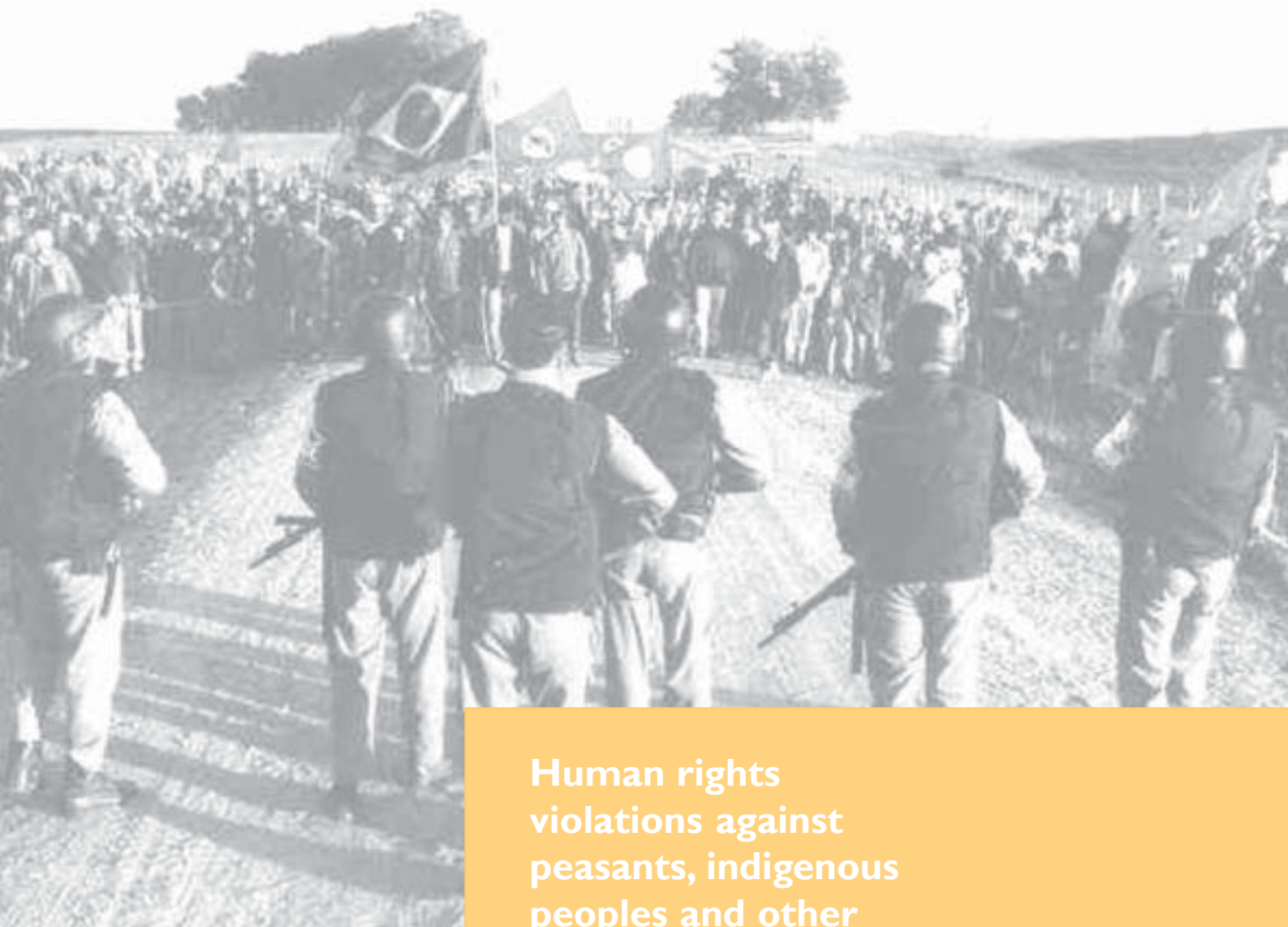


Photo by: MST

## Human rights violations against peasants, indigenous peoples and other rural communities

August 2006

Sofia Monsalve Suárez\*

*No one exactly knows the extent of violence and human rights violations in rural areas. Human rights violations in the countryside remain to a great extent unrecognized, undocumented, and unpublicized. They are not investigated, not prosecuted, not adjudicated, and not redressed. Silence is the best ally of rural peoples' oppressors. We are used to hearing about poverty, hunger, and violence in the countryside and sometimes regard this as the tragic fate of rural peoples, particularly in the South. But such hunger and violence are in many cases human rights violations. This briefing paper stresses that rural peoples are entitled to live in dignity and if they are subjected to violence and hunger, the legitimacy of the State and the community of States is at stake.*

### Indonesia: Land for peasants or for tourism?

*On 18 September 2005, the local police of Lombok, in south-central Indonesia, fired shots into a crowd of more than 700 peasants who had come together to prepare a week-long series of activities to commemorate Indonesia's National Peasants' Day. 27 persons were wounded, 4 were hospitalized, and 6 were arrested. The peasants were opposing the planned construction of a new international airport in a fertile area of Lombok. One month before the shooting, 2,631 peasants had been evicted from their land by the local authorities to make way for the planned airport. Since land is their only means of livelihood, the right to food of these peasants' families was threatened.*

*Lombok is an island in West Nusa Tenggara province where the rate of malnutrition is higher than the national average, with serious problems of child malnutrition. It is estimated that more than 7,000 people live in the village of Tanak Awu, located in Central Lombok. The peasants' families have been living in the area for generations. The land conflict in Lombok began in 1995 when the state-owned airport operator PT Angkasa Pura reportedly expropriated 850 hectares of fertile land by an administrative order. Since then, the local municipality leaders have oppressed the peasants. The airport construction slowed down when crisis hit the Indonesian economy in the late 1990s, but it was put back on the agenda in 2005 when the New Lombok International Airport was among the 37 projects presented to investors for sponsorship at the Indonesian Infrastructure Summit. On 23 August 2005, 2,631 peasants of Tanak Awu were forcibly evicted by local authorities accompanied by police.*

*In August 2005, FIAN launched an urgent action calling on the government of Indonesia to withdraw the Presidential Regulation No. 36/2005 which permits the compulsory acquisition of land for public facilities such as airports without due process and without safeguards for poor landholders.*

*The villagers in Tanak Awu were never consulted about the airport construction. More than 2000 peasants were forcibly evicted without compensation and are unable to feed themselves. There is already a modern airport in Lombok which needs only modest expansion to allow international flights. The 850 hectares of land on which the new airport has been planned were fertile lands which the peasants had been cultivating to sustain their livelihood. The villagers have since organized together to re-occupy their lands, but the situation remains uncertain.*

*Excerpts from the Emergency Network of the Global Campaign for Agrarian Reform, 2005.*





### Conflicts over land and natural resources are increasing

Over three billion people live in rural areas, many of whom are being increasingly and violently expelled from their lands and alienated from their sources of livelihood. Mega development projects such as large dams, infrastructure projects, extractive industry, and tourism have forcibly displaced local populations, and destroyed their social fabric and the very resource bases on which their lives depend. To destroy the sources of livelihood of rural peoples is a violation of several economic, social and cultural (ESC) rights such as the right to food, right to housing, right to water, and the right to work. One case documented by peasant solidarity organizations and international observers who were witness to the eviction is in Indonesia (see box on page 36).

### Policies of Poverty and Hunger

Figures presented by the UN Task Force on Hunger show that close to 80% of the worlds' hungry live in rural areas.<sup>1</sup> A mix of national policies and international framework conditions are responsible for driving peasant and indigenous

communities to economic destitution. Noteworthy among these policies are the processes of deregulation and privatization of land ownership which have led to a re-concentration of land ownership; the dismantling of rural public services and those that supported production and marketing by small and medium producers; the fostering of capital intensive and technologically advanced agro-exportation; and the push towards the liberalization of agricultural trade and policies of food security based on international commerce. These policies are preventing small-scale agricultural producers from making a living from farming and very often lead to the depths of poverty. One measure of the serious impact of such policies is the soaring number of cases of farmer suicides around the world (see box on page 38).

### Killings, Persecution, and Harassment

Human rights are indivisible and interdependent. There is an inextricable link between the two sets of human rights – economic, social and cultural rights, and civil and political rights. Leaders of rural movements involved in conflicts over land and natural resources are often the same people who face political persecution, harassment, death





### A rural autopsy

At its peak, Parvathi's family earned 12,000 rupees (Rs) per year (US\$ 240), producing two crops – that is an income of Rs 32 per day, nearer \$0.66/day. That's when her husband, Kistaiah, was alive. But on August 11, 2004, Kistaiah looked up at the cloudless sky, and despaired. He had been sinking deeper and deeper in debt since 2000. He'd borrowed money because the rains had become erratic, and the groundwater had disappeared. Trying to grow rice, he had taken out loans for bore wells, initially borrowing Rs 8000 (US\$ 160) from a local bank, and then borrowing Rs 90,000 (US\$ 1800) from what Parvathi calls "a neighbor" – the local money lender. He'd drilled three holes across his land, and none had struck groundwater. And, by the second week in August, the rains still hadn't come. His crops were dying in the fields.

That night, after everyone had gone to bed, Kistaiah got up, and pulled down the small plastic packet from the shelf, a cheery green and white print bag, a little like the Indian flag, but with a band of pictures of perfect vegetables at the bottom of the packet and, instead of the cartwheel in the middle, a red and white diamond marked "poison". He filled a cup with the granules, and dissolved as much as he could with water, and drank it. Then he lay down next to Parvathi.

Kistaiah wasn't alone. Andhra Pradesh, with a population of 75 million, has been recording rural suicide rates in the thousands per year. Suicide rates have been climbing steadily through the 1980s. The epidemic has even spoiled the happy ending for farmers in India's greatest agricultural success story – Punjab, India's bread basket, home of the Green Revolution. The United Nations Development Program caused something of a scandal when it published a 2004 report stating that, in India's agricultural success story, "35.43 percent in 1995- 96 of the

cultivators are facing ruin and a crisis of existence. This phenomenon started during the second half of the 1980s and gathered momentum during the 1990s. And it has been getting worse. Suicides in Punjab, according to the most recent figures, are soaring".

