

Lang grabbing: Threats for farmers and community rights in Nepal

Community Self-Reliance Centre (CSRC) and NGO Federation of Nepal (NFN)

Land has been the major means of livelihood for 74% of Nepalis. It has also been the major commodity for profit-making for the last 10 to 25 years. Investing in land and land grabbing began in Kathmandu in the mid-1990s and the process expanded slowly to other parts of Nepal. A large area of agricultural land has been grabbed by various groups and converted into housing projects. Sand, gravel, stone, and concrete have been used widely in converting fertile lands into brown desert areas.

Despite commitments made by political parties and the Nepalese government—via the Comprehensive Peace Accord (CPA) and the Interim Constitution—for scientific land reform and protection of farmers and community rights over lands and other natural resources, no progress has been observed in these areas.

Given these circumstances, a study was commissioned to explore the issues related to land grabbing/land transaction to understand further the realities behind the land business to identify the actors and outline the impacts on farmers and community rights. The study identifies the issues from different perspectives. It also makes an in-depth analysis on the future impacts of land conversion. The study recommends follow-up actions to government, peasant organizations, and civil society organizations (CSOs) in order to protect farmers and community rights.

A quick survey was carried out in five districts of Nepal: Morang and Sunsari in the eastern region, Makwanpur and Chitwan in the central region and

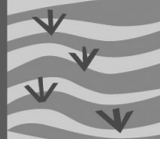
Nawalparasi in the western region. These districts were selected purposively as these were observed to be highly influenced by land conversion.

The study team has met a number of stakeholders, such as government officials related to land and agriculture office, politicians, plotters/land developers, farmers, and landless people during the field visits. Group discussions were the major source of information while reflection with individuals helped the study team enrich the information and arguments.

Land grabbing: Issues and phenomena

Case 1: Reflection from Jhapa and Sunsari

A group discussion with the officials of district level government offices related to land (Land Reform, Land Revenue, Mapping and Agriculture Office) in Jhapa has brought to the fore a number of issues on land grabbing for the purpose of housing development. Some officials shared the opinion that land grabbing is encouraged mostly by state mechanisms as such as the provision of loans through banks and government services like electricity, water, and telecommunications. The government has neither a land use policy nor restriction imposed for land business. Cadres of political parties are also engaged in plotting and have influenced state agencies. According to them, if the government developed a land use policy, fertile land would not have been developed and would not have remained fallow.



They also pointed out that the poor and indigenous peoples have been displaced by land grabbing. The officials have also expressed their doubts and reservations about land grabbing cases put forward in the name of squatters (sukumbasi), as the state/government produce and reproduce sukumbasi time and again in the name of land distribution. Many fake landless cases emerge in the process.

Moreover, a district land mapping officer mentioned that those who began the land business in Kathmandu are the same individuals and companies who began to invest in land plotting for housing in other parts of the country. All have received loans from banks to invest in the land plotting business.

In Jhapa district, it is estimated that 1% of the productive agricultural land falls under land plotting. According to the District Agricultural Development Officer (DADO), land plotting is encouraged mainly by two factors: (i) a sense of insecurity of the people in the south as they want to migrate to a safe place; and (ii) unavailability of agricultural labor and low wage rate in agriculture—as most agricultural laborers prefer to work near market areas as they get higher wages.

Some trends in land grabbing

- Land plotters prefer to buy land adjoining public lands. They use public land as roads, parking areas, and parks. In using public land, the investor saves on land that would otherwise be occupied by roads and parks. In many cases, those who tend to grab public lands near their plotting areas have connections with local authorities.

