Future Agricultures

CAADP Policy Brief

Land and Livelihoods: Securing Broad-based Sustainable Growth

Land is central to sustainable development[1]. Agriculture and other land-based activities underpin most rural people's livelihoods strategies. With investment in appropriate technologies, sustainable management and the right land policies, it has the potential to deliver food security, economic growth and broad-based development.

As public and private interest in agriculture grows, competition over land resources is intensifying. Large-scale trans-national commercial land transactions – through land purchases, land leases and contract farming – are exploding across the continent. Land deals in Africa in 2009 alone amounted to 45 million hectares.

Governments, multi-national corporations, civil society and donors are reacting to 'land grabbing' in very different ways. Some see commercial land deals as a threat to the lives and livelihoods of the rural poor.. Others see economic opportunity for small scale farmers but are wary of corruption and negative consequences, calling for improved governance of land markets. Now, the Pan African Parliament has called for land governance issues and their implications for food security and peace to be addressed[2].

Effective tenure security, linked to protection from land grabbing, and land redistribution are pre-conditions for effective smallholder growth. But how can these conditions be achieved and what lessons can be learnt from experiences in Africa? This brief draws on latest Future Agricultures research and examines changes in land use and land property relations associated with land grabbing and land reform in four cases across the continent. It asks: who wins, who loses and why, and what are the social, political and ecological drivers and consequences of these changes?

- Africa's sleeping giant: What are the potentials and pitfalls for commercial Agriculture in the Guinea Savannah and beyond?
- Land grabbing and biofuels: Can biofuels contribute to improving livelihoods and the environment?
- Land deals and pastoralists: What are the impacts on resources and livelihoods?
- Zimbabwe's land reform – What are the myths, realities and lessons?

Awakening Africa's sleeping giant: potentials and pitfalls[3]

According to a recent World Bank report, vast areas of 'underused' land in West Africa - the 'Guinea Savannah' - and Southern Africa offer great potential for commercial agriculture [4]. The report examines two contrasting models of agricultural development– the Brazilian cerrado, dominated by large-scale commercial operations, and northeast Thailand's smallholder-led agricultural revolution. Considerable challenges will have to be overcome if Africa's Guinea Savannah zone is to emulate their success, while there may be adverse environmental and social effects. The report maintains these can be mitigated by: land policies that protect property rights equitably, agricultural research and infrastructure investments, institutions to promote smallholder access to markets and credit, and good environmental management. But critical questions need to be addressed:

Is the Guinea Savannah really underutilised?

The Guinea Savannah is a heterogeneous area, with sudanian savannahs, miombo woodlands and flooded grasslands. In some areas - northern Nigeria, south-west Burkina Faso and the Upper East region of Ghana - population densities are high and agricultural intensification is already underway. Population densities across the rest of the zone are low, with land users engaged in extensive crop cultivation, livestock herding and harvesting tree resources. Such livelihoods activities have already been displaced by large scale land allocations in the Guinea Savannah and elsewhere. Compensation is often inadequate, with women particularly affected by loss of access to cropping lands and environmental resources.

What is needed to sustain commercial agriculture in the Guinea Savannah?

Competitive agriculture needs: growing markets, appropriate soil fertility management and input systems, research into more drought tolerant crop varieties and micro-insurance. In the Guinea Savannah, investment will also be needed to overcome serious constraints in livestock production and environmental health - especially tsetse eradication and veterinary services. Investment in transport infrastructure, more than anything else, will open up the GS. Infrastructure investment requires coordinated regional (super-national) policies – as does regionally targeted agricultural research.

What development pathways are most likely to reduce poverty and protect the environment of the Guinea Savannah?

An agricultural system which is smallholder based, with the natural resource base managed through decentralised institutions, and production practices and natural resource management which respond to growing market demand – may be as good as any. Development trajectories must encompass the wide variety of crops and cropping systems, crop-livestock systems, tree species diversity, and 'wetlands in drylands', critical for complex, risk-prone environments. This will require strong local institutions and fora where competing interest groups can have effective dialogue. Biodiversity in the Guinea Savannah is vital for ecosystems and livelihoods, and is a major global public good. Some countries – notably Tanzania – have shown impressive commitment to the environment through protected areas. Other, location-specific measures - migratory corridors, wildlife friendly farming - may also be needed.

Can commercial agriculture really be productive, sustainable and pro-poor – given political economic interests in the zone?