One might want to explain suicide and its consequences as part of some idiosyncrasy, as a failure of the Indian government. Yet across the sea in Sri Lanka, there's a similar story. The suicide pattern isn't only Hindu or South Asian. East Asia is going through it too. In China, the medical literature suggests the location of the problem. Of a sample of 882 suicides in China from 1996 to 2000, agricultural laborers made up almost 60 percent of the dead. They were also most likely to die by other injuries. And rural rates are triple those in urban areas, with women slightly more likely to kill themselves than men.

But what we see in the Global South and, indeed, in moments of crisis such as the wake of the foot and mouth disease outbreak in the UK, is that suicide rates are increasing, particularly in rural areas, and particularly among farming communities. And this has been happening in parts of the world that had been relatively unaffected by suicide. In Latin America, a part of the world with lower suicide rates historically, sharp increases have been observed, with rates almost doubling in some places in the southern Brazilian state of Rio Grande do Sul.

Excerpts from Raj Patel, 'Stuffed and Starved: Markets, Power and the Hidden Battle for the World Food System, (United Kingdom: Portobello Books, 2007).



threats, and killings. Many struggles for better implementation of economic, social, and cultural rights incur parallel violations of civil and political rights. Some major areas of violations of civil and political rights will be highlighted here.

The right to organize collectively in many countries is difficult to exercise. Trade unions of landless workers and peasant and indigenous peoples' organizations, even where they are allowed to establish themselves legally, face numerous barriers in their defense of labor rights, land rights or indigenous peoples rights. Arbitrary detentions and killings of social movements' leaders take place regularly. In Colombia, where the murders of trade union leaders amount to half of those

killed in the world each year, many of those persecuted have worked in rural areas with agricultural laborers and with peasant organizations.

In many rural areas of the world, smallholder peasants are discriminated in their access to justice. Courts are often far away, costs of using them are excessive, and education levels of rural families often prevent legal access. Even if access to justice is possible, court procedures are often too slow to provide timely justice. In India alone, currently more than 35 million cases concerning land conflicts are pending in courts. Limited access to justice and the political power wielded by those responsible for human rights violations against rural people often result in impunity for such

### **Palestine: Destruction of land, water and other resources**

44. The direct destruction of livelihoods of the Palestinians also amounts to a violation of the obligation to respect the right to food. Humanitarian and human rights provisions prohibit the destruction of objects necessary to the survival of the civilian population, such as water tanks, crops and agricultural infrastructure, as well as the broader economic and social infrastructure.

45. According to the World Bank, damage inflicted on agriculture has reached US\$ 217 million and physical damage to the water and wastewater sector of about US\$ 140 million. The Palestinian National Information Center (PNIC) suggests that between 29 September 2000 and 31 May 2003, the occupying forces uprooted hundreds of thousands of olive, citrus, and other fruit trees, destroyed 806 wells and 296 agricultural warehouses, tore up 2,000 roads and blocked thousands of others with concrete and dirt mounds. The Palestinian Hydrology Group recorded the total or partial destruction between June 2002 and February 2003 of 42 water tankers and 9,128 Palestinian roof-top water tanks. The UN Office for the Coordination of Humanitarian Affairs (OCHA) recorded, in Abu Nejeim, in the Bethlehem area, the severing of the water connections by the occupying

army by digging up and destroying the pipes. According to the Governorate of Northern Gaza, 3,684 dunums (368 hectares) of land were bulldozed with 95,000 olives and citrus trees, five water wells were destroyed, and many people were killed and houses destroyed during the incursions of the occupying forces between May and June 2003. The ministries and building of the Palestinian Authority have also been particular targets, making the delivery of social support difficult. The World Bank stated that damage to public infrastructure by the occupying forces amounted to US\$ 251 million, including the "widespread ransacking of Palestinian Authority ministry buildings and municipal offices".

Excerpts from The Right to Food, Report by the Special Rapporteur, Jean Ziegler, (UN Commission on Human Rights, 2003). Addendum: Mission to the Occupied Palestinian Territories.

UN Doc E/CN.4/2004/10/Add.2.



10 years on**Brazil: Eldorado dos Carajás Massacre**

*On 17 April 1996, military police began clearing landless protesters from the PA-150 highway at Eldorado dos Carajás in the state of Pará. An hour later 19 people lay dead, many shot at close range; some hacked to death by the protesters' own farm tools.*

*150 Highway "at any cost" have ever stood trial, making a mockery of the principle of chain-of-command responsibility.*

*Tragically, the Eldorado dos Carajás massacre is a far from being an isolated case in a state that has become infamous for land-related violence.*

*According to the Pastoral Land Commission, 773 people— many of them activists or community leaders— have been assassinated in land disputes in the state of Pará in the last 33 years. Only a handful of cases have ever been prosecuted, with just three prosecutions against those who ordered the killings.*

*Failure to bring perpetrators of human rights abuses to justice has made Pará state synonymous with lawless brutality. Inadequacies at every level of the criminal justice system, undue influence of wealthy landowners, and a failure of political will to address root problems are entrenched. Land activists still work under constant threats of violence and intimidation; gunmen continue to operate with virtual impunity.*



Photo by: MST

*After a complex legal battle, 127 military police and 19 higher ranking officers went on trial in June 2002. All were absolved with the exception of Col. Mario Pantoja and Major José Maria Oliveira, both of whom remain at liberty while they fight a second appeal against their sentence.*

*The Eldorado dos Carajás case is emblematic of the culture of impunity in Pará state. Ten years after the massacre, not one of those involved have been imprisoned. Inept police investigation, woefully inadequate forensic research, and the failure to offer protection to witnesses who received threats have dogged the judicial process at every step along the way. Neither the then state governor of Pará, Amir Gabriel, nor the Secretary of Public Security, Paulo Sette Câmara, who gave the orders to "clear the people" on the PA-*

*Ten years after the Eldorado dos Carajás massacre, it is time for the state authorities to take responsibility for the high rates of land-related killings in Pará by addressing long-standing injustices. Authorities must uphold international human rights standards in the investigation of rural violence and the prosecution of those responsible.*

See Amnesty International Index: AMR 19/019/2006  
News Service No: 097, April 18, 2006 .





crimes. Cases in Brazil (see box on page 40) give an indication of the degree to which impunity still persists today: During the past 20 years, more than 1,425 rural workers, leaders, and activists related to social movements fighting for land and agrarian reform have been murdered in Brazil. To date, only 79 cases have been judged, in which only 15 people were convicted of having ordered the killings and 69 murderers who carried out the killings have been sentenced.<sup>2</sup>

Most of the armed conflicts today are fought in rural areas. The victims are generally rural communities: peasant families, rural workers and indigenous

peoples. These conflicts often displace people and communities from their traditional lands, occupation, and territories. Paramilitary groups and private security forces, which protect the interest of the powerful, are being increasingly used in armed conflicts against civilians. While loss of life and security of peasant families may rate as news, the more widespread and equally devastating impacts of armed conflicts in preventing peasant families from earning an income are less often brought to world attention. This is an issue which the UN Special Rapporteur on the Right to Food has sought to highlight (see box on page 39).

*\* Sofia Monsalve is an activist of FoodFirst Information and Action Network (FIAN) International, a human rights organization working to defend the right to food worldwide.*

## Endnotes

- <sup>1</sup> UNDP, *Halving Global Hunger, Background Paper of Task Force on Hunger* (New York: UNDP, 2003). Can be downloaded at [www.unmillenniumproject.org/documents/tfo2apr18.pdf](http://www.unmillenniumproject.org/documents/tfo2apr18.pdf)
- <sup>2</sup> See *Conflictos no Campo 2005* (Goiânia: Comissão Pastoral da Terra, 2006).



## **Excess Sugar:**

### ***The Devastating Impacts of the Sugarcane Industry in Brazil***

*Maria Luisa Mendonça\**

*The sugarcane industry in Brazil is notorious for frequent workers' rights violations. In some regions, sugarcane plant supervisors demand that each worker cut, on average, twelve to fifteen tons of sugarcane per day and in one region alone, 17 workers died from exhaustion between 2005-2006.*



*Photo by: João Ripper*

**B**razil is the world's largest exporter of sugar. The sugarcane industry was the largest growing sector of agro-industry in 2005 and 2006. The production of ethanol is also expected to rise. Brazil is currently the largest producer, responsible for 45% of the world market.

The cane industry began to expand in Brazil with the international oil crisis of the 70s, which gave a strong push to the sugarcane sector, beginning with the creation of Proálcool (Pro-Alcohol) Program. From 1972 to 1995, the Brazilian government gave incentives to increase the area of plantations of sugarcane, and to build up the ethanol industry, with large subsidies.

Brazil is competitive in sugar production, due to its low cost of production and large government incentives. This policy goes against the proposals of social movements that defend the strengthening of the internal market and food sovereignty.

"Our governments need to support and promote peasant-based agriculture because the quality of life of wide sectors of the population - their capacity to define their priorities and commercial strategies - as well as territorial and environmental equilibrium, are all dependent on it", notes Paul Nicholson, one of the leaders of the international peasant movement Via Campesina.

The increase in exports does not mean better conditions of life in the countryside. With the implementation of NAFTA (North American Free Trade Agreement), Mexico tripled its agricultural exports and at the same time, three million farmworkers were ruined. Currently, Mexican corn production is controlled by large multinationals. In Asia, rice exports are dominated by Cargill, which, together with General Foods and Nestlé, controls close to 70% of the international market of foodstuffs.

The destruction of the rural economy promoted by "free market" policies has generated a new form of protest, as in the case of Korean farmer Lee Kyung Hae, who took his own life during a march against the World Trade Organization (WTO) in Cancun, Mexico in September 2003. In contrast to the image of desperation spread through the conservative media, the gesture of Lee represented a conscious sacrifice against the oppression of thousands of farmworkers.

Since the creation of the WTO, close to 600 farmer suicides have been registered every year in India (see briefing paper 4). Farmworkers chose to die rather than to see their lands confiscated for not having covered the costs of production, principally in times of drought. For this reason, the main slogan of the protests in Cancun was "WTO kills farmers".

### **Agricultural Model Based in Monoculture and Large Estates**

The sugarcane monoculture was entrenched in Brazil during the period of Portuguese colonization. The first colonizers arrived in the country in 1532. At that time, the production was concentrated in the coastal areas of Pernambuco and Bahia. Between 1532 and 1822, the profit generated by the commerce of Brazilian sugar represented twice the profits generated by gold, and five times all the other products together (wood, coffee, cotton, etc.).