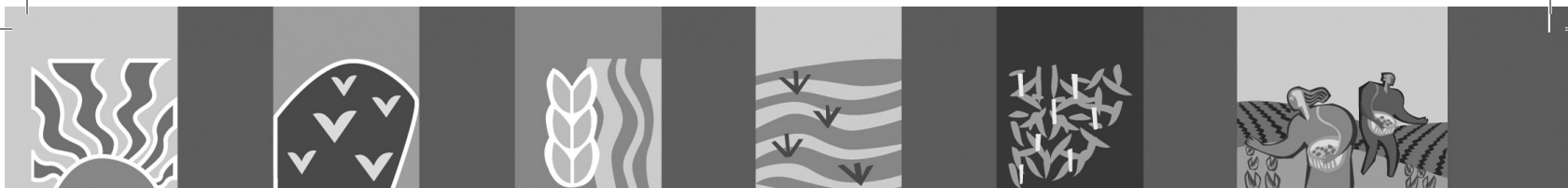


- Cadres of the political parties have engaged in land plotting. They influence service providers.
- Most of the land developed for housing remains fallow.
- People suspect that some of the money coming from land businesses go to the smaller armed insurgent groups and other illegal underground groups.
- Mostly, middlemen buy the land for profit, a trend that increases the price of land.

Case II: Reflection from Makawanpur–Central region

A survey on land grabbing was done in the central region (Makawanpur and Chitwan districts) of Nepal. Land prices have drastically increased in the last few decades. Land has long been considered a commodity to be traded. Many people have been involved in land trading, with brokering (middlemen) becoming a major profit area.

In hilly areas of Makawanpur district, most of the land has been bought by outsiders. The local



communities in the area are indigenous and ethnic minorities such as the Chepang and Tamang tribes. Those who sold their lands were allowed to continue cultivating them, so they do not feel that they transferred legal ownership to the buyers. As reported by land right activists of Makawanpur district, the households who sold the lands felt they were given two-fold benefits as they received money from the businessmen and continued to cultivate their lands.

An officer of the District Land Revenue Office of Makawanpur district admitted that land transactions in the district have increased for various reasons: (i) the conflict in Terai region has pushed the people to migrate; (ii) land has been considered a secure investment; (iii) the banking sector provided loans to land buyers and developers; and (iv) businessmen from Kathmandu bought lands in hilly areas of Makawanpur, speculating that prices will increase over time.

The District Land Revenue Officer also said that a 25% discount for land registration in the name of women is also misused for land grabbing. A big chunk of land was bought in the name of women, then divided into plots by their husbands for commercial use.

Local residents also claim that agricultural lands are occupied in the name of private medical colleges and boarding schools.

Impacts on food production, livelihood, and ecology

Most of the land with plotting has remained fallow for years. Some of these lands were fertile agricultural land with high annual production. Direct impacts are palpable in food production and availability. The effects are not observable in the short term, but

should they persist for a few years, serious problems on food availability could be expected. This is the point of view of Buddhasharan Lama of Hetauda. The present trends of land grabbing/land transaction benefit only the elite. Buddhasharan further says that “those who involved in land business seem to have luxurious life style as having expensive vehicles, buildings, lifestyles and control on the economic activities that may widen the gap between the poor and rich.” Fertile agriculture lands have been replaced by sand, grabble, and concrete while kept fallow, exacerbating ecological impacts.

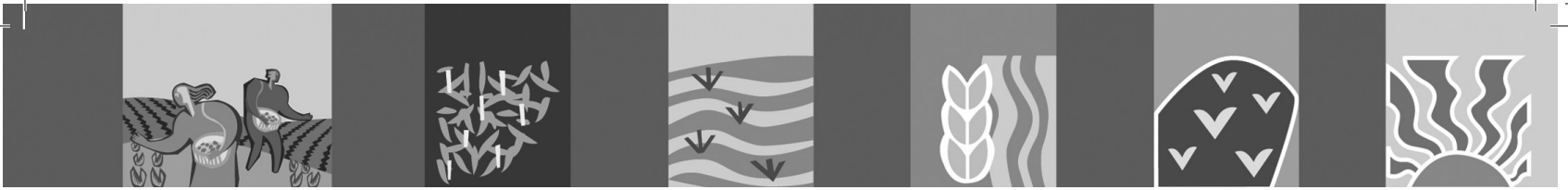
Case III: Reflection from Chitwan–Central region

An interaction was organized with staff members of the District Agriculture Development Office (DADO) of Chitwan district. The overall findings seem to be more or less the same as those in the Jhapa, Sunsari, and Makawanpur districts. Chitwan seems to have been affected directly by dealings and transactions of Kathmandu’s businessmen who have bought most of the land in 9 VDCs or hill areas.

