The Role of Land Tenure Security for Smallholder Farmers in National Development

A policy discussion brief by the Land Core Group of the Food Security Working Group

The Food Security Working Group (FSWG), established in 2003 is a network of over 100 national and international NGOs, working on improving practices related to food security in Myanmar. The FSWG supports its members with a range of services including: technical seminars/trainings, workshop, dissemination of information, access to resources, learning and exchange forums, representation, opportunities to collaborate in evidence-based research, and advocacy.
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1. Introduction

Land tenure security and equitable distribution of farmland have a tremendous impact on economic development, poverty reduction, food security and equity, particularly in developing countries where a large proportion of the population is directly reliant on farming. Land tenure security for smallholder farmers is under threat in many countries. Unclear, insecure land tenure rights for small farmers impede sustainable and equitable national economic development goals.

This policy discussion brief outlines that smallholder rural land tenure security is critical for pro-poor economic development and national food security. The paper examines why land tenure security for small-holder farmers is important and in what ways it can contribute to reinvigorating rural economic growth, reducing poverty, tackling inequality, improving national food security, social stability, environmental sustainability and good governance. While secure land tenure does not always guarantee any of the above indicators, it is a key component in the process to achieve these goals. This brief draws on a global perspective and refers to regional-specific issues relevant to the present Myanmar context. It aims to inform the debate on land issues in Myanmar in relation to rural and macro-economic development,

**DEFINITIONS: smallholder farmers and land tenure security.**

There is no universal definition for smallholder farmers but in Myanmar, it is no more than 10 acres with 5 being the minimum average needed to feed a household of five in year with no disruptive climatic pressures i.e. drought. Many smallholder farmers, particularly where they practice shifting cultivation in the uplands are dependent on larger land areas and common resource land.

Land tenure security can be defined as “the certainty that a person’s or community’s rights to continuous use of land will be recognized and protected against challenges from individuals, groups, companies or the state”

which is at the forefront of the agenda set out by the President under the new Myanmar government. More specifically, it underpins the formal position of the FSWG/LCG in relation to land tenure, namely that: Smallholder land tenure security is a critical foundation for sustainable and equitable national economic development that supports socially and environmentally friendly land management practices.
2. Smallholder land tenure security and national economic progress

Improved smallholder land tenure security reduces rural poverty and facilitates broad-based development along economic, social and environmental dimensions. Of these three, economic factors are critical. Policies that promote smallholder land tenure security and equitable land distribution increase agricultural productivity, rural economic growth and food security. With proper national agricultural support for smallholders, small farms are often more productive than large landholdings and produce a large amount of the world’s food.

2.1. Equitable land distribution and shared economic growth

An analysis of 73 countries between 1960 and 2000 shows that those with more equal land distribution achieved growth rates 2-3 times greater than those where land was less equal (i.e. concentrated in large farm holdings held by a few people). Economic growth tends to accelerate when people can access land fairly, equitably and efficiently, and when land tenure is secure for the rural population. Equitable land distribution is related to ‘shared growth’, which means giving poor people fair and equal access to economic opportunity. Improving access to land for smallholders is therefore a critical factor in helping people to climb out of poverty and achieving economic growth rates. This is of particular relevance in Myanmar where investors have accumulated large landholdings and smallholder farmers lost land in recent decades.

The importance of equitable access to land is backed up by research that shows that the redistribution of land from a situation where 80-90% of the land is held by a few, to one where there is a much larger number of small- to medium-size farms, results in an increase in output and productivity – as long as such a process is accompanied by proper support for small landholders and adequate agricultural policies. As an example, equitable land reform in Taiwan, South Korea, and Japan was a critical factor in the dramatic economic growth in these countries. In each country, land reform including equitable land distribution (from large-scale to smaller-scale land holdings) and secure rights clarified rural land titles, increased land security, and encouraged investment in production. Secured title to land helped provide easy access to collateral and laid the foundation for credit markets.