Historically, this sector was based on the exploitation of large territorial areas, devastation of natural resources, and violation of workers' rights including slave labor.

Currently, one of the principal pillars of the government's agricultural policy continues to be based on monoculture



*In the sugarcane region of Ribeirão Preto, São Paulo state, the entire land base is concentrated in the hands of eight families.*

export. This policy principally favors large businesses. In 2004, ten transnational corporations received close to 4.5 billion *reais* (R\$) in subsidized credit from the *Banco do Brasil*. This amount is larger than all of the credit given to small farmers through PRONAF (National Program for the Strengthening of Family Agriculture). In total, the government disposed of R\$37 billion in credit for large landowners. According to Bruno Ribeiro, a labor lawyer working with the Pastoral Land Commission, the State sustains these “sugar barons”. “Their business is not sugar or ethanol, but the appropriation of resources through programs, incentives, and opportunities offered by the government. These producers are sustained thanks to the political power they maintain”.

According to the University of São Paulo professor, Ariovaldo Umbelino, of the total jobs generated in the Brazilian countryside, 87.3% are in the small units of production, 10.2% are in medium-sized, and only 2.5% are in the large units. This study also found that small and medium-sized rural properties are responsible for the majority of food production.

The sugarcane industry however is known for large agricultural concentration. Of the total five million acres, barely 20% of the sugarcane produced in Brazil comes from small or medium-sized properties. In the sugarcane region of Ribeirão Preto (in the state of São Paulo), the entire land base is concentrated in the hands of eight families. The further expansion of the sugarcane sector could make the availability of land for redistribution to

the landless even more difficult in many regions of the country.

Recently, there has been a growth in participation of foreign companies in the sector. Some of the larger foreign corporations in the sector are the French companies *Louis Dreyfus*, which acquired mills in São Paulo and Minas Gerais; and *Béghin-Say*, which acquired mills in São Paulo. The company *Cosan* also associated itself recently with the *Béghin-Say* group and *Trading Secden* (French-Brazilian Sugar and Alcohol S.A.), acquiring five mills. Other foreign companies that have acquired ethanol plants in Brazil are Bunge, Noble Group, ADM, and Dreyfus, in addition to businessmen such as George Soros and Bill Gates.

### Migration, Slave Work, and Violations of Workers' Rights

After Australia, Brazil has the lowest cost of sugar production in the world because its workers are exploited. In the state of São Paulo, the cost of production is US\$165 per ton. In the European Union the cost is \$700 dollars per ton. “The sugarcane industry is one of the most important agro-industrial complexes of Brazil; it has very competitive products in the international market thanks to low costs of production, which are associated with low salaries paid to workers”, explains Professor Francisco Alves, from the Federal University of São Carlos.

The expansion and the growing mechanization of the sugarcane sector have generated greater exploitation of the workforce. Principally in São Paulo, the



greater part of sugarcane cutting is done by migrant workers from the Northeast and from the Valley of Jequinhonha in Minas Gerais. The Pastoral Service for Migrants estimates that close to 40,000 migrant workers work in São Paulo during the harvest period of sugarcane. Between harvests, a reduced number of laborers is used to prepare the land, to plant, and to apply pesticides.

For thousands of workers this “temporary” situation becomes permanent because of the lack of alternative employment in their regions of origin. They begin a vicious circle. “The work here is the toughest that exists, but it’s the only work we have,” states a migrant worker from Pernambuco. Despite saying they would not ever want to return to harvesting sugarcane, many end up submitting themselves indefinitely to this situation of extreme exploitation.

Cases of modern-day slavery have increased in Brazil in recent years. These workers often begin their activities in debt. One of the frequent debts encountered before beginning work is with transportation (usually clandestine, called “excursions”) that costs on average US\$100 per worker migrating from the Northeast to São Paulo. The migrant workers are seduced by “cats” or “coyotes” who are usually the owners of the buses which make the journey.

In the sugarcane regions, so-called “dormitory-cities” have increased, where migrant workers live in tenement houses or overcrowded barracks, without ventilation or minimal hygienic conditions. Despite their precarious situation, the cost of housing and food for sugarcane workers is much higher than the average paid by the local population.

The incorporation of new technology into the sugarcane sector generates super-exploitation of workers as it creates new

*“[The Sugar Baron’s] business is not sugar or alcohol, but the appropriation of resources ... offered by the government.”*

Bruno Ribeiro,  
Pastoral Land  
Commission

demands such as cutting sugar cane close to the ground (to take advantage of the greater concentration of sucrose) and a better trimmed sugar cane stalk. This increases the labor of the workers and the time spent working.

The mechanized cutting of sugarcane became a reference for the quantity cut by the workers, which increased from six tons per day, per worker, in the 80s, to 10 tons per day in the 90s. Today, some workers need to cut between 12-15 tons per day, principally in regions where the rhythm of the machines became a reference for productivity. Not meeting this goal often means that workers will be fired or placed on a list that circulates among various factories, which means they will not return to work in the next harvest. Between 2005 and 2006, the Pastoral Service for Migrants’ registered 17 workers’ deaths due to an excess of work in the cane fields of the Ribeirão Preto region alone.

The “failure” caused by losing work over not meeting the goal of 10-12 tons per day, and the impossibility of returning home with nothing for the family, has made many workers “escape” or “disappear”, migrating once again (mostly towards the Center-West region) or searching for temporary work on the





peripheries of urban centers. This process creates a category of “itinerant” workers.

Because of the working norms, only a small number of women work in sugarcane cutting. For the women who do this work, the situation is even worse. In addition to being faced with brutal labor tasks of cutting sugarcane, they have to do most of the domestic work, as well as take care of their children. Some sugar mills also demand that the women should be sterilized, so they cannot have children.

The majority of workers do not have control over the load or measure of their daily production, which is assessed by the factory. There are many allegations of manipulation and fraud of these data by the mills— that they pay less than the workers have the right to earn. The Union of Rural Workers of Dobrada (São Paulo), for example, has brought forward cases in which workers received payment for 10 cut tons per day, when the quantity was actually 19 tons.

The system of free time within the sugar mills is one of “5 for 1”, i.e., the workers have one day off for every five days of work. This means that on each free day only a relatively small group of workers can meet, which makes social and family relationships, and political organization more difficult. This system allows the mills to avoid paying overtime for work done at weekends.

In Pernambuco, the workers earn on an average two times the minimum wage

per month, if they reach the goal of cutting 9 tons of sugarcane per day. The workers claim that they are mistreated and cheated in weighing the load of cane by the mill owners as well as suffer from job insecurity. “When there’s service, the harvest lasts three to four months. The rest of the time we spend hungry. I’m 55 years old and nobody wants to hire me because they think I’m ‘scrap iron’. Also I can’t retire because I haven’t completed 35 years of service”, says worker José Santos, who today is waiting to be settled on land expropriated for land reform, formerly belonging to the Aliança Sugar Mill that went bankrupt since 1996.

### Health Problems and Workers’ Deaths

Between 2004 and 2005, the Pastoral Service for Migrants of São Paulo registered 13 deaths of sugarcane workers, from excess of work and lack of an adequate diet. These deaths happened after the workers fainted during the cutting of cane. According to a doctor from the company, the workers did not need aid because they were “lazy”. So, they did not receive adequate treatment when their health problems began.

“Beside the deaths occurring in the cane fields, there are those that go unregistered, and that happen across a certain amount of time. Illnesses like cancer, provoked by the use of poisons, sugarcane soot, as well as respiratory illnesses, allergies, spinal column illnesses, [are] linked to the almost entire

*“Our governments need to support and promote peasant-based agriculture because the quality of life of wide sectors of the population - their capacity to define their priorities and commercial strategies - as well as territorial and environmental equilibrium all depend on it.”*

*Paul Nicholson, Via Campesina*



impossibility of being treated. [This is] due to the inexistence of financial resources to purchase medicines [and] impedes them from continuing in the work market”, explains Professor Maria Aparecida de Moraes of the University of São Paulo.

The repetitive movements of cane cutting cause tendinitis or the inflammation of a tendon caused by excessive use, spinal column problems, and loosening of the digits and spasms. Many workers use medicines (injections such as “*amarelinhas*”) and drugs (like crack and marijuana) to alleviate the pain and stimulate their performance. In cutting 10 tons of cane per day, it is estimated that each worker needs to give 10,000 blows with the machete.

### Environmental Destruction

Many studies demonstrate that the practice of extensive monocropping is linked to environmental destruction through its promotion of the burning of the soil, high levels of chemical product usage as well as pollution and chemical garbage from the processing plants of alcohol and sugar. The burning and the processing of cane pollute the soil, the air, and sources of drinking water. It utilizes a large quantity of herbicides and pesticides. Data from the World Health Organization points to approximately 25 million cases of acute poisoning per year, resulting from contact with these chemical products. An international report of the World Wildlife Fund (WWF)



Photo by: João Ripper

The wounds and mutilations caused by cane cutting, principally on the legs and the hands, are also frequent. Because of this, a company rarely notifies these as work accidents and there is practically no control on the part of governmental organizations. Many sick or mutilated workers, despite being unable to work, do not qualify as disabled.

in November 2004 warned that the sugarcane industry is the principal crop that pollutes the environment and destroys fauna and flora.

In Brazil, this practice affects workers, who many times do not use adequate protection while applying chemical



products. In Pernambuco, many areas of cane planting have a slope of close to 45%, which causes the poisons to run off and spread further afield. The waste residues of sugarcane are constantly deposited in rivers, causing the death of fish, crustaceans, and vegetation, as well as the pollution of the riverbeds and subterranean water.

Every year, a state of alert is declared in the sugarcane regions of São Paulo because the burning caused humidity levels to reach extremely low numbers (between 13% and 15%). According to the National Institute of Spatial Research (INPE), 287 areas of burning were registered during this period. Technicians of INPE proposed a “moratorium on burning”.

Even with all of its environmental problems, the monocropping of sugarcane is being negotiated as a form of generating “clean” energy. After the Kyoto Protocol was signed in 1997, and

reinforced at the Rio+10 Conference in 2002 in South Africa, the “carbon market” was created and utilized by developed countries (e.g. European Union) that need to reduce their emission of pollutant gases by 5.2%, by 2010. Towards this, the Clean Development Mechanism was created, establishing that each ton of carbon gas that is no longer emitted or that is absorbed from the atmosphere could be sold on the world market.