Migration appears to be a consistent trend as in other research areas. According to local people, those who have low income sold their lands in urban areas and migrated to rural areas in neighboring districts (Nawalparasi, Banke, and Bardiya). People with relatively more money migrated to urban areas of Chitwan, some of them buying land and some established businesses. The chief of DADO in Chitwan estimates that around 100 ha of land have been converted in the fiscal year 2009/2010.

The DADO staff recommended:

1. A national land use policy should be developed and enacted immediately.



Impact on food security, land rights and indigenous communities



2. The national land policy should impose restrictions on land transactions motivated by land's commodification and profit-seeking.
3. Investments should be directed to productive sectors rather than land grabbing for housing projects.
4. The land use policy should be implemented strictly by zoning the land in each VDC. Use of agricultural land should not be allowed for other purposes. Incentives for farmers as food growers need to be developed.

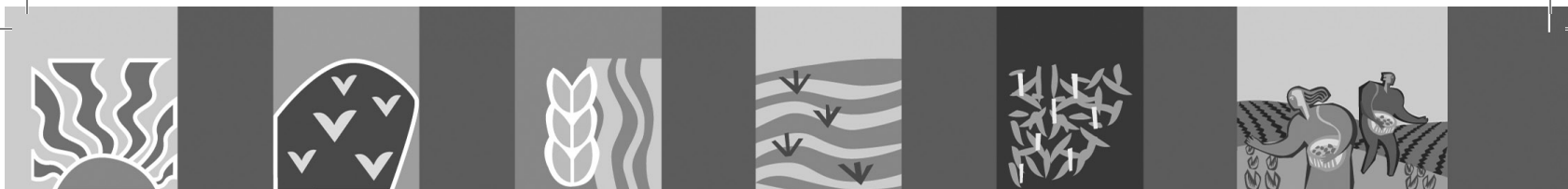
Case IV: Reflection from Nawalparasi district

The research team visited Rajahar, one of the commercial areas in Nawalparasi in the western region of Nepal, where the Cahudhari Group, a large Nepalese conglomerate, has been in business for 20 years. The local people informed the study team that

most of the land bought by the Chaudhari Group was owned by large farmers and landlords. Local reception of the industry appears to be positive, as it provides employment.

Nevertheless, lands in Rajahar, particularly along the East-West Highway, are bought by outsiders and divided into housing plots. According to an informant, businessmen from Kathmandu came to Rajahar and bought large chunks of land, which they also sold for higher prices.

Banana production in Nawalparasi has decreased drastically as most of the land allotted for growing the crop was grabbed and divided into plots for housing purposes. This is another instance where converting land into a commodity could have a long-term impact on nutrition, with the absence of incentives to produce agricultural products.



“The prevalence of land grabbing concentrates capital in the hands of a few members of the elite and further widens the gap between rich and poor.”

Violation of rights: Analysis of farmers and community rights and their probable impact on rights to food and ecology

While land ownership remains the principal source of wealth and social and political power of people, current market-driven ‘commodification’ of land may cause more people to be alienated from land, their principal source of livelihood. On the other hand, the traditional skewed system of landholding continued to be the major cause of injustice, discrimination, and deprivation. The increasing land transaction has added new dimensions and new challenges in order to address several issues of injustice.

The prevalence of land grabbing concentrates capital in the hands of a few members of the elite and further widens the gap between rich and poor. Due to the expansion of markets into rural areas, the shortage of agricultural labor seems to be prominent, with agriculture not seen as a profitable economic activity. Even small peasant farmers have no incentive to cultivate their land and are driven to sell it. Many young people from the rural areas have migrated to urban areas and even to the gulf countries to work.

