

Case:

NEPAL

Implications of land grab on food security and local economy

Mobilization and Development Nepal (MODE–Nepal)

Land grabbing in Nepal, despite its domestic nature, has foreseeable implications on regional food security. The main drivers of land grabbing in Nepal are: politics, cross-country border security, military and armed security forces, commercial operations, the local elite and organized crime groups (mafias). This case suggests the formulation or revision of people-centered land policies by the government, with special attention to the needs of women, indigenous peoples, pastoralists, users of common resources, tenants, farm workers and people affected by armed conflict.



Introduction

In recent years, land grabbing and food security have become global concerns due to the soaring demand for agricultural land by wealthier countries to shore up their food supply, meet the surging demand for agrofuels, for manufacturing sites or simply as investment (in land and the commodities market).

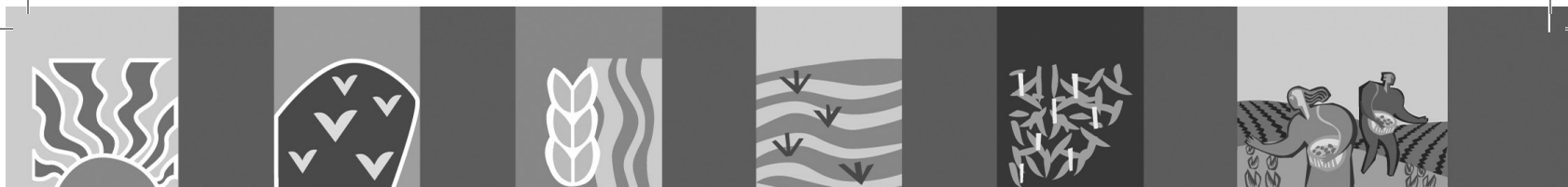
From mid-2008 to date, over 180 instances of land grabbing have been reported. International Food

Research Institute (IFRI) further estimates that foreign investors secured 37 to 49 million acres of farmland in the developing world from 2006 to 2009. Spain-based NGO GRAIN takes credit for drawing first attention to the issue of land grabbing in October 2008, and thereafter has continued to document scrupulously the issue, combing through databases of media organizations for coverage related to the issue.

Nepal's case stems from domestic issues and concerns that have long-standing socioeconomic and historical contexts. Land grabbing has a profound impact on Nepal's socioeconomic backbone since the country is largely dependent on subsistence agriculture, which makes up 38.1% of its GDP (CBS/Government of Nepal, 2008). Over 24% of its population is landless, with 7% semi-landless or owning less than 0.2 acres (UNDP, 2004). About 8% or 300,000 people are practically landless and work as daily wage earners or periodic or semi-attached workers (ploughmen, herdsmen, farm laborers and bonded laborers).

Drivers of Land grabbing

The emergence of land grabbing in Nepal is somewhat different from that in the global context. Land grabbing in Nepal takes the following forms: "land grab" across the porous border with India, the feudal habit of holding large tracts of land, seizure of land by peasant unions, landless people's unions and freed bonded laborers, encroachment of forest lands with the backing of political forces, investment in land by individuals and real estate companies in urban and semi-urban areas, and aggressive seizure



Losing pattern of productive farmland in study site					
Description	Total Land (kattha)	Low Land	Up Land	Barren Land	Self Farming own Land
Now (n = 35)	285 (9.5 ha.)	208 (6.9 ha.)	26 (0.86 ha.)	54.5 (1.8 ha.)	239 (7.9 ha.)
10 years ago (n= 35)	1,401 (46.7 ha.)	1,266 (42.2 ha.)	149 (4.9 ha.)	0	1,267 (42.2 ha.)
Sold land	37.2 ha.	35.3 ha.	4.04 ha.		

Source: Field Survey 2010

of land by the military and other armed forces to expand their territories.

Land grabbing in the Nepalese context, as highlighted above, has an immediate impact on scarcity of land, evictions, speculation, increased rent, landlessness, cyclical poverty and skewed landownership patterns leading to food insecurity.

In this context, this paper delves into the “real”, “ground-level” issues supported by several cases and stories. We anticipate the effort to contribute to positive public debate, to come up with recommendations on how best to move forward and successfully remove the thorns of past injustices that have served as impediments to economic growth.

Foremost among these is the informal land market. Informal brokers deal with the sale and purchase of land. As a result, there are disputes and cheating. The country’s land mafia controls the land business, and encroaches on both private and public land.