Pro-alcohol is lauded as a “clean” form of energy, regardless of the fact that the production of sugarcane has decimated forests, destroyed the environment, and affected the health of the population. Burning facilitates the harvest, but it destroys a large part of the microorganisms in the soil, pollutes the air, and causes respiratory diseases. In fact much sugarcane production in Brazil is done without any environmental control at all.

*\* Maria Luisa Mendonça is a journalist and Director of Network for Social Justice and Human Rights.*







## The Myth of Biofuels

*Edivan Pinto, Marluce Melo  
and Maria Luisa Mendonca\**

*The reality of Climate Change requires major rethinking of current development patterns. Securing “clean” and “renewable” energy sources, particularly biofuels, are now at the center of the debate. Current proposals include the production of ethanol, based on the processing of sugarcane, and biodiesel based on soya. Brazil, assessed to have abundant land resources, is being urged to become the main source for these two crops. All sources of biofuel need to be carefully examined. Are they really carbon neutral? What impacts will the expansion of these monocultures bring for the farmers and rural workers of Brazil? Who suffers the costs of hasty solutions to global problems and who stands to gain?*

Recent studies of the impacts caused by fossil fuels have drawn world attention to the issue of bioenergy. The energy matrix is composed mostly of petroleum (35%), coal (23%), and natural gas (21%). On their own, the ten richest countries consume 80% of the energy produced in the world. Among these, the USA is responsible for 25% of pollution to the atmosphere. Analysts estimate that within 25 years, the world demand for petroleum, natural gas, and coal may increase by 80%.

The acceleration of global warming is a fact that places at risk life on the planet. It is necessary, however, to demystify the principal solution presented at the moment and spread through propaganda about the supposed benefits of biofuels. The idea of “renewable” energy must be dismissed from a viewpoint that takes into account the negative effects of these energy sources.

The propaganda of “green fuel” or “clean energy” has been amply publicized in Brazil. “Used as a substitute to petroleum derivatives, both ethanol and biodiesel become instruments capable of deterring global warming” affirms a text in the magazine *Globo Rural* in November 2006. On the other hand, there are several studies that contradict this idea. Specialist in genetics and biochemistry, Professor Mae-Wan-Ho of the University of Hong-Kong, explains that “biofuels have been presented and considered erroneously as ‘neutral in carbon’, as if they didn’t contribute to the greenhouse effect. When they are burnt [as fuel], the

carbon dioxide that the plants absorbed when they developed in the fields, is returned to the atmosphere”.

The burning of sugarcane serves to facilitate its collection, and for this reason the practice destroys a large part of the microorganisms of the soil, pollutes the air, and causes respiratory diseases. The processing of sugarcane by industrial plants also pollutes the air through the burning of waste, which produces smoke and dust. The National Institute for Spatial Research (INPE) has declared a state of alert in the sugarcane growing region of São Paulo (the largest producing region of sugarcane in the country) because burnings have brought the air quality to extremely low levels, between 13%-15%.

Professor Mae-Wan-Ho concludes that not only “the costs of the CO<sub>2</sub> emissions are ignored but also the emission of energy from fertilizers and pesticides used in the harvests, the use of agricultural machinery, the processing and refining, the transport, and the infrastructure for distribution”. The extra energy costs and carbon emissions are even greater when the biofuels are produced in one country and exported to another.

A study by the Belgian Cabinet for Scientific Affairs shows similar results: “biodiesel provokes more health and environmental problems because it creates pollution that has finer particles, freeing more pollutants that promote the destruction of the ozone layer.”

*In this context, the role of Brazil would be to supply cheap energy to wealthy countries, which amounts to a new phase of colonization: appropriation of territory, natural resources, and labor, leading to a larger concentration of land, water, profit, and power.*





*“Used as a substitute to petroleum derivatives, both ethanol and biodiesel become instruments capable of deterring global warming” affirms a text in the magazine Globo Rural in November 2006.*

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In the case of ethanol production, Prof Mae-Wan-Ho explains that what is “not taken into consideration [is] the enormous liberation of carbon from the organic soil provoked by the intensive sugar cane culture which substitutes forests and pasture lands that, if regenerated, would save more than seven tons of carbon dioxide per hectare per year [compared with] what bioethanol saves.” Besides this, each liter of ethanol produced consumes about four liters of water which represents a risk of greater scarcity of natural water sources and aquifers (groundwater).

In the case of soya, the most optimistic estimates indicate that the balance in favor of renewable energy produced for each unit of fossil energy spent in the cultivation is less than two units. This is due to the high consumption of petroleum used in fertilizers and in the agricultural machinery. Besides this, the expansion of soya has caused enormous devastation to forest and *cerrado* in Brazil, some of the most biodiverse regions in the world.

Even so, soya has been presented by the Brazilian government as the principal culture for biodiesel not forgetting that Brazil is one of the biggest producers in the world. “The soya culture emerges as the jewel in the crown of the Brazilian agro-business. Soya can be considered the lever which will permit the opening

of biofuel markets” state researchers at the Brazilian Company for Agropecuary Research (EMBRAPA).<sup>1</sup>

### Brazil's Role

Even though it does not have sufficient arable lands for the increase of production, the European Union (EU) established that by 2010, its member countries must add 5.75% of biodiesel to its fuel and, by 2015, this mark would reach 8%. Several analysts, however, estimate that besides the practical difficulties of implementation, it would be extremely difficult for this project to reach its objectives. According to Professor Mae-Wan-Ho, “if the 5.6 million hectares stock of land in the EU was cultivated with plants for energy, we would save only from 1.3% to 1.5% of emissions from highway transport, or about 0.3% of total emissions from the fifteen countries.”

The U.S. government offers tax incentives to encourage industry to increase the percentage of biodiesel in ordinary diesel. It would be necessary, however, to use 121% of the total of arable land to substitute the actual demand for fossil fuels in that country.

In this context, the role of Brazil would be to provide cheap energy to rich countries which would represent a new



phase of colonization. The present policies for the sector are sustained on the same elements that characterized the colonization of Brazil: appropriation of territory, of natural resources and of labor, leading to a larger concentration of land, water, wealth, and power.

It is estimated by EMBRAPA that more than 90 million hectares of Brazil's land could be used to produce biofuels. Forgetting that the "efficiency" of our production is due to the use of cheap labor – even slave labour (see chapter 5)— government bodies and some intellectuals still believe that agro-business biofuels production would bring great benefits.

"Our country has the greatest extension of land in the world that can still be incorporated into the productive process" state EMBRAPA's researchers. They state that the production of biomass "could be the most important component of Brazilian agro-business". With regards to the expansion of ethanol production, they conclude that there is "possibility of sugarcane expansion in almost all of the country's territory".

At present, Brazilian sugar mills have the capacity to produce 800 million liters of biodiesel per year, used in a 2% mixture with common (ordinary) diesel. The established aim of companies in the sector is to arrive at one billion liters by 2008 when the forecast is to be able to add 5% to fossil fuel.

Analyses by the BNDES (National Bank for Social and Economic Development) identify this type of investment as priority and estimate the construction of one hundred sugar mills by 2010. In 2004, the Bank invested R\$580 million in the sector and in 2006, this figure rose to R\$2.2 billion. At the moment Brazil produces seventeen billion liters of fuel alcohol per year. According to BNDES, it would be necessary to produce another

eight billion liters so as to be able to satisfy the internal market. Thus the Bank foresees that Brazil must expand its production to other countries. With the pretension of controlling 50% of the world market, BNDES estimates that Brazil will arrive at the figure of producing 110 billion liters per year.

"Just in the *cerrado* (savanna/forest biome in the Brazilian Centre-West region), 20 million hectares of land could be made available for the planting of grain crops" an EMBRAPA report reveals. In the North East, according to the researchers, "just for *mamona* (castor) oil there is an area of three million hectares available for cultivation." Furthermore, they state that "the Brazilian Amazonian Region possesses the greatest potential in the world for the plantation of *dende* (palm) oil.

This product, however, is known as "diesel of forest destruction". The massive production of palm oil has already caused the devastation of great extensions of forest in Colombia, Ecuador, and Indonesia. In Malaysia, the greatest producer of palm oil in the world, FAO figures show that the increase in deforestation rate was 86% (2000-2005) compared with the 1995-2000 period.

Besides the destruction of the environment and the use of agricultural lands for the production of biomass, there are other polluting effects in the process, such as the construction of transport infrastructure, warehouses for storage, which demand a great quantity of energy, of inputs (fertilizers and agro-toxics) and of irrigation to guarantee the increase of production.

Brazil can also fulfill the mission of legitimizing the foreign policy of the U.S. government. In a visit to Brazil in February 2007, the Sub-secretary of State, Nicholas Burns, affirmed that "research and development of biofuels





can be the symbolic hub of a new and stronger partnership between Brazil and the U.S.". This has been characterized as the principal "symbolic axis" in the relation between the two countries which could control 70% of world production of ethanol. Alliances of people's organizations such as, the Landless People's Movement (MST), the Pastoral Land Commission (CPT), Migrant Pastoral Service (SPM), and Via Campesina see this clearly as "a phase of a geopolitical strategy of the United States to weaken the influence of countries such as Venezuela and Bolivia in the region. According to Burns, "energy tends to distort the power of some states which we think have a negative balance in the world, such as Venezuela and Iran".<sup>2</sup>

The expansion of bioenergy production is of great interest to companies engaged in GMOs or genetically modified organisms. They hope to obtain greater acceptance

from the public if they present GMO products as sources of "clean" energy.

"All the companies that produce GMOs—Syngenta, Monsanto, Dupont, Dow, Bayer, Basf – have investments in conceiving crops for the production of biofuels, such as ethanol and biodiesel. They have, besides this, agreements with transnational companies such as Cargill, Archer Daniel Midland, and Bunge, which dominate the world market for cereals. In the majority of cases, the investigation is directed at obtaining new types of genetic manipulation of corn, sugar cane, and soya, among others, converting them into inedible crops, which increases dramatically the risks that on their own already imply transgenic contamination" explains Silvia Ribeiro, researcher for the ETC Group based in Mexico.