Most agricultural commercialisation intensifies rural inequalities, excluding semi-subsistence households from direct benefits. But on balance the Thai smallholder model, rather than the Brazilian large-scale model, is the preferred pathway for the Guinea Savannah. Smallholders have a competitive advantage in production of most staples and other agricultural commodities likely to be grown in the zone (except sugar) and are also likely to be better for the environment. Large scale farms in Africa have generally prospered only where there is some form of public subsidy.

But countries that 'wake the sleeping giant' could well end up following the Brazilian model. Brazil began exploiting the cerrado to support poor smallholders resettle and produce food for domestic markets, but farmers from southern Brazil rushed in to acquire large landholdings at low prices. Land allocation in the Guinea Savannah may end up benefiting local elites or large-scale foreign investors as a result of political influence, or simply because smallholder development is more demanding on support services and infrastructure. Even investments intended to support smallholder development – such as roads – are likely to trigger interest in land for large-scale farms, yet are not sufficient to catalyse smallholder development.

Strong and equitable land policies are essential if smallholders are to be included in development of the Guinea Savannah – and not just on paper. What is needed is to give stronger content to customary tenure rights in law, together with funded, decentralised land rights administration – to give local land users the basis to defend their rights and the means to negotiate with outside investors.

The way forward - proceed with caution!

- Don't put roads where there is no clear plan for smallholder inclusion or land law is weak.
- Don't invest in large-scale enterprises where the business model is dependent on state subsidy (however well hidden).
- Where credible large-scale enterprises are keen to invest, existing land rights and tenure arrangements must be respected to avert conflicts and enable benefits to be distributed more widely (even apparently 'underutilised' land is likely to be claimed and used by someone).
- Public investment can be used to promote smallholder inclusion – either as formal outgrowers, or settlers who can benefit from the infrastructure and market linkages accompanying large-scale investment.

Land grabbing and biofuels: benefitting livelihoods and the environment?

As 'land grabbing' climbs up the policy agenda, biofuels are now an important driver in many large-scale land deals. Subsidies and policy incentives in the north to switch to non-fossil fuel sources are driving demand for biofuels across the south. Whilst the focus had been on foreign investors, most cases involve alliances of national elites in government and the private sector, as well as overseas businesses, governments and financiers. What eventually happens depends on the balance of interests and exercise of power of these different groups. Not all land deals actually happen - some exist only on paper; some are implemented, only to be withdrawn later. There may be more hype and speculation than action on the ground, but this may still result in significant changes in land access and rights of existing land users.

Possible responses – three views

What should be the response to biofuels and land deals? Three different narratives of the problem and its solution dominate the debate:

1. **Techno-optimists** see the development of new second and third generation biofuels as opening up major opportunities for biofuel investment, to address fossil fuel dependency and climate change. Problems such as loss of lands by existing users are assumed to be 'fixed' through technological advance and investment. This group includes major global companies, and some in the international community who see technological and investment fixes as the solution to persistent development problems.
2. **Administrative-managerialists** view the prospect of a well capitalised, agricultural sector marketing food and fuel, backed by global industry and financial resources, as a potential saviour for smallholder agriculture in remote, land abundant areas (such as the Guinea Savannah). But this narrative recognises the need for governance measures – favouring voluntary codes of conduct for external investors based on corporate social responsibility.
3. **Localist environmentalists** emphasise the opportunities of smallholders to engage in local energy production through biofuels. Populist advocates – including some civil society groups, NGOs and donors – see the potential of small-scale interventions ('project grabs') to deliver green local development.

Understanding the situation on the ground

External investment and engagement in global markets are not necessarily bad for local land users. Equally, not all local level options for biofuels are good. What happens to livelihoods and whether biofuels contribute to environmental improvement and poverty reduction processes all depends on social and political negotiations on the ground. Two examples:

- **Sugarcane and ethanol in southern Africa**[5]. Investment in large-scale sugar and ethanol production has potential to contribute to rural development through greater tax revenue, domestic competition, access to resources and wealth distribution. However, evidence from one case shows how economic power yielded by a transnational company has enabled them to limit their tax contribution, prevent further investment and lower prices by hindering competition. Planned expansion of vertically integrated ethanol production may fail to bring benefits to rural people and could lead to (further) land dispossession and displacement. Attempts to improve financial regulations can be sidestepped or deter foreign investment entirely. Thus the prospective 'balance sheet' – benefits and losses - of biofuels needs to be carefully examined, and compared to policies targeting the rural poor directly.
- **Jatropha in Kenya**[6]. International climate change and energy security interests are pushing jatropha as a large-scale commercial crop; while local groups are promoting it for improving energy access for remote communities. Weak biofuel regulations mean seemingly contradictory activities are developing side by side. So far, however, neither the market-based nor the community-based vision of Jatropha-led development has been fully realised. One well-meaning community-based project designed as a carbon offsetting measure actually set off a process of conflict and differentiation, resulting in a small-scale but disruptive project-led land grab. The lesson here is: smallholder farmers have their own priorities – which may or may not converge with 'outside' groups' - and need to be listened to and supported.

