UNEVEN GROUND

LAND INEQUALITY AT THE HEART OF UNEQUAL SOCIETIES

RESEARCH FINDINGS FROM THE LAND INEQUALITY INITIATIVE

EXECUTIVE SUMMARY

In most countries, land inequality is growing. Worse, new measures and analysis published in this synthesis report show that land inequality is significantly higher than previously reported. This trend directly threatens the livelihoods of an estimated 2.5 billion people worldwide involved in smallholder agriculture.

Land inequality is also central to many other forms of inequality related to wealth, power, gender, health, and environment and is fundamentally linked to contemporary global crises of democratic decline, climate change, global health security and pandemics, mass migration, unemployment, and intergenerational injustice. Beyond its direct effects on smallholder agriculture, it is clear that land inequality undermines stability and the development of sustainable societies, affecting all of us in almost every aspect of our lives.

Land is a common good, providing water, food, and natural resources that sustain all life. It is the guarantor of biodiversity, health, resilience, and equitable and sustainable livelihoods. It is immovable, non-renewable, and inextricably connected to people and societies. How we manage and control land has shaped our economies, political structures, communities, cultures, and beliefs for thousands of years.

Despite the centrality of land inequality to so many global challenges, and despite global recognition of the fundamental importance of secure and equitable land rights in the Sustainable Development Goals (SDGs) and the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests (VGGTs), inequalities in rights to land and the distribution of benefits from it are on the increase, while unsustainable land use is placing a huge burden on those least able to bear it.

The "*uneven ground*" alluded to in the title of this synthesis report is where the majority of rural people are increasingly finding themselves. They are the focus of this report and of the work of the International Land Coalition. Smallholders and family farms, indigenous peoples, rural women, youth