According to Eric Holt-Gimenez, Executive Director of Food First, "three



big companies (ADM, Cargill, and Monsanto) are forging their empire: genetic engineering, processing, and transport— an alliance that will bind production to the sale of ethanol.” And he adds that “other agro-business companies like Bunge, Syngenta, Bayer, and Dupont, allied to petroleum transnationals like Shell, TOTAL, and British Petroleum, and also to autobuilders such as VW, Peugeot, Citroen, Renault, and SAAB, form an unprecedented partnership with a view to great profits with biofuels”.

### The Role of Peasant Agriculture

As with other drives towards the expansion of monocropping, the production of agrofuels is likely to increase land grabbing in large areas of public lands by soy-producing companies, as well as “legalizing” land grabbing in existing areas of land occupation. The cycle of land grabbing in Brazil traditionally begins with deforestation, exploitation of slave labor, followed by cattle ranching and soy production. Currently, with the expansion of the production of ethanol, this cycle may be recreated with the monocropping of sugarcane. The historic demands for Brazil’s lands to be put towards agrarian reform to the benefit of close to five million families without land are once again pushed to the sidelines.

Edna Carmelio, biofuels coordinator at the Brazilian Agrarian Development Ministry attempts to draw a line between ethanol and biodiesel: “the production of ethanol concentrates wealth. On the other hand, biodiesel, even though it is not exclusive to family agriculture, has a strong social component”.

However, experiences of small farmers in the castor (*mamona*) plantations in the Northeast of Brazil show the risk of dependency on big agricultural companies who control prices, production, processing, and distribution. The peasants are used to give legitimacy to agro-business through the distribution of “socially acceptable fuel” certificates.

The expansion of biofuels production puts food sovereignty at risk and can deeply aggravate the problem of world hunger. In Mexico, for example, the increase of corn exports to sustain the ethanol market in the U.S. caused a 400% increase in the price of the product, which is the population’s main food source.

This model negatively impacts on peasant, riverside, indigenous, and rural Afro-Brazilian (*quilombo*) communities whose territories are threatened by large corporations. Silvia Ribeiro points to the fact that “now it is automobiles, not persons, that demand the annual production of cereals. The quantity of grains that is required to fill one tank of a pick-up would be sufficient to feed a person for a year”.

Some company analysts even admit that there are environmental problems and risk to the production of food, but that we must choose the “lesser evil”. In this case, they defend even the destruction of forests with the objective of expanding their profits through the production of bioenergy, now also known as “green gold”.

Realistically, a change in the energy model that seeks to preserve life on the planet would also have to signify a profound change in the present patterns of consumption, in the concept of development and in the very organization of our societies. It is necessary to invest





in alternatives such as wind, solar, photosynthesis, sea, and geothermic energy. To discuss new sources of energy, however, we need in the first place to reflect on the question of who this new model will serve. The construction of a new energy model must take into account who will benefit and for what purpose it will serve.

The agricultural model must be based on agro-ecology and on the diversification of production. It is urgent that experiences of peasant agriculture be saved and multiplied, taking the diversity of ecosystems as a starting point. There are multiple technologies and traditional knowledge of production such as agro-forestry and agro-pastoral systems that

are integrated and proven through time. There are also local ways and means of gathering, holding, managing, and using water for consumption and production that preserve natural sources.

These are not simplistic solutions. Neither is it sufficient to change individual “consumer” attitudes, such as buying another type of car or light bulb, etc. The main polluters, responsible for global warming, are precisely the big companies that destroy the forest and pollute the environment— the same petroleum-based, automobile, and agricultural -- that expect to profit from bioenergy.

*\* Edivan Pinto & Marluce Melo are members of the Pastoral Land Commission - CPT.*

*Maria Luisa Mendonca is a member of Social Network for Justice and Human Rights*

## Endnotes

<sup>1</sup> *Revista de Política Agrícola*, Ano XIV, No. 1, Jan-March 2005.

<sup>2</sup> *Folha de São Paulo*, 7 Feb. 2007.







## **When water was used to clear the land**

***Post-Tsunami reconstructions  
2006***

*Rebeca Leonard\**

*'Land clearance' is a euphemism for the summary eviction of entire communities. For centuries, lands have been 'cleared' to gain control over territory and its profits. The methods have differed, from military offensives and straightforward intimidation to apartheid policies and slum eliminations. These days, the legal and political obstacles to land clearances have increased, and communities who can collectively dig their heels in, prove difficult to move. But on 26 December 2004, the power of water was harnessed as the newest means for territorial capture and the displacement of people from their land.*

The crashing waves of the Indian Ocean Tsunami reaped a massive human toll: 230,000 dead or missing and up to 2,500,000 people made homeless from the 3,300 villages hit. The strength of the waves was powerful enough to rip through buildings and uproot trees. An estimated 173,000 boats were lost. Banda Aceh, the natural harbour at the tip of Sumatra, closest city to the epicenter of the earthquake, was razed to the ground. Virtually all of Aceh's west coast fishing villages were destroyed. Within hours, the waves had smashed their way through the West coast of Thailand, the Andaman and Nicobar Islands, two thirds of the coast of Sri Lanka, and three provinces of mainland India. It reached the coastlines of 10 countries reaching inland as far as 4-6 km in places where the landscape provided a meager barrier.

Within days, the "opportunity" was identified. Where communities were still in shock and bereavement, while they were seeking refuge and relief in the refugee camps, investors came from nowhere to register land ownership claims. In Thailand, where land grab

cases have been best documented, 43 coastal villages that were severely affected by the Tsunami became locked in a fight to regain their land. Fences were put up and guards stationed to keep villagers from returning. There were death threats, confrontations, gunfire, electricity black-outs, and water cut-offs. Some local administrative bodies were also keen to participate in the land grab, acting under the screen of the havoc. Bogus civic projects and illegal zoning plans were simply invented as pretexts for preventing villagers from rebuilding their homes in their original high-value location.<sup>1</sup> As the news started to emerge it became evident that the Tsunami land conflicts were not isolated incidents of furtive opportunism. Fishing communities in all the affected countries were being faced with eviction from their ravaged land through open legal processes referred to simply as development.

### The blueprint approach

In the immediate rush to deliver relief and rehabilitation, government decision makers afforded little or no time for participatory process, and launched in, instead, with a conventional exercise in top-down, centralized planning. Government agencies were strengthened and emboldened with the huge budgets accumulating day by day. The military were put in charge of relief even in areas where violent conflicts have bred mistrust for decades.

This led, equally and conventionally, to a visible gap between what the government wanted to do, led on by the World Bank and what the affected communities actually needed. An estimated total of US\$ 6.8 billion was pledged in international aid according to UN, adding to the national budgets. With the land swept clear, and decision making



Source: Indonesia: South Asia Earthquake and Tsunami, OCHA Situation Report No. 3, December 26, 2004.



processes streamlined, and often backed up by the military, the gains to be made by the well-connected were substantial, not just in terms of major reconstruction contracts, but priority access to prime real estate.

Indonesia's government sitting in Jakarta quickly designed and published a "blueprint" for Aceh in which no rebuilding would be allowed within a 2km buffer zone along the province's coast, requiring virtually all villages, towns, and fishing communities previously in that zone to be relocated. Futuristic model cities were proposed to be located 10-30 km inland. The Asian Coalition for Housing Rights reported that the moment the policy was announced, "there was a huge rush by government insiders to buy up land in the "model city" areas, while private sector contractors and military-backed conglomerates began queuing up for the lucrative mega-project contracts the blueprint would entail".

*With the land swept clear, and decision making processes streamlined and often backed up by the military, the gains to be made by the well-connected were substantial, not just in terms of major reconstruction contracts, but priority access to prime real estate.*

In Sri Lanka, a high-level Task Force to Rebuild the Nation (TAFREN) was instantly appointed, comprised of a handful of business and economic leaders whose members included major business interests on the coast.<sup>2</sup> Legislation was put in place with an urgency that exempted it from all public scrutiny, such that even publication was an afterthought.<sup>3</sup> Within a matter of days, a plan was pulled out of a drawer, retouched, and published to reorganize the coastline. In an extraordinary

detachment from the needs of the affected people, 90% of whom were from small-scale fishing communities, TAFREN's plan held "fulfil[ing] the dreams and aspirations of a modern society" as the primary objective, favoring luxury and exclusive "world-class" tourist townships, highways, and commercial harbors. Herman Kumara, of the National Fisheries Solidarity Movement in Negombo, Sri Lanka wrote at the time, "We see this as a plan of action amidst the tsunami crisis to hand over the sea and the coast to foreign corporations and tourism, with military assistance from the U.S. Marines". The Movement for National Land and Agrarian Reform (MONLAR) identified the amount allocated by TAFREN for one tourist "township" as equivalent to the amount allocated for 80,000 fisher people's houses.

Thailand put forward a Special Economic Zones Bill<sup>4</sup> as part of the government's tsunami response program. Extremely generous incentives were to be offered to attract investment, which go well beyond simple tax exemptions. There are no mechanisms to hear the voices of local communities in these zones; they are also not subject to national strategic plans nor the authority of provincial and local administration directives. Environmental Impact Assessments (EIAs) are not required and existing environmental plans can be amended to promote the operation of the special economic zone.<sup>5</sup>

Each of the many grand blueprints designed early in 2005 were proposed against the unprecedented donations raised in the name of the victims of the Tsunami. In addition to these showcase cities and model tourist centers which affected specific locations, more extensive changes were brought about through the reinforcement of 'buffer zones' in the length and breadth of the affected coastlines in each of the



countries seriously affected by the tsunami.

### Coastal Regulation Zones Revived

For years governments in the South had considered the idea of drawing lines just beyond the sands to create coastal ‘buffer zones’. Laws, ordinances, and regulations had been enacted with the purported aim of ensuring conservation of valuable natural resources as well as to prevent hardship and losses for people located too close to the sea due to typhoons and other disasters. In many areas around the region, coastal conservation rules were widely flouted. Given the huge number of existing settlements in these areas at the time the rules were enacted, they were considered unworkable from the start. Suddenly, in the wake of the Tsunami waves, the time was deemed right for enforcement.

