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## Why Reject the Privatization of Customary Land

*For capitalists, the customary and collective land tenure systems are obstacles to wealth creation and the accumulation of profit. There has been a strong pressure for formalizing private property land rights for easing its sale and lease for commercial use. This article shows outlines why this push must stop now!*

Most of the world's land is still stewarded by communities under customary systems. Whether it is legally recognized public land or customary land, billions of people rely on communally managed forests or savannas, farmland or pastures, for their livelihoods. This collective organization of life is viewed by capitalists as an obstacle to individual wealth creation and the accumulation of profit.

Multilateral institutions like the World Bank and the International Monetary Fund (IMF) have been encouraging (and pressuring) governments, in the global South in particular, to adopt the notion of private property of land, which is already dominant in Western societies. They have been key actors in the push of formalizing private property land rights for easing its sale and lease for commercial use. They argue for putting land into so-called "productive use" and to "unlock its value." The value and use they refer to is nevertheless related only to the economic value for creating further profits, eliminating all other values and uses communities have that are related to their territories. The expected result is the dismantling of customary and collective tenure systems.

While insecure land tenure remains a pressing issue around the world, privatizing land does not offer communities the security and stability they need. Rather, it is just another avenue for further colonization and exploitation of their land and forests for the benefit of private interests and multinational corporations.

Whether it is through the push for individual land titles or by making customary land available for private investment, 'development' projects, carbon offset projects or natural protected areas, these efforts to commodify land pose immediate threats to billions of people. Customary land tenure systems constitute essential social and economic systems and legal codes that govern lives and entire societies around the world.

The Oakland Institute released a document breaking down six crucial myths used by governments, banks and multilateral institutions to justify the privatization of land.

### Myth 1: Privatizing Land is Necessary to Attract Private Investment

**FACT: Investments in production, processing, and marketing can improve the livelihoods of communities without alienating their land**

Attracting private investment for fossil fuels or mining extraction or for the expansion of industrial plantations or agriculture is not a development paradigm that benefits communities. There exist many

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other paths that do not require privatization of land without evicting communities and destroying customary land use systems.

In Brazil, for example, between 2004 and 2015, agricultural production increased while deforestation fell when land and resource rights were constitutionally granted to Indigenous Peoples and communities, respecting their customary systems, alongside a strong network of protected areas, land use planning, and enforcement. Moreover, the Brazilian experience shows that the best way to protect the forest is to recognize the customary ownership and thus demarcate the lands and forests indigenous peoples depend on for their physical and cultural survival. Nevertheless, the present government of extreme-right wing, Bolsonaro, pushes for the privatization of forests (see recommended reading in this bulletin).

### Myth 2: Private Titles Increase Access to Credit & Loans

**FACT: When titled land is used as collateral for loans, it becomes possible for banks to take over the land if peasant farmers experience a difficult harvest year and are unable to pay back**

The theory that has been widely used to justify land titling projects around the world is that with a private title, landowners would be able to use their land as collateral to borrow money from banks so they can invest and escape poverty. Yet, research shows that when families with limited resources received a private title, banks remained largely unwilling to offer them credit or loans. Moreover, using titled land as collateral makes it possible for banks to legally take over the land if farmers experience a difficult harvest year and are unable to pay back their loan or mortgage – a phenomenon all too common during today's climatic instability.

### Myth 3: Privatizing Land Spurs Development

**FACT: Efforts to convert customary systems into private property rarely occurred historically without considerable social and economic displacement**

There is little evidence that replacing customary or communal tenure systems with private titles leads to development. In Rwanda, for example, attempts to move complex tenure systems into the one size fits all mold of private titles have led to dispossession, distress sales, and concentration of land ownership. Similar initiatives to “secure” land rights through titling have also backfired in Brazil, where a World Bank program in the State of Piauí completely disregarded communal forms of land tenure and implemented an individual title system that opened the door to “legalizing” land grabs and risking dispossession for thousands of people. The impact was so disastrous that the Public Prosecutors Office asked the Bank to suspend the project. Similarly, in Guatemala, a Bank sponsored land administration project resulted in Indigenous communities in Alta Verapaz losing their land to palm oil companies.

### Myth 4: Land Markets Make Access to Land More Equitable

**FACT: When land is nothing more than a commodity, corporations can price peasant farmers out of the markets**

The “creation” of land markets has been repeatedly found to solidify existing inequalities in access to land. In South Africa, decades of colonialism and apartheid greatly concentrated land in the hands of the white minority. Apartheid came to an end in 1994, and yet over 25 years of market-based land reform has failed to redistribute land, as 72 per cent of the country's private farmland remains in the

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hands of the white population who make up just nine per cent of the country.

Within a market system where land and forests are nothing more than a commodity, corporations and wealthy individuals can price peasant farmers and forest-dependant populations out of the markets. This has resulted in growing landlessness and concentration of land in the hands of a few, as the decreasing average farm size in the Global South has coincided with the growth of mega-farms that can take up tens of thousands of hectares. Globally the largest one per cent of farms now operate more than 70 per cent of the world's farmland. In South Asia and Latin America, the top 10 per cent of landowners own approximately 75 per cent of all agricultural land while the bottom 50 per cent own less than two per cent.

#### Myth 5: Customary Systems Fail to Provide Tenure Security

**FACT: Research has shown the recognition of group rights to be more effective than individual titling and that customary land has proven to be “highly resilient, continuous and flexible”**

Promotion of the privatization of land often comes with the spread of false information that customary and collective land tenure systems fail to provide tenure security. Yet, evidence refuting this myth has been abundant for decades. The first USAID country land tenure profiles from 1986 noted: “African countries with relatively good production records over the last twenty years have achieved them under remarkably diverse set of tenure arrangements, in which customary tenure figures prominently.” In 2011, The European Union Task Force on Land stated: “land titling is not always the best way of increasing tenure security, and nor does it automatically lead to greater investment and productivity. In many places, land is held through unwritten, customary means, but it is not subject to insecurity.”

#### Myth 6: Land Reforms Centered on Interests of Peasant Farmers

**FACT: The privatization of land is geared towards serving corporate profits at the expense of fighting poverty or improving livelihoods**

From Brazil, to the Philippines and South Africa, people are calling for land reform to equitably redistribute land that was wrongly seized and accumulated during colonial times. However, recent land reform programs centered on private titling fail to address these pressing demands. It is clear that the privatization of land, encouraged by financial institutions and a few Western countries, is not about fighting poverty or improving livelihoods. The process of transitioning local customary systems – that generally offer tenure security – into private titled land is likely to result in landlessness and land concentration.

*This is a summary of the publication “This is Our Land. Why Reject the Privatization of Customary Land” from the Oakland Institute. [For the full information and references, access the publication here.](#)*