2.2. Land tenure security, investment and food security

Clear and secure rights to land can improve investment, productivity and sustainable and equitable economic growth. There is widespread evidence that smallholder farmers are more likely to invest in their land and improve its productivity when they have secure land rights. This can lead to increased food security (as long as the increased production directly benefits the local population) and provide opportunities for economic growth. Increased productivity and economic growth are dependent upon access to credit, in which land titles can be used successfully as collateral for loans. Based on a large literature review, FAO concludes that rural people who have extensive rights to land are generally more able to farm in a more productive way, enjoy a sustainable livelihood and contribute more to national economic growth than those who have only limited rights to land. In poorer developing countries where a
high proportion of income, employment and export earnings stems from agricultural production, lack of land tenure security for smallholder farmers is often an important contributor to poverty and economic stagnation. To the contrary, secure access to land for the rural majority can reinvigorate rural pro-poor growth and provide a valuable safety net in times of hardship or disaster. For this reason access to land is a crucial factor in the eradication of food insecurity and rural poverty.

2.3. Efficiency and production: Smallholder farming versus large-scale farming

Most people believe that large industrial farms or plantations are inevitably more productive than many smaller farms. This is not correct. Evidence-based research documents that small-scale farming can be efficient and profitable, produce more food than large-scale mono-crop farming, provides secure employment, and contributes significantly to local and national food production.

Worldwide smallholder farming contributes significantly to food production and is vital to rural economic growth: In Latin America small units of production (average 1.8 hectares) are responsible for 41 % of the agricultural output for domestic consumption. In Africa, smallholders still produce most of Africa’s food. In Asia, China alone accounts for almost half the world’s small farms. Out of more than 200 million rice farmers who live in Asia, few cultivate more than 2 hectares of rice. In many countries small farmers also contribute significantly to export growth of rural products.

Lack of land tenure security for smallholders combined with promotion of large-scale plantations and commercial mono-cropping can result in concentration of land in large, often less productive, holdings, and as a result lack of rural economic growth and food production. For example, experience of large economic land concessions in Cambodia documents that investors - with the exception of a few cases - have fell far below projected production targets. Moreover, the large concessions have not been efficient in generating incomes and employment – and have resulted in deforestation, obstructed local communities’ access to natural resources, polluted rivers and watersheds, and had a highly disruptive impact on the natural habitats of local and indigenous communities.

A recent report examined the relationship between farm size and total output for fifteen countries in the developing world. In all cases relatively smaller farm sizes were much more productive per unit area - 2 to 10 times more productive - than larger ones. Large mechanised farms can benefit from economies of scale but for most crops there are no economies of scale in agricultural production due to the more effective use of labour and lower costs at smaller and medium-sized farms. A Harvard Kennedy School team which carried out an “Assessment of the Myanmar Agricultural Economy” in 2009 shortly after Cyclone Nargis concurred that relatively smaller farm sizes of a few acres to a few dozen acres generally show higher output per acre, greater use of labor and less use of capital per ton of paddy than very large farms with similar land and water conditions. For certain cash crops like rice, labor-intensive methods such as transplanting contribute to such high yields—methods that are often foregone in larger industrial farms. The
team concluded that good policies need to be in place to encourage the efficient use of land and should not force farmers off their land if they are competitive.

The unfortunate reality in recent decades in Myanmar is that many investors have taken over large landholdings from local smallholder farmers under the pretext of reclaiming ‘wasteland’. Often, little of this land is actually converted into industrial agricultural production, and the local population suffers from lack of income and food insecurity. According to the Department of Agricultural Planning of Myanmar’s Ministry of Agriculture & Irrigation, a total of 1.9 million acres have been granted to 204 companies by 2011, with half of that in Tanintharyi and Kachin State, places where many uplands communities still operate under customary law and are, therefore, not protected under Myanmar’s new law laws. The land actually developed and cultivated by the companies are only 35.6 % and 20 % of total respectively.xvi

2.4. Measures to enhance the national benefits of land tenure security for smallholder farmers

Providing more equitable access to land and increased legal tenure security is a foundation for rural modern economic development. But in itself it does not guarantee rural growth nor real land tenure security as farmers may suffer and loose land due to economic reasons. For farmers to access the potential benefits from legal land titling (where owners are granted ownership of land), adequate agriculture policies and incentives must be introduced. These include: access to inputs and credit at reasonable rates, technical extension support for improved productivity, stable and realistic crop prices, and strong distribution, marketing and trade channels. It is also important that the land tenure laws are accessible and understandable for farmers as well as local government officials, and people have easy access to fair settlement of land disputes. Moreover it is very important that laws can be adapted to the different agro-ecological and often communal tenure practices of ethnic communities that still operate under customary laws. This is of particular in mountainous and/or semi-forested areas. Working to improve these issues are just as important as addressing the laws themselves. xv