In Sri Lanka, a law banning all building within 500 meters of the shore and (eventually reduced to 100 meters in the densely-populated west and south, and 200 meters in the badly-damaged east and north) was revived. This prevented 30% of the tsunami-affected population from returning to their land, and required up to 250,000 new houses to be built for them farther inland. The government had prepared neither land nor funds before announcing such a colossal resettlement project, and in the planning of the new settlements was seen to adopt an arrogant attitude to victims.<sup>6</sup> High rise apartments were proposed well away from the coast to house the displaced fisherfolk. No regard was paid

to locating people from the same neighborhood or village together in the transitional camps. Clarity was reserved for tourism businesses, as the law expressly allowed ‘tourist centers’ rights to rebuild within the buffer zone.

Similarly, in India, Coastal Regulation Zones were “notified” since 1991 in an apparent attempt to prevent new buildings, and industrial or commercial development within 500 meters of the high tide line, while permitting local community settlements to remain. After the Tsunami, however, the Tamil Nadu State Government sought to restrict community resettlement in this zone, refusing to help families living up to 200 meters of the high tide line, unless they agreed to give up their land and move to new settlement areas beyond the buffer zone. Funds for house construction in a fully-serviced area, and title deeds were offered to those willing to relocate away from the coast. Households in the area between 200 and 500 meters from the sea were also given incentives to relocate. A survey carried out by the Tsunami Relief and Rehabilitation Coordination in 61 tsunami-affected fishing villages revealed that 95% of the almost 40,000 households within Coastal Regulation Zone 1 had no intention of giving up their land, houses, or places of worship, and are rebuilding even without government assistance.<sup>7</sup> The 5% willing to relocate consisted mainly of agricultural households, most of whom did not depend on the sea for their living and have welcomed the opportunity to own a house. Among the fishing communities of Tamil Nadu, Kerala, and Andhra Pradesh, their unions, networks, and support NGOs, there was a huge and

*Afraid of being cut off from their source of livelihoods, villagers fiercely defended the only assets they had left, their land and access to the sea, even at the cost of being cut off from government aid.*







well-organized opposition to the zoning policy.

In the case of Thailand, they had seen it all before. The short history of many present day tourist hot-spots includes the application of such 'environmental protection' laws during the 1990s to displace fisherfolk from coastal areas. Once the land was cleared, deals were privately made with developers leading to the now familiar coastline of tourist playgrounds. Such developments not only failed to 'protect' the environment, but clearly did nothing to prevent hardship and losses arising from the tsunami.

### Villagers refused to be shut out

Proximity to the sea is a lifeline for fishing communities. Afraid of being cut off from their source of livelihoods, villagers fiercely defended the only assets they had left, their land and access to the sea, even at the cost of being cut off from government aid. Where the former land was waterlogged as in many areas of Aceh, or where people decided they preferred to move away from their previous site due to traumatic associations, as was found in Sri Lanka,

villagers still insisted that their new location must be close enough to the sea to maintain the community's organic link with their livelihoods, including keeping watch over their moored boats, drying nets, drying fish, and their stores of fishing accessories, etc.<sup>8</sup>

Community surveys in Thailand also showed 70% of affected people would not accept resettlement in the proposed areas, 4-5 km away even at the promise of tenure security and free houses. Villagers decided to leave the camps, often led by women leaders, go back to their old land and start rebuilding – with their own hands and whatever materials they could obtain. Invasion was the term used in the media, but although villagers were unauthorized, and in some cases had to cross police barriers, they saw they were simply re-establishing their stake in

**INDONESIA :** The waves that hit Aceh's west coast were 20 to 30 meters high. Virtually all of the province's west coast fishing villages were destroyed. An average of only 10% of the original population in these villages survived, the greatest number of casualties being women and children. The coastal roads were also ripped away, so these areas were not accessible by land until April. In the provincial capital of Banda Aceh, there were four waves, which rolled 8 kilometers inland, dragging houses, cars, trees, cattle, telephone poles, and wires with them, in a deadly, roaring, black wall of water and rubble.





their own land. Many of the pre-existing communities had occupied their sites for generations before. The survivors preferred to reclaim their own spaces, even at the cost of living in ruins in makeshift shelters for months and at the risk of legal action, as this was where they saw their only chances of making a living. With the advantage of possession back in their hands, many of the serious conflict cases were able to call on the Land Tenure Committee to investigate methodically and in time find a community-based resolution.

In Aceh, there were well-publicized accounts of villagers who had had enough of being told that they would have to accept temporary locations in government barracks for up to 3 years, they decided collectively to leave their shelters all together and go home. After

organizing together and intense lobbying against the 2 km buffer zone, the forced relocation plan was eventually scrapped, to be replaced by a more decentralized approach.

In Sri Lanka sustained pressure was led by the communities, supported by people's movements such as MONLAR, labor unions, women's groups, and NGOs who ceaselessly advocated for a people's planning commission to replace TAFREN. Eventually, during the run up to the elections in November 2005, the coastal regulation rules were relaxed.

### Community strengthening

Everything about the tsunami reconstruction was difficult and challenging. Huge efforts had to be made

**INDIA :** The tsunami first struck the Nicobar and Andaman islands, before proceeding to the mainland states of Tamil Nadu, Pondicherry, and Kerala. Overwhelmingly, the main victims were the fisherfolk who inhabit the land closest to the sea. Besides suffering the greatest number of deaths, these fishing communities face the long-term consequences of lost homes, destroyed village infrastructure and total loss of livelihood when boats and fishing equipment were lost.

**SRI LANKA :** The tsunami is the most devastating natural catastrophe in Sri Lanka's history. 80% of the island's coastline was ravaged by three or four waves. Because these areas include some of the most urbanized and densely populated parts of the country, the death, suffering, and physical destruction of housing and infrastructure was far greater. Nearly 10% of the country's population was affected, the overwhelming majority being the poor. The worst destruction was in the northeast, in areas controlled by the Liberation Tigers of Tamil Eelam (LTTE), where the waves displaced 300,000 people, adding to the 700,000 already displaced by the long civil war.

**THAILAND :** The tsunami hit six provinces along southern Thailand's Andaman coast: Krabi, Phuket, Ranong, Trang, Satun, and Phang Nga. The catastrophe left hotels, resorts, shops, businesses, private houses, boats, and vehicles in ruins, but the greatest number of victims were people living in 400 affected fishing villages. Rehabilitation work was organized faster in Thailand than other countries, partly because the waves hit one of the most important tourist areas, which rakes in a third of the country's total tourism income, so there was a commercial incentive to restore things back to normal as fast as possible.

Source: Adapted from ACHR Newsletter No. 16, August 2005.



to not only to rebuild, but to repair the social fabric of the broken communities and regenerate community institutions. Over the two-year period, where networks were established to support the affected communities to recover their land, lives, and livelihoods, the positive effects of community strengthening can be seen. In the face of changes that would profoundly affect their lives, people grouped together to force the government to change the laws and regulations that impact upon their communities. Communities in Thailand reported that their struggle to keep their land and rebuild their lives has brought people closer together.<sup>9</sup> Women's groups in India reported that in the following months in the face of a cyclone, women had become empowered to better cope with the disaster, better able to deal with government, and address land and infrastructure issues.<sup>10</sup>

### Setting priorities

Reconstruction was desperately needed in the post-Tsunami period. But behind the plans for reconstruction, and indeed delaying their implementation, were plans for reorganizing space. Without the usual democratic processes, a host of highly controversial ideas for long-term development based on neoliberal ideologies were approved within days. These emphasize the rapid integration of domestic markets into the global market place, free flow of capital, privatization, deregulation, and an overall reorientation of governmental responsibilities towards protecting and facilitating free market conditions for creating profit, much of which is expropriated by private sector actors from outside the country and

consolidated by national elites.<sup>11</sup> This was also referred to as “a predatory form of disaster capitalism that uses the desperation and fear created by catastrophe to engage in radical social and economic engineering”.<sup>12</sup>

While the reasons for relocating communities may appear to be sound when considering the risks of severe storms and other natural disasters, as well as overcrowding in poorly serviced areas, extensive experience with resettlement in many different contexts shows that unless serious consideration is given to the social and cultural needs of the communities as well as support for regeneration of livelihoods in the new area, the impacts are likely to be severe and fall heavily on the poor. When the move is accompanied by a planned shift from a seashore that is occupied by small fishing communities to a seashore that is reserved for resorts, aquaculture, housing/real estate, and other industrial interests, then relocation also represents government-sponsored land grabbing.

Rather than leaving the coastal strip empty for business to occupy, many communities have agreed to the restoration of mangrove buffers as storm barriers. The ecological, productive, and protective value of mangroves can be shown to outweigh the apparent profits to be made by companies from exploiting the spaces they occupy. The tsunami, made clear what concerned community groups and NGOs had been stating for many years. The steady removal of mangroves from Asia's coastlines for the export shrimp industry, tourism among other coastal land developments was leaving the coastline defenseless to the forces of nature.

*\* Rebeca Leonard is a researcher working with the Thai Land Reform Network.*



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## **Food Sovereignty and Agrarian Reform:**

### ***Alternative Model for the Rural World***

**2007**

**\*Peter Rosset**

*Many of the world's organizations of family farmers, peasants, the landless, rural workers, indigenous people, rural youth and rural women are at the forefront of a historic clash between two models of economic, social and cultural development for the rural world. That is the dominant model now familiar around the world – of export-led, free trade-based, industrial agriculture – versus the alternative paradigm called 'food sovereignty' and its corollary of genuinely redistributive land reform. These alternatives have been elaborated by the international rural people's movement Via Campesina. This article presents compelling reasons to support both initiatives of fundamental importance for the rural world.*

Food sovereignty starts with the concept of economic and social human rights, which include the right to food. But the concept goes further, arguing, as does Jean Zeigler, the UN Special Rapporteur for the Right to Food (see box on the right), that there is a corollary right to land, and even, the “right to produce” for rural peoples.

The international people’s movement *Via Campesina*, including rural people’s organizations all around the world, argues that feeding a nation’s people is an issue of national security—of sovereignty. If the population of a country must depend for their next meal on the vagaries of the global economy, on the goodwill of a superpower not to use food as a weapon, on the unpredictability and high cost of long distance shipping, then, that country is not secure, neither in the sense of national security nor in the sense of food security. Food sovereignty, thus, goes beyond the concept of food security, which has been stripped of real meaning.