A focus on rights

Proposed measures[7] for governing land grabbing rely on getting governance mechanisms right. But alliances of states and international capital driving land investments are strong, whilst governance capacity and mechanisms for monitoring and redress are weak in many places. Voluntary agreements that urge the powerful to do good rarely work alone: 'would Cecil Rhodes have signed a code of conduct?'[8]- of course not!

A new narrative is needed which recognises the risks as well as the benefits of land investments. Rights to livelihoods, food and land will have to be strongly defended – requiring both mobilisation and building capacities. What needs to be done?

- Creation of farmer-led early warning, monitoring and response systems, and support to governments for documentation, review and assessment of land deals.
- Reorientation of national (south and north) and international legislation in favour of land users – subsidy/tax regimes, corporate acquisition policy, bribery and corruption legislation.

- Interventions to direct investment and align business models in favour of smallholder and labourers' livelihoods – such as improving market chains.
- New alliances between agricultural producers and plantation workers, and between environmentalists and development groups, to resist the processes of land grabbing.

Land deals and pastoralists: impacts on resources and livelihoods[9]

In the Tana Delta, Kenya huge tracts of land – critical pasture resources for pastoralists - are being set aside for industrial-scale farming. More than 25,000 people stand to be evicted from their ancestral lands in favour of corporations and foreign governments under the Tana and Athi River Development Authority (TARDA) project.

Land Grabbing and Orma Pastoralists

The Orma graze across the delta, their traditional lands bordered by Tsavo National Park and an Agricultural Development Corporation Galana ranch. Land deals and the emergence of markets in the region have unleashed new pressures - and opportunities - for the Orma:

- Land deals: Corporations and foreign agencies are scrambling to exploit the delta for export crops, biofuels and minerals. Planned developments are poorly conceived and likely to result in tens of thousands of people losing their livelihoods.
- Restricting access to key resources: Appropriation of key land-based resources in the delta through various land deals has restricted pastoralists' access to high value grazing.
- Fencing corridors: Pastoralists are marking off corridors to save land from grabbers – 'grabbing' the corridors for themselves as a grazing/land protection strategy.
- Developing market linkages: Emergence of markets and opportunities for commercialisation in Mombasa and Mariakani has given rise to new entrepreneurs in livestock and livestock products - including women.

These dynamics have major implications for resource tenure. Communal ownership of land and land-based resources is increasingly being replaced by individual/private ownership with serious negative implications for poorer pastoralists who can neither join socially organised groups nor own their own pieces of land.

Settlement schemes have also taken up important dry season pastures in the delta. Individual titled lands are now being fenced, denying access to Orma pastoralists who have utilised these lands for generations. Settlement schemes should have been distributed: 70% to local communities and 30% to Kenyans from elsewhere, but less than 5% of farms have been allocated to local pastoralists. Officials assert that pastoralists did not see the importance of getting farms at the time. But with fencing of farms, they have lost critical grazing pasture, and conflicts between pastoralists and farmers are likely to intensify – particularly during dry seasons or droughts.

Future

The future of the Orma pastoralists is increasingly linked to the political economy of the coastal region and the national economy. The new Kenya constitution will create a National Land Commission which could provide some reprieve from the 'land rush' currently taking place in the delta. The national land policy safeguards the rights of marginalised, vulnerable and dispossessed groups in society, including pastoralists[10]. However, its implementation needs to be carefully monitored and less powerful groups supported to ensure they do not lose out in current and future land deals.

Zimbabwe's land reform: myths, realities and lessons[11]

Land reform in Zimbabwe is very different from the other 'land grabs' described above. Large-scale commercial farms – some highly successful – were forcibly taken over and replaced with largely small-scale farming. A million people settled on 145,000 small-scale A1 farms and 16,000 commercial A2 units across the country.