It is paramount to keep in mind that if the adequate macroeconomic conditions are not in place, legal land titling risks undermining the viability of smallholders. In the worst-case scenario, absence of appropriate agriculture support combined with legal land titling may increase the threat to farmer’s land tenure security and to local and national food security. It can induce distress sales of land, acquisition of rural land by urban or outside entrepreneurs or through speculation. This causes landlessness for many, and land concentration and accumulation for a few. This would result in increased poverty, inequality and conditions that undermine productivity and economic growth. In addition, it is not certain that holding official land titles improves access to sound credit facilities as often assumed. In a number of developing countries, banks have been reluctant to lend money in rural areas - even with titles to plots of land, which they may find very difficult to sell in case of default. xvii,v
Some critics go further, and see market-led land reform as part of neo-liberal reforms that undermine the livelihood and food security of smallholder farmers.\textsuperscript{xviii} They warn that deregulating land tenure systems and introducing private individual tenure without adequate participation of and protection for smallholder farmers risk undermining rather than strengthening land tenure security for the poor - with negative impacts on rural economic growth, food production, and national development.\textsuperscript{xix} To the contrary, increased land tenure security for smallholder farmers combined with protection of smallholder farmers, sound agriculture policies and support, rural poverty alleviation stand a much better chance of being successful. This is of importance in Myanmar, where the government has embarked on ambitious plans to reduce rural poverty.

3. Smallholder land tenure security and national social development

Land tenure security for the rural population is not just important for economic reasons. It can also improve social stability, reduce conflict and promote participation of ethnic groups and women in sustainable development. Countries that invested in equitable land tenure measures including individual and communal rights have not just developed much faster but experienced a much higher level of food security, as well as social and political stability.\textsuperscript{v} Conflict over land can lead to social instability and violence. Therefore it is important, particularly for countries emerging from social unrest, ethnic divisions and autocratic rule, such as Myanmar, to establish a transparent land tenure system, which protects local communities – especially those most vulnerable such as in the uplands – and can solve disputes fairly when they arise.\textsuperscript{v}

3.1. Equitable access to land, social stability and conflict

Secure land tenure and building strong rural economies based on productive small-scale farming allow people to make a decent income and remain with their families in the countryside. This reduces the risk of broad-based discontent (that may escalate into protest and violence). It also helps stem the tide of migratory landless people - especially youths - working under unsatisfactory and unstable conditions, out-migration to other countries, or movement to the slums of cities that do not have sufficient employment opportunities. Secure land rights may also support positive patterns of migration where people have the confidence to rent land to others and exit profitably from agriculture – migrating to more viable activities elsewhere.\textsuperscript{v,iv,xi} Denying large segments of rural society more equal access to land and to the benefits of secure land tenure imposes unanticipated costs to a country’s development.

Insecure land tenure combined with environmental degradation, climate change and food insecurity increase pressure on scarce resources. This can increase the likelihood of instability, conflict and violence. Problems often occur when wealthier (often external) firms start to buy land cheaply; where state institutions are unable to ensure a fair and inclusive system of land regulation (rules, arbitration, etc.); and where there is a large gap between customary (often ethnic) or smallholder tenure systems and formal law. Illegal or simply inequitable appropriation of land by political and/or economic elites (such as for example as a result of infrastructure development or promotion of large-scale export-oriented farming) can result in
forced displacement and land conflicts. Addressing conflicting land claims as part of a fair, equitable and just land tenure system has the potential to decrease and resolve conflicts – leading to a stable social and political environment. Responding to legal complaints in a transparent and fair manner acknowledging the rights of smallholder farmers can defuse rural discontent and build support for government institutions. This is of particular relevance in Myanmar, where disputes over land are on the rise, particularly where large companies have taken over large land areas which local farmers claim are theirs - and in relation to land confiscation for large infrastructure projects.