Food security requires that every child, woman, and man must have the certainty of having enough to eat each day; but the concept says nothing about where that food comes from or how it is produced. Thus, Washington is able to argue that importing cheap food from the US is a better way for poor countries to achieve food security than producing it themselves. But massive imports of cheap, subsidized food undercut local farmers, driving them off their land. They swell the ranks of the hungry, and their food security is placed in the hands of the cash economy just as they migrate to urban slums where they cannot find living wage jobs. To achieve genuine food security, people in rural areas must have access to productive land and receive prices for their crops that allow them to make a decent living.

*“The **right to food** is a human right that is protected by international law. It is the right to have regular, permanent and unobstructed access, either directly or by means of financial purchases, to quantitatively and qualitatively adequate and sufficient food corresponding to the cultural traditions of the people to which the consumer belongs, and ensuring a physical and mental, individual and collective, fulfilling and dignified life free from anxiety. Governments have a legal obligation to respect, protect and fulfill the right to food...*

*While the Special Rapporteur believes that international cooperation is fundamental, the primary obligation to realize the right to food rests with national Governments. At this level, **access to land is fundamental, and agrarian reform must be a key part of Government strategies aimed at reducing hunger.** In many parts of the world, people are struggling to survive because they are landless or because their properties are so small that they cannot make a decent living. Agrarian reform must be just, fair and transparent... [and] more attention should be paid to the alternative models proposed by civil society, particularly the concept of food sovereignty. Access to land and agrarian reform, in particular, must be key elements of the right to food.”*

*Jean Ziegler, Special Rapporteur of the Commission on Human Rights on the Right to Food, 2002.*





But it also means that access to land and productive resources is not enough. The current emphasis in trade negotiations on market access for exports, to the detriment of protection of domestic markets for domestic producers, is a critical problem. By contrast, under the food sovereignty concept, priority is given to market access to local producers. Liberalized agricultural trade, which gives access to markets on the basis of market power and low, often subsidized prices, denies local producers access to their own markets, and thus, violates the right to produce, while undercutting local and regional economic development. One way to promote local economic development in rural areas is to create local circuits of production and consumption, where family farmers sell their produce in local towns and villages and buy other necessities from artisans and merchants in those towns. As has been clearly demonstrated in a recent landmark study in Brazil<sup>1</sup>, the presence of agrarian reform settlements boosts local economies.

In this way, money circulates several times in the local economy, generating town employment and enabling farmers to make a living. If instead, all that farmers produce is exported to faraway countries that pay international market (that is, low) prices, and all that they buy is also imported, then all profits from the system are extracted from the local economy and can only contribute to economic development in remote locations like Wall Street. Food sovereignty places the emphasis on local

markets and local economies as the basic essential for fighting hunger and poverty.

Only by changing development tracks from the export-led, free trade-based, industrial agriculture model of large farms / land concentration / displacement of peoples can stop the downward spiral of poverty, low wages, rural-urban migration, and environmental degradation. Redistributive land reform and a reversal of dominant trade policy hold the promise of change toward a smaller farm, family-based or cooperative model, with the potential to feed the poor, lead to broad-based economic development, and conserve biodiversity and productive resources.

### On-Going Agrarian Reforms

#### The 'Official' Reforms

The World Bank is taking the lead in promoting, and in some cases financing, comprehensive reforms of land tenure, including titling, cadastres and land registries, land market facilitation, market-assisted or negotiated redistributive reforms, and credit, technical assistance and marketing support. Here, the Bank has listened to its own development economists, who have found that severe inequality in land tenure retards economic growth, poverty alleviation, and efforts to use soils sustainably. Other institutions, including governments, aid agencies, and other development banks, are following this lead and aggressively implementing some, or in some cases, all of these reforms.

We can say it is good news that it is no longer taboo to propose land reform as a key element in sustainable development. However, the Bank's land policies are largely failing to address underlying

*If the population of a country must depend for their next meal on the vagaries of the global economy, on the goodwill of a superpower not to use food as a weapon, on the unpredictability and high cost of long distance shipping, then, that country is not secure.*



**Keys to the Cuban transition toward a more food sovereignty-style model during the 1990s**



causing of poverty and exclusion. Land titling programs can lead to new land loss, as we have seen in Thailand<sup>2</sup>, and conflicts, as in Mexico<sup>3</sup>. The cost of land banks makes their potential scope woefully inadequate when compared to the magnitude of landlessness, while beneficiaries are strapped with heavy debts for expensive land of dubious quality as in Guatemala and Brazil (see *To Their Credit...* on page 28). Furthermore, market-based ‘solutions’ tend to depoliticize the problem of landlessness, which by its nature can only be resolved by structural changes of a kind that can only be addressed in the sphere of politics, rather than that of the market. ‘Reforms’ are carried out leaving the neoliberal policy environment, so inimical to family agriculture, and the ‘model,’ intact. We can hope for little positive change, then, from these efforts.

**State-led Land Reforms**

Only two contemporary governments, in Latin America or elsewhere, can truly be said to have a sincere commitment to genuine land reform, including a transition of models geared to making family-scale and cooperative agriculture more viable. These are Cuba and Venezuela.

While Cuba’s original revolutionary land reform took place in the 1960s, a second ‘reform within the reform’ allowed Cuba to escape from a food crisis in the 1990s, in what might be the closest example to a true transition from an agro-export toward a model similar to the kind called for by Via Campesina. The key elements which made such a transition possible were, firstly, access to land by the rural majority. Cuba’s ‘second’ land reform to break up state farms into smaller, cooperative, and individual production units was possible because the earlier expropriation of landlords had already taken place. Secondly, the *de facto* protection from dumping provided by the trade embargo, provided a positive condition (albeit for a very negative reason), in that higher prices for farmers provided the economic viability and incentives needed for agriculture itself to survive the crisis. The other key factors were state support for the transition (shifts in credit, research, extension, education, infrastructure, marketing etc., to support the new model), a highly organized rural sector which made the rapid dissemination of change possible, and the existence of autochthonous, agro-ecological technology (from both



accumulated peasant knowledge and from scientific institutions) to help break dependence on no longer available imported inputs.

The case of Venezuela is still very much up in the air. While the government of President Chavez has made clear its commitment to genuine agrarian reform, a number of factors, including the resistance of landlords and bureaucrats, the failure (so far) to fully address the dumping effects of massive food imports, and the relative lack of organization of the peasants, have so far conspired to keep progress uneven at best.

### *Land Reform from Below*

In every case where significant land reforms occurred, it has been seen that protests and demands by organized peasant producers and rural workers made crucial contributions to bringing them about. Today it is movements around the world who are engaged in a wave of land occupations that are putting the pressure on governments to respond. The mid-to-late 1980s and 1990s saw the appearance, and in some cases, the coming of age, of a new generation of well-organized movements of landless peasants and rural workers.

While the landless have always engaged in takeovers or ‘recuperations’ of idle lands, there has been a qualitative change in the organization and political savvy of contemporary groups. Landless movements are bringing land reform to national and international policy debates— even as they seize, occupy, and plant idle lands— often at a tremendous cost of lives lost and arbitrary arrests. These movements are growing rapidly around the world, from Brazil, Paraguay, Bolivia, Honduras and Nicaragua, to South Africa, Zimbabwe, Indonesia, Thailand, India, and countless other countries. Indeed, across most of the Third World, we are seeing the

emergence of a new source of hope and dynamism, from these largely non-violent poor people’s movements who sidestep government inaction and take matters firmly into their own hands.

Brazil and the very successful Landless Workers’ Movement (MST) are a case in point. While large landowners in Brazil on average leave more than half of their land idle, 25 million peasants struggle to survive in temporary agricultural jobs. Founded in 1985, the MST organizes landless workers to occupy idle lands, relying on the legal imperative to fulfill the “social function of land” in the Brazilian constitution to support their claim to land, though they must defend themselves against the hired guards of the landowners and government security forces. Today more than 300,000 families—which mean more than a million people— have won title to over 8 million hectares of land through MST-led actions, a veritable reform from below.

## **The Case for Redistributive Land Reform**

### *Land reform and poverty*

History shows that the redistribution of land to the landless and land-poor rural families can be a very effective way to improve rural welfare examined the outcome of virtually every land reform program carried out in the Third World since World War II. When quality land was really distributed to the poor, and the power of the rural oligarchy to distort and ‘capture’ policies broken, real, measurable poverty reduction and improvement in human welfare has invariably been the result. Japan, South Korean, Taiwan, Cuba, and China are all good examples. In contrast, countries with reforms that gave only poor quality land to beneficiaries, and/or failed to alter the rural power structures that work



against the poor, have failed to make a major dent in rural poverty.

Research into the land reform in 16 individual Indian states from 1958 to 1992 showed that even though the reforms were largely not so radical, many did abolish tenancy and reduce the importance of intermediaries.<sup>4</sup> There is a strong relationship between land reform and the reduction of poverty. Another piece of research in land reform settlements in Brazil two years ago found that settlers earn more than they did before, they eat better, they have greater purchasing power, they have greater access to educational opportunities, and they are more likely to be able to unite their families in one place (rather than 'lose' family members to migration). In fact land reform holds promise as a means to stem the rural-urban migration that is causing Third World cities to grow beyond the capacity of urban economies to provide enough jobs.

Another way of looking at it is in terms of the cost of creating a new job. Estimates of the cost of creating a job in the commercial sector of Brazil range from 2 to 20 times more than the cost of establishing an unemployed head of household on farm land, through agrarian reform. Land reform beneficiaries in Brazil have an annual income equivalent to 3.7 minimum wages, while still landless laborers average only 0.7 of the minimum. Infant mortality among families of beneficiaries

has dropped to only half of the national average.<sup>5</sup>

This provides a powerful argument that land reform to create a small farm economy is not only good for local economic development, but is also supports an effective social policy. Only land reform holds the potential to address chronic underemployment in most Third World countries. Because small farms use more labor— and often less capital— to farm a given unit of area, a small farm model can absorb far more people into gainful activity and reverse the stream of out-migration from rural areas.

