Land acquisition is at the center of a debate surrounding the shift of small holder farming land into the commercial sectors of real estate and large-scale farming. This shift in land use patterns has many direct and indirect relations with socio-economic and political dimensions. Further, it results in both positive and negative effects on local livelihoods, economic opportunities and natural resources. The positive impacts of land acquisitions include the generation of business and employment opportunities for local people, the shift in livelihoods from agriculture to non-agriculture, and an increased value of local people’s land. Real estate companies have demonstrated how planned housing settlements and systematic urbanization can raise the value of neighboring plots. For smaller areas, agro-based companies are more effective at cultivating and making profitable low quality of land. However, the current modes of land acquisition seem to undermine local community rights, create irreversible changes in land use, compel land sales, exploit customary tenure, increase household food insecurity, skewed distribution of land resources, and increase the number of land conflicts.
Growing Land Acquisition

The concept of a land acquisition or land grab is defined herein as the purchase or lease of large areas of land by wealthier, food scarce (production deficit) nations, and/or private investors from mostly poor or developing countries in order to produce crops and bio-fuels for export. However, in the context to Nepal, land acquisition seems to be growing in a different direction but also demonstrates similar characteristics and mechanisms of the global land acquisition phenomenon.

Generally, current trends show the increased engagement of national and multinational companies (real estate company and agro-based business) as controlling large areas of land (mostly agricultural land) for housing and commercial farming purposes, thus altering land use patterns. Table 1 lists land acquisition activity in the research area. This information from the Kathmandu, Lalitpur and Chitwan districts was analyzed through primary sources and in the Banke and Bardiya districts through secondary sources.

Actor, Interest and Mechanism in Land Acquisition

Local brokers dominate land deal transactions, engages a wide variety of actors, including social leaders, real estate agents, politicians, business people and land owners. Hence, local brokers form the nexus (close ties among elite members who work with them or engage invisibly) that can resolve the conflicts and difficulties that arise during land deals. Most land deals in the research area follow legal procedures to purchase or lease land from local farmers, but the agents and companies employ different ways to compel local farmers to sell their land. However, agents occasionally employ strategic mechanisms to manipulate and control these agriculture lands, including offering higher than market value for land, physical threats, and trap sales to purchase or lease the land. Many agro-based companies use the “lease, contract farming, out grower/outsource” model, which operates as an indirect form of land acquisition and control.

The recent boom of residential plotting in Chitwan was triggered by a political agenda to make “the Chitwan district as capital city of Nepal.” This resulted in high migration, significant land transactions, and a rising cost of living. These factors drove local businesses and brokers to maximize their profits through land deals for immediate profit, causing a future rise in the value of land and property. Nearly all the land acquisition projects are near good road networks, infrastructures, and basic facilities indicating that they are interested in profit maximization. These transactions also reflect a lack of consideration regarding the quality of land, customary resources, the productivity of agricultural land, land tenure, and local grievances. Thus, economic interests of both national and multinational companies solely drive land acquisition.

Most of the land acquisition agents in Chitwan are not formally registered but are still plotting and selling the land. The lack of registration makes it possible to avoid paying taxes. However, using unregistered agents often leads to administrative and legal problems after land deals are contractually finalized, leading to additional costs and higher profit margins earned by a limited number of people.

Land Acquisition: Land Use Changes and Productivity

Land is one of the major factors of agricultural production. The growing irreversible land use changes due to land acquisition have had a widespread effect on agricultural production. Figure 2 shows that 86% of the respondents claim that agriculture land is being re-purposed for non-agriculture uses. Under these non-agriculture land use changes, housing/real estate and plotting share 95.5%, indicating rapid concretization of agriculture land. Similarly, in Chitwan local cropping patterns are being shifted into commercial farming that ignores local food supply. In addition, most of the plotted lands in Chitwan are kept barren. Neither cultivation nor construction was apparent. Moreover, a large amount of agricultural land was also being used for the construction of road networks in plotting agricultural land. Land acquisitions are resulting different impacts because agricultural lands are the livelihood assets which generate