3.2. Land, ethnic divisions and customary law

Access to land is often related to social and ethnic identity. Clear and equitable land tenure security, which acknowledges local practices help different social and ethnic groups to live in harmony. To the contrary, the absence of clear and just land tenure security is likely to negatively affect inter-ethnic relationships. Some of the world’s most violent conflicts are rooted in disputes over ethnicity and control over land and territory. This is also the case in Myanmar where the central government and armed ethnic opposition groups disagree over control of large areas, including access to the resources in these areas (land, forests, water, minerals etc.) In areas where the Government of the Union of Myanmar (GoUM) has just
signed ceasefire agreements with armed groups in Chin, Mon, Karen and parts of Shan State, the conflicts over land can potentially restart the conflicts and derail peace negotiations. Economic development in these areas without adequate safeguards for the land tenure rights of local communities including resettlement of refugees risk fuelling social and ethnic conflict.

Access to land for the rural poor is often based on informal institutions and custom. Customary rights to land are usually created following local traditions developed over long periods rooted in indigenous practices whereby a community manages a common area of land or where the rights of households to use an area of land is widely accepted and often even regulated by local rules. Customary and informal tenure systems, whether based on individual or collective rights, have demonstrated high levels of investment and rising agricultural productivity. However, customary law arrangements have come under pressure in many countries, particularly when competition for land increases and national laws that are contrary to customary laws have been enforced. For example, in Myanmar, half the land that has been allocated to agri-businesses under the Wasteland Law has primarily been in the minority ethnic uplands of Kachin State and Thanintharyi Division.

Several countries have demonstrated that safeguarding informal and customary law can be successful, productive and decrease the potential for conflict. When doing this it is important to recognize both individual and collective land tenure rights, such as in the uplands and hilly areas of Myanmar where ethnic groups still operate under customary law.

### 3.3. Land tenure security and gender equality

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<tr>
<th>Individual and communal land user certificates for State-owned land: Vietnam and Cambodia</th>
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<td>There is increasing international recognition of the importance of collective land rights. This is also reflected in the revised land laws of countries in mainland South East Asia. In Vietnam, as in Myanmar and Laos, the State formally owns all land. However, the Vietnamese land law provides land property rights, defined as land use rights through the issuance of land use right certificates. In general, those who have a land use right certificate have the formal state-sanctioned rights to exclude others from the land, benefit from the production of land as a result of labour or investment, right to lease and mortgage the land, right to transfer the land to others, right to exchange, right to inherit, and the right to be compensated when the land is taken by the State for another purpose. Individuals, households, organizations, religious establishments, and importantly ‘population communities’ are eligible for issuance of land user certificates. Population communities include various ethnic minority groups, which traditionally hold land together in a communal form in accordance with customary practice. Essentially, this allows for communal titles to be recognized. Despite having only made limited progress in implementation, the government of the Kingdom of Cambodia (where land per se is not owned by the State) has also recognized communal land rights in its national legislation adopting provisions of long-term statutory land use rights of community groups,</td>
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Rural women are responsible for half the world’s food production and in developing countries they produce between 60–80 % of the food. Women provide 50-90 % of rice cultivation in South-East Asia and produce between 60-80 % of basic foodstuffs in Sub-Saharan Africa and in the Caribbean. Yet, women own only 2 % of the land.\textsuperscript{xiii,iv}

The Convention for the Elimination of All Forms of Discrimination against Women (CEDAW), to which Myanmar is signatory, was adopted by the United Nations General Assembly in 1979. It obliges governments to guarantee women equal access to land and other resources. Despite this - poor rural women in many countries have less access to land than ever due to privatisation of land tenure along with social crises and civil conflicts.\textsuperscript{xii} Not enjoying access to land in their own right, women are disadvantaged vis-à-vis men impacting on their ability to exercise active citizenship rights and economic independence, particularly in the event of separation, divorce, abandonment, multiple marriage relationships or death of her husband, where land is a critical resource for a woman.\textsuperscript{xii} It is further enforced by the use of the household as the key unit in administrative systems and also development practices – with the man almost always being seen as the head of the household.\textsuperscript{v}