### Land reform and productivity

In the past there was a longstanding debate concerning the likely impacts of the redistribution of farm land to the poor, which almost inevitably leads on the average to smaller production units. One concern was that that, when freed from exploitative share-cropping, rental or labor relationships, the poor would retain a greater proportion of their own production for their own consumption (not necessarily a bad thing), thus leading to a net decrease in food availability for other consumers. However, this argument has been put to rest by the evidence<sup>6</sup>, and by the productivity gains that can be achieved by shifting to smaller-scale, more

*The post-war Asian economic 'miracles' were fueled at the start by internal markets centered in rural areas, long before their 'export orientation' policies. This was a real triumph for 'bubble-up' economics in which re-distribution of productive assets to the poorest strata of society created the economic basis for rapid, relatively inclusive development.*



### Sizing up productivity in family farms

*In total, family farm agriculture accounts for 40% of the total national value of production, while occupying just 30.5% of the cultivated land area. They generate fully 76.9% of the national employment in agriculture, while receiving only 25.3% of farm credit.*

*In Brazil, family farm agriculture generates:*

- 97% of total national value of tobacco
- 84% of cassava
- 72% of onions
- 67% of green beans
- 58% of bananas
- 58% of pork
- 49% of maize
- 47% of grapes
- 46% of wheat
- 40 % of poultry and eggs
- 33% of cotton
- 32% of soya
- 31% of rice
- 27% of oranges
- 25% of coffee
- 24% of milk
- 24% of production of beef, and
- 10% of sugar.

*Source: Walter Pengue, "Agricultura industrial y agricultura familiar en el Mercosur: el pez grande se come al chico.... siempre?", Edición Cono Sur, Le Monde Diplomatique 71, 2005.*

intensive styles of production.

In fact, data shows that small farms almost always produce far more agricultural output per unit area than larger farms, and do so more efficiently (see box on the left). This holds true whether we are talking about industrial countries or any country in the Third World. This is widely recognized by agricultural economists as the "inverse relationship between farm size and output". A recent report examined the relationship between farm size and total output for fifteen countries in the Third World.<sup>7</sup> In all cases relatively smaller farm sizes were much more productive per unit area— 2 to 10 times more productive— than larger ones. Thus redistributive land reform is not likely to run at cross-purposes with productivity issues.

### Land reform and economic development

Surely more tons of grain is not the only goal of farm production; farm resources must also generate wealth for the overall improvement of rural life—including better housing, education, health services, transportation, local economic diversification, and more recreational and cultural opportunities.

In the United States, the question was asked more than a half-century ago: what does the growth of large-scale, industrial agriculture mean for rural towns and communities? Walter Goldschmidt's classic 1940s study of California's San Joaquin Valley compared areas dominated by large corporate farms with those still characterized by smaller, family farms and found that where large corporate farms dominated, nearby towns died off (see box on page 71). The Amish and Mennonite farm communities found in the eastern United States





provide a strong contrast to the virtual devastation described by Goldschmidt in corporate farm communities. Lancaster County in Pennsylvania, which is dominated by these small farmers who eschew much modern technology and often even bank credit, is the most productive farm county east of the Mississippi River. It has annual gross sales of agricultural products of US\$ 700 million, and receives an additional US\$ 250 million from tourists who appreciate the traditional small farm landscapes.

If we turn toward the Third World, we find similar a similar situation. On the one hand there is the devastation caused by land concentration and the industrialization of agriculture, while on the other we find local benefits to be derived from a small farm economy. Local towns have been found to benefit from the commerce that is generated when estates belonging to absentee landlords are turned into productive family and cooperative farming enterprise through land reform driven from below.<sup>8</sup> A study of one such municipality in Brazil by the MST, found that while the *Julho de Castilhos* settlement possessed only 0.7% of the land, its members paid 5% of the taxes, making the settlement into the municipality's second largest rural tax payer.

But what of national economic development? History has shown us that a relatively equitable, small farmer-based rural economy provides the basis for strong national economic development. This "farmer road to development" is part of the reason why, for example, the United States early on in its history developed more rapidly and evenly than did Latin America, with its inequitable land distribution characterized by huge haciendas and plantations interspersed with poverty-stricken subsistence farmers. In the early decades of the

United States, independent "yeoman" farmers formed a vibrant domestic market for manufactured products from urban areas, including farm implements, clothing, and other necessities. This domestic demand fueled economic growth in the urban areas, and the combination gave rise to broad-based growth.

The post-war experiences of Japan, South Korea, and Taiwan in the capitalist world, and China, Cuba and more recently, Vietnam, in the socialist world, also demonstrate how equitable land distribution fuels economic development. In the former countries, circumstances at the end of the Second World War, including devastation and foreign occupation, conspired to create the

### California's San Joaquin Valley

*Goldschmidt's study of 1940s farming communities investigated the impact of large corporate farms on local economies. Mechanization meant that fewer local people were employed, and absentee ownership meant that farm families themselves were no longer to be found. In the corporate farm towns, the income earned in agriculture was drained off into larger cities to support distant enterprises, while in towns surrounded by family farms, the income circulated among local business establishments, generating jobs, and community prosperity. Where family farms predominated, there were more local businesses, paved streets and sidewalks, schools, parks, churches, clubs, and newspapers, better services, higher employment, and more civic participation. Studies conducted since Goldschmidt's original work confirm that his findings remain true today.*



### Moving Forward: Guidelines for the Future

- Severe inequality in landholdings is inefficient, environmentally and socially destructive, immoral, and impedes broad-based development. A range of perspectives and concerns— from economic and social human rights, to economic growth— all lead to the conclusion that we must once and for all eliminate the latifundia.
- When families receive land they must not be saddled with heavy debt burdens. This can be accomplished by government expropriation of idle lands, with or without compensation for former owners.
- Secure tenure and/or access rights are critical to ensuring long term food security for families and communities. Without such security and/or rights, it is also difficult for families and communities to invest in land improvement, means of production, and/or conservation measures.
- Women must have the right to hold title to land. When titles are vested exclusively in male heads of household, domestic disputes or the premature death of a spouse inevitably lead to the destitution of women and children.
- The land distributed must be of good quality, rather than ecologically fragile soils which should never be farmed, and it must be free of disputed claims by other poor people.
- The rights of indigenous and other peoples to land, forests, water and other common property resources must be guaranteed and protected, as must their right to manage them using customary law and tradition. Provision must be made for individual and/or collective rights, depending on each socio-cultural situation. No one recipe can be applied everywhere.
- People need more than land if they are to be successful. There must also be a supportive policy environment and essential services like credit on reasonable terms, infrastructure, support for ecologically sound technologies, and access to markets and fair prices. Perhaps most critical is a step back from damaging free trade policies and dumping— which drive down farm prices and undercut the economic viability of farming— to be replaced by a food sovereignty perspective, which places the highest priority on national production for national markets.
- Truly transformative reforms will also require investment in rural areas to assure such basic services as schools, health clinics, potable water, and basic infrastructure.
- The power of rural elites to distort and capture policies, subsidies, and windfall profits in their favor must be effectively broken by the reforms.
- The vast majority of the rural poor must be beneficiaries of the reform process.
- Successful reforms are distinguished from failed ones by a motivation and perception that the new small family farms which are created are to be the centerpiece of economic development, as was the case in Japan, Taiwan, China, and Cuba. When land reform is seen as 'welfare' or as a charitable policy for the indigent, failure has been the inevitable result.
- In today's conservative, neoliberal political environment, strong grassroots poor people's movements are critical to pushing the reform process, stopping government foot-dragging and, when necessary, taking matters into their own hands. Land occupations are one of the most effective, proven methods of pressuring governments to act.



conditions for ‘radical’ land reforms. In the latter, revolutions broke the economic stranglehold of the landholding class over rural economic life. Combined with trade protection to keep farm prices high, and targeted investment in rural areas, farm families rapidly achieved a high level of purchasing power, which guaranteed domestic markets for fledgling industries.

The post-war economic ‘miracles’ of the three capitalist countries were each fueled at the start by internal markets centered in rural areas, long before the advent of the much heralded ‘export orientation’ policies, which much later on pushed those industries to compete in the global economy.

This was a real triumph for ‘bubble-up’ economics, in which redistribution of productive assets to the poorest strata of society created the economic basis for rapid, relatively inclusive development. Such that there is now a growing consensus among mainstream development economists, long called for by many in civil society, that inequality in asset distribution impedes economic growth.

Certain agrarian reforms have been the key step in allowing entire nations to change development tracks. In these cases, countries have ‘jumped’ from the excluding, downward spiral into poverty and environmental degradation, to the upward spiral of broad-based improvements in living standards producing strong internal markets, which in turn lead to more dynamic and inclusive economic development.

Comparative analyses have shown what the transformative reforms, those that led to real social transitions, had in

common.<sup>9</sup> In brief, the majority of the landless and land poor benefited, the majority of the arable land was affected, the stranglehold of entrenched power structures over rural life and economy was broken, and favorable, enabling economic policies were in place. A key feature of the more successful reforms is that farm families were seen as key actors to be mobilized in national economic development— whereas in failed reforms they have typically been seen as indigents in need of charitable assistance.

### *Land reform and the environment*

The benefits of small farm economies extend beyond the merely economic sphere. Whereas large, industrial-style farms impose a scorched-earth mentality on resource management— no trees, no wildlife, endless monocultures— small farmers can be very effective stewards of natural resources and the soil. To begin with, small farmers utilize a broad array of resources and have a vested interest in their sustainability. At the same time, their farming systems are diverse, incorporating and preserving significant functional biodiversity within the farm. In doing so, and by reducing land degradation, small farms provide valuable ecosystem services to the larger society.

In the South, peasant farmers show a tremendous ability to prevent and even reverse land degradation, including soil erosion. They can and do provide important services to society-at-large, including sustainable management of critical watersheds, thus preserving hydrological resources, and conserving while developing the basic crop and livestock genetic resources upon which



the future food security of humanity depends.

Compared to the ecological wasteland of a modern export plantation, the small farm landscape contains a myriad of biodiversity. The forested areas from which wild foods, and leaf litter are extracted, the wood lot, the farm itself with intercropping, agroforestry, and large and small livestock, the fish pond, the backyard garden, allow for the

preservation of hundreds if not thousands of wild and cultivated species. Simultaneously, the commitment of family members to maintaining soil fertility on the family farm means an active interest in long-term sustainability not found on large farms owned by absentee investors. If we are truly concerned about rural ecosystems, then the preservation and promotion of small, family farm agriculture is a crucial step we must take.

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