Since the land seizures, rational debate on land reform has been clouded by politically-driven claims. When examined in relation to real, highly diverse experiences of settlers in Masvingo province, these claims are seen to be largely myths:

Myth 1: Zimbabwean land reform has been a total failure. Performance has been variable. Enterprises on the new A2 farms have been slow to take off – as capital dried up with the economic meltdown. Smallholder A1 and informal farmers have fared better – with low capital activities and relying on local labour. Combining agricultural production and off-farm activities, many farmers are experiencing improvements in their livelihoods and accumulating capital. A 'middle farmer' group of petty commodity producers is also emerging. Land reform has created both challenges and opportunities, winners and losers.

Myth 2: Beneficiaries have been largely political cronies. Whilst no-one denies political patronage in land allocation, the overall pattern is mixed. New settlers are mainly 'ordinary' poor people – half coming from nearby communal areas. Rich, politically-connected settlers are found mainly in the A2 schemes, though not in large numbers. Divisions around class, gender and wealth are a source of conflict.

Myth 3: There is no investment in new settlements. Substantial damage was done to the infrastructure of commercial farms, but there is also significant new investment – mostly from individual efforts and accumulation. New settlers have cleared land, purchased farm equipment and invested in livestock. Investment patterns are highly differentiated: some households are rapidly improving their livelihoods, others are struggling or have dropped out. Local investment is clearly insufficient. The challenge for policy is how to support processes of accumulation 'from below'.

Myth 4: Agriculture is in ruins creating chronic food insecurity. Output of high value export crops has crashed. But the picture for other commodities is more complex. Output of cereals and cotton has held up, and beans have boomed – mostly from A2 farms. Production is still well below potential, due to drought and limited supplies of seed and fertiliser. In wetter areas households are generally producing enough food for themselves, but in drier areas the food security situation for A1 farms is precarious. Overall, up to half of households – 'middle farmers' - are successfully accumulating in mixed farms (more than in the 'maize' revolution of the 1980s – but certainly not everyone). A policy challenge is to facilitate 'take-off' of more capitalised commercial agriculture for a much larger group.

Myth 5: The rural economy has collapsed. The informal rural economy has been adapting fast, while the formal economy has been in dire straits over the past decade. Newly emerging supply chains are linking resettlement areas with new markets and processors. Unlike the old dualisms where large numbers were excluded, more people are participating in the rural economy, benefits are spreading more widely and economic linkages are more embedded. Area-based development is now required to capitalise on these linkages – avoiding undermining this entrepreneurialism and capture by elites - enabling broad-based growth.

If the right steps are taken, prospects for development are good – far exceeding those of the ranching systems that farms have replaced in Masvingo province.

Livelihoods and land reform - lessons for Zimbabwe and elsewhere

Lessons from Zimbabwe suggest major revisions of policy and practice are needed following land reform.

- Smallholder agricultural development can generate sustained production and livelihoods through accumulation from below – given the right support. This includes: infrastructure (dams, roads), financing (credit systems), input supply (fertiliser, seed), technology (intermediate and appropriate) and coordination mechanisms (institutions and policy) that allow agriculture to grow and be sustained, not stifled.
- Large-scale commercial agriculture has a place – where there are real advantages of scale.
- A mix of farm sizes, focused on different markets and with different kinds of producers, interacting in productive ways, seems the best way forward for economic growth and welfare. This requires a flexible approach - moving away from dualistic systems of agriculture and allowing scaling up and down, depending on comparative advantage, investment opportunities and farmers' commitment.

Key Policy Findings

- The smallholder model – rather than large scale farming - can generate broader social and economic benefits with lower environmental costs for the Guinea Savannah region, - if user rights are strengthened and public investments well targeted.
- Both the risks and benefits of land investments must be addressed and rights of land users strongly defended, if biofuels are to deliver environmental and livelihoods benefits.
- Pastoralists - and other poorly represented groups - stand to be major victims of land deals, unless their rights are safeguarded and supported.
- A flexible mix of smallholder and larger scale agriculture, interacting productively – rather than a rigid dualistic system - can best deliver economic growth and welfare in Zimbabwe and beyond.

Endnotes

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This CAADP Policy Brief was edited by **Kate Wellard** of the **Future Agricultures Consortium**. The series editor is **David Hughes**. Further information about this series of Research Updates at: www. future-agricultures.org / The **Future Agricultures Consortium aims** to encourage critical debate and policy dialogue on the future of agriculture in Africa. The Consortium is a partnership between research-based organisations across Africa and in the UK. Future Agricultures Consortium Secretariat at the University of Sussex, Brighton BN1 9RE UK T +44 (0) 1273 915670 E info@future-agricultures.org / Readers are encouraged to quote or reproduce material from Future Agricultures Briefings in their own publications. In return, the Future Agricultures Consortium requests due acknowledgement and a copy of the publication.

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