The demography of rural areas has been changing during the last few years as women, children, and senior citizens now account for majority of the population. Agriculture has been feminized. If more and more people are alienated from their lands,

production and productivity will decrease. The present trend of land remaining fallow indicates that there will be food insecurity in the future. Displacement of communities and farmers—an impact of land grabbing—is an immediate violation of the farmers’ and communities’ rights over land and natural resources.

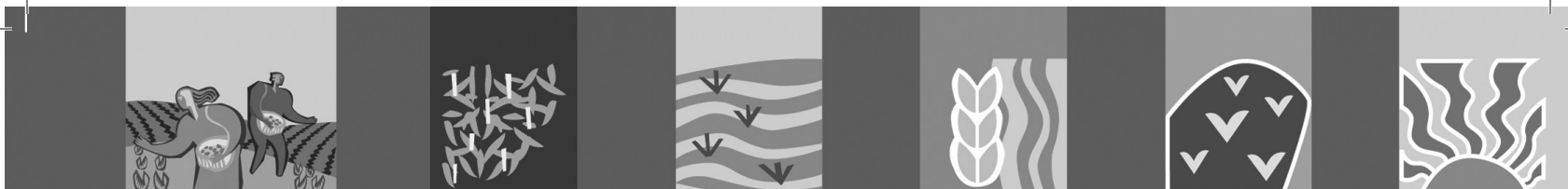
Likewise, encroachment on public land by land plotters in Jhapa district may cause violation of community rights to commons. Since most of the land under plotting was productive agricultural land, the change in the landscape will usher hazards such as the obstruction of water supply and air pollution, ultimately risking the health of local communities.

Land grabbing as a trend undermines investment in the productive and service sectors as it neither generates employment nor regenerates capital. Food sovereignty is the most threatened aspect by current land transactions. As illustrated, small farmers who grow food will be alienated rapidly from their lands in the future.

Recommendations

Given the issues discussed in this case study, the following recommendations were drawn up:

- 1. Protection of farmers and community rights.** A national land use policy must be developed and enacted immediately. Agricultural land must be restricted to agricultural purposes and rendered off-limits to plotting and grabbing. Incentives to farmers should be provided for cultivating land and growing crops, to prevent land conversion for non-agricultural purposes. Rights of smallholders, indigenous peoples, women, and tenants must be upheld. Land usage should be strictly monitored by the land reform office at the district level.



2. ***Strengthening land governance.*** Land administration in Nepal is highly centralized. Land governance needs to be decentralized in order to prevent land grabbing and enhance justice at the local level. Local governments, such as VDCs, DDCs, and municipalities must be empowered in protecting public land as communal property and facilitating the proper use of land in terms of ensuring equity and justice for the local people.

3. ***Facilitating innovative production arrangements.*** Land reform should be taken as agrarian reform that ensures the rights to land and food sovereignty. An incentive structure for agriculture by providing sufficient inputs needs to be developed properly. Livelihood and employment opportunities should be the major factors to be considered in innovative production arrangements.

4. ***Further expanded study on land grabbing.*** A comprehensive study is needed to identify the dynamics of land grabbing and its impact in Nepal. This study is only an anecdotal survey and must be elaborated.

For more details, contact:

Jagat Basnet
Community Self-Reliance Centre (CSRC)
Dhapasi, Kathmandu
Email: landrights@csrcnepal.org

CSRC is a social-based organization which works directly with the poor and excluded people in order to establish a just and equitable society by tapping the potentials and building a sustainable movement of tenants, landless farmers, Kamaiya, Haliya and other land-deprived men and women.

Netra Timsina
NGO Federation of Nepal (NFN)
Email: info@ngofederation.org

NGO Federation of Nepal (NFN) emerged as an umbrella organization of NGOs in the aftermath of democratic political change and establishment of multiparty parliamentary system in 1990. Since its establishment in 1991, the NFN has an outreach of 5,227 NGOs working towards promoting human rights, social justice and pro-poor development.