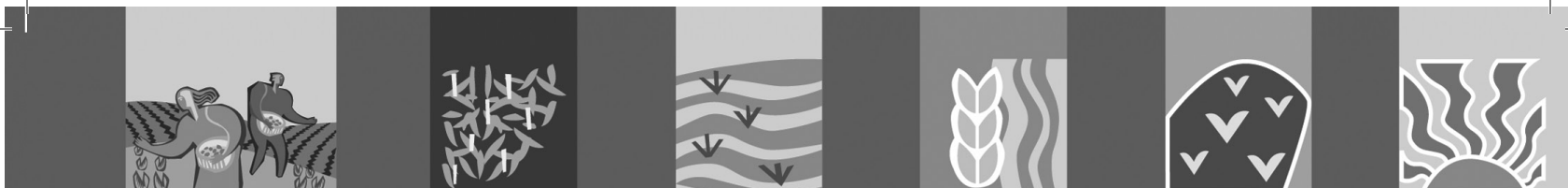
Processes of Land grabbing

Several issues and discussion agenda on farmland grabbing have emerged. Formal actors such as political parties, border guards, security forces and corporations; informal actors like the local elite and the land mafia; along with weak government mechanisms and corruption can be taken as drivers of land grabbing. Other recent issues such as land

acquisition by private corporations, multilateral institutions and even government agencies for development projects can be examined from the perspective of policy. Essentially, four different types of land grabbing have been noted:

- (i) Land grab led by political parties: From 1996 to 2005, the Maoist UCPN armed group has enforced its own form of land grab, resulting in the displacement of cadres of other political parties, families of civil servants, local elites and ordinary people. Over 7,000 ha were “grabbed” by armed groups supported by different political parties from 2009-10, despite strong protests from several political parties, the victims and CSOs.
- (ii) Border-related violations and land grab: Indian encroachment on Nepalese land has been a constant strain on the relationship of the two countries. While cases of border encroachment have been spelled out in bilateral agreements signed by both, land grabbing still occurs in 37 open border points. Recent surveys show that over 20,000 ha of farmland have been grabbed by Indian local elites with the support of border security force.

One such case is Susta village wherein, according to border experts, Nepal lost over 14,000 ha. of land, which rendered 50 families homeless. In June 2009, disputes at bordering villages in the



Dang district resulted in the displacement of over 2,000 people. Out of 26 bordering districts, 22 districts have experienced some form of border encroachment. Reports show that nearly 60,000 ha of Nepali land have been taken over by India through relocation of boundary pillars. Further, the Rasiyawal Khurdalotan dam built by India along the border has resulted in flooding on the Nepali side, leaving about 300 houses and 200 ha of cultivated land waterlogged.

The 22 km-long Laxmanpur barrage, constructed within 300 meters of the international border, is a clear violation by India of international law, practices and norms (source: <http://www.sandelman.ottawa.on.ca/lists/html/dam-1/2000/msg01929.html>). Over 15,000 people in 33 villages were affected and thousands of ha of arable land were inundated.

The National Interest Preservation Committee of Nepal's Constituent Assembly, the political parties and CSOs visited the area, marched in rallies, handed protest letters to the Indian embassy and attended a meeting at the CA secretariat to discuss the encroachment on Nepali land by Indian security forces.

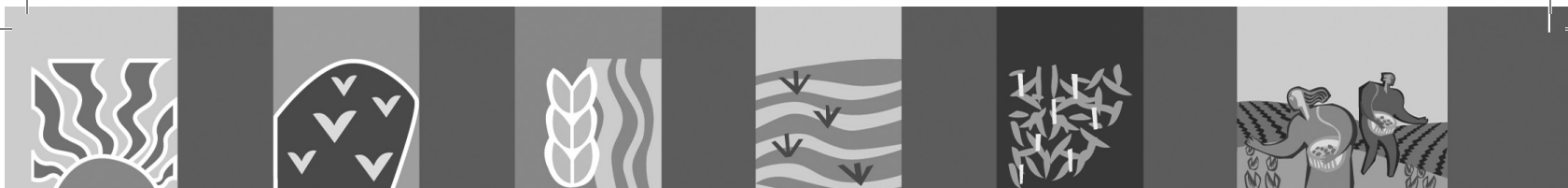
- (iii) Land grabbed by security and armed forces: The Nepalese security forces grab any land of their choice for their barracks, each of which requires over 200 ha. People in general are not informed of this “grabbing”, despite a government task force and the natural resource committee of parliament having conducted various studies. Clear reports have not been disclosed to date. Despite protest actions by local residents, people have lost productive land without being compensated.
- (iv) Township, urbanization and land grab: Land grabbing has been intensified in land

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acquisition for pooling, which push people to leave the land in the name of urbanization, or the creation of townships. Land grabbing in the name of urbanization has accelerated due to the following overarching factors: rural to urban migration, including displacement due to conflict; capital inflows, including remittances, and weak governance, that is, ineffectiveness against the real estate sector. The rapid growth of urbanization in many towns of the country has been guided by factors like concentration of employment opportunities and availability of basic services in and around urban areas as well as natural disasters, unemployment, social stigma and insecurity in rural areas (Shrestha, 2010). Nepal's real estate sector has boomed in recent years, and the immediate driver of this boom has been an enormous rise in land prices—as much as 300% since 2003 (according to the Nepal Land and Housing Association).

Case study of Triyuga Valley in Eastern Hill

Once a green field until the late 1990s, Triyuga valley today is home to over half a million people. The valley was the site of intense land grabbing from 1998 to 2009. To illustrate the extent of land grabbing, 37.2 ha. of farmland were lost by



35 households, and 35.3 ha. of paddy land were rendered unproductive. Cropland was reduced threefold. The average size of landholding decreased from 1.33 ha. to 0.27 ha as local elite, in connivance with land brokers, “motivated” the poor to sell their land at low prices. Some 7,121 parcels of farm land have been divided 10 times in the last 10 years, indicating that the land has been fragmented for house building.

Impact of Land grabbing on Food Security and Local Economy

Grabbing fertile agriculture land in the name of urbanization has resulted in dwindling food production and increased food insecurity. Such a situation can be observed throughout the district headquarters where urbanization has accelerated in recent years. Vivid examples can be seen in the Triyuga valley (in Udayapur district) of the eastern hills, a fertile stretch of land with an average paddy yield of 3.77 MT. However, when agricultural land was converted to housing projects at the rate of 13.3 ha per year starting 2005, the valley now experiences a 12.6 food deficit; or a 0.15% (356.9 MT) loss of food production each year. As a result, 3,324.38 MT of food is now imported by the valley each year.

People now depend on internal remittance for livelihood as over 30% work outside the district. Indigenous peoples have lost ownership over their customary land, as brokers easily encourage them to sell due to acute poverty. In extreme cases, these indigenous peoples have even been displaced, as what happened to the Tharu and Danuwar.

Policy Recommendations

Conservation of agricultural land and food sufficiency are directly related. Loss of productive land means having to import food. People below the

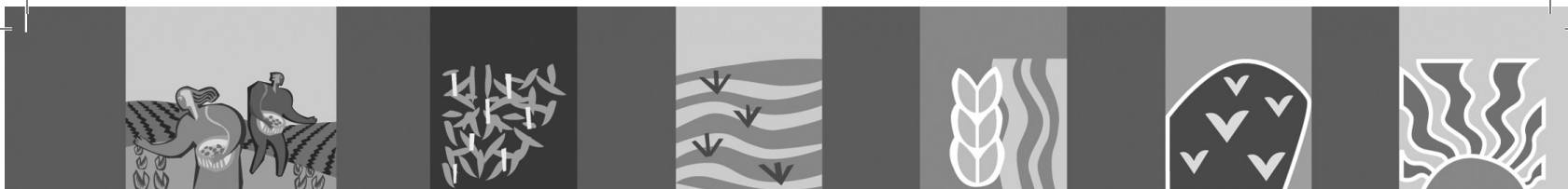
poverty line spend 78% of their income on food. In this situation, the marginalized are deprived even more because food importation results in increased food prices. Low quality of imported food is also the cause of health hazards. Given this situation, and considering the subsistence agriculture system of Nepal, policies protecting agricultural land, land rights and food security need to be adopted, and in an integrated manner. Preserving land can help farmers stay in business.

Suggested action

In order to strengthen land governance, all stakeholders need to be engaged in strengthening land rights of the poor. CSOs should play an active role in building a land policy through the participation of farmers, pastoralists, communities, the government and private sector at local, regional and national levels. For the protection of IPs, vulnerable groups and community rights, the local CBOs and the CSOs are required to enforce the strong land rights policy, linked with food security and rural economy. Sufficient access to land should be given for women, indigenous peoples and pastoralists, users of common-pool resources, tenant farmers, farm workers and people affected by armed conflict. CSOs should be involved in all aspects—planning, implementation and research.

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