Some experts argue that women’s independent access and right to land is important for the following reasons: 1) Welfare i.e. that the general welfare of children, for instance, stands a better chance of improving when women have control of productive assets; 2) Efficiency i.e. women have a higher incentive to produce when they have assurance that they will have more control over the output; 3) Equality and empowerment i.e. enabling women to own land independently will empower them economically and also enable them to challenge and change gender-based social and political inequalities. Others believe that joint spousal land ownership can achieve the same positive outcomes.\textsuperscript{xxiii}

4. Smallholder tenure security and environment stability

Land tenure security for smallholders provides incentives for the rural population to protect the local environment. It can enhance water retention, soil and coastal protection, pollution mitigation and the sustainable use of land and natural resources. Traditional and diverse smallholder agriculture systems have also been shown to be more resistant to climate change than mono cropping. Therefore, land policy for smallholder farmers has an important role in preventing environmental degradation and its social and economic costs.

4.1. Land tenure security and incentives to act sustainably

Overall, secure access to land for the rural poor provides an incentive to act sustainably. People with secure titles are more likely to manage their resources carefully and make investments, which improve yields on existing land rather than expanding cultivation into marginal or forest areas. This helps to conserve natural resources and prevent further climate change. Small- to medium-sized farm plots can also exhibit higher overall yields than conventional larger-scale farms, with much lower negative impacts on the environment. Research shows that small farmers generally take better care of natural resources, including
reducing soil erosion and conserving biodiversity. As an example, forest management practices improved in Nepal and Vietnam, after rights to state forests were transferred to communities and individual farmers. And in Indonesia, clarifying the property rights of indigenous people has enabled them to negotiate more effectively with outside groups and manage land and resources more sustainably.

To the contrary, insecure land tenure is often linked to poor land use which in turn leads to environmental degradation. Lack of clear rights can reduce the incentive to farm sustainably for the long-term. In the case of privately-held land, for example, tenant farmers with short-term leases may not undertake soil protection measures, plant trees, and improve pastures if they do not hold the land long enough to receive the benefits of their investments. Also, large-scale industrial mono-cropping without proper environmental safeguards can damage biodiversity and water ways due to over-use of chemical pesticides.

4.2. Traditional agro-economic systems, climate change and disaster mitigation

A large assessment commissioned by the World Bank and FAO, emphasizes that traditional and local knowledge about farming practices enhance agricultural soil quality and biodiversity as well as nutrient, pest, and water management, and the capacity to respond to environmental stresses such as climate change and disasters, particularly if they are supported by new agro-ecological approaches. In general, traditional agro ecosystems are less vulnerable to catastrophic loss than large-scale mono cropping because they grow a wide variety of crops. As crops are more diversified farmers may reach acceptable productivity levels in the midst of environmentally stressful conditions. These positive outcomes of smallholder farmers even under adverse environmental conditions, contributes to national food security (and even to exports) and conservation of the natural resource base and biodiversity. For these reasons land tenure security for smallholder farmers is a prerequisite for food production in the face of climate change and other natural disasters.
Conclusion

Land tenure security for smallholder farmers is important for balanced economic, social and environmental development. It is a key component of rural poverty alleviation as equitable land tenure security promotes increased production, economic growth and food security. Smallholder farmers are key to this process. They often make better use of land than large landholders – as seen in many countries including Myanmar, provide jobs to local people and contribute significantly to national and global food production. Land tenure security for smallholders also supports social stability, can reduce conflict and promote the participation of ethnic groups and women in sustainable development. Finally, land tenure security can improve environmental resilience in the face of climate change. However, improved legal land tenure security for smallholder farmers cannot stand alone. The predominance of export-
oriented agriculture, the liberalisation of agricultural imports and governments’ limited provision of rural extension services, have often resulted in land re-concentration and in marginalization of smallholder farmers. Therefore, for farmers – and the nation – to fully benefit from improvements in legal land tenure, it must be part of a sound agriculture policy that provides incentives to support the smallholder farm sector. An overall enabling macro-economic and political environment promoting equity and pro-poor development is paramount to realise the great potential.

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**Endnotes**


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