<table>
<thead>
<tr>
<th>Location</th>
<th>Land Acquisition Agents</th>
<th>Area in ha</th>
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</thead>
<tbody>
<tr>
<td>Kathmandu District (Dhapa and Sitapaila); Lalitpur Districts (Harisiddhi and Thecho)</td>
<td>Domestic real estate company</td>
<td>72.31</td>
</tr>
<tr>
<td></td>
<td>Multinational real estate companies</td>
<td>9.87</td>
</tr>
<tr>
<td>Chitwan District (Bhujlal, Krishnapur and Hakim Chowk)</td>
<td>Plotting by local investors</td>
<td>79.79</td>
</tr>
<tr>
<td></td>
<td>Direct and indirect control by domestic agro-based company (Palam Agro tech)</td>
<td>205.69</td>
</tr>
<tr>
<td>Different parts of Nepal (Banke and Bardiya Districts)</td>
<td>Multinational agro-based companies (CG seeds and fertilizers Pvt. Ltd / RijalTasi Industries Pvt. Ltd)</td>
<td>11.5</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1058.96</td>
</tr>
</tbody>
</table>

Table 1: Data of land acquisition by different actors in different locations, Field Study, 2012.
Local Perception and Responses towards Land Acquisition

Locals perceive land acquisition both positively and negatively. They support positive impacts such as the vertical expansion of housing as opposed to horizontal expansion. At Chitwan, since the arrival of a large agro-based company, locals also appreciate the proper infrastructures and basic facilities that are installed in the community as a result of housing expansion, as well as the widening market, transportation facilities, and increased job opportunities for locals in the case of agro-based company in Chitwan.

However, about two-thirds (66.5%) of our respondents were also against land acquisition and the concretization of agricultural land. Though, in some cases the locals were positive towards the agro-based companies in Chitwan. Furthermore, most of the locals were furious about the land acquisition project in regard to the agents who force and trap sales of their agriculture land. On the socio-political side, indigenous people were worried about displacement of their traditional cultural and political rights at Village Development Committee (VDC) level due to an increasing external population coming into their area. The heavy exploitation of local resources has also raised the question of prior rights of locals where they have been utilizing the local resources for generations. We also observed weakening social relationships in the community because the brokers tended to trigger internal family conflicts when compelling a land sale. Family conflicts arose between siblings and relatives who fought over parental properties to sell the land. These negotiations were directly influenced by brokers. As a result, many land related cases have been filed in the courts.

Research found an increasing incidence of conflict after the land acquisitions took place. Most of the conflicts involved local resource use patterns, tenure systems, and cultural and traditional identities. The heavy exploitation of local resources has also raised the case of prior rights of locals where they have been utilizing the local resources for generations. We also observed weakening social relationships in the community because the brokers tended to trigger internal family conflicts when compelling a land sale. Family conflicts arose between siblings and relatives who fought over parental properties to sell the land. These negotiations were directly influenced by brokers. As a result, many land related cases have been filed in the courts.

Locals are organizing user groups (upabhoktasamiti), community development committees (tole sudbar samiti), and resistance groups (sangharsha samiti) to formally put forth their grievances, and demand more transparent negotiations with land acquisition agents. Locals have also adopted informal approaches to hinder and resist land acquisition projects such as locking gates to housing areas, making physical threats, and distributing misinformation about the details of land acquisition. On the other hand, agents and companies have also adopted similar mechanisms to keep locals away from their projects. Moreover, agents and companies were found to be more effective and powerful in solving conflicts that arose in relation to their projects by diverting and/or diluting the issues raised in opposition to their work.
For more information:


Further readings:
- International Land Coalition (ILC). 2012. Land rights and the rush for land. Findings of the global commercial pressure on land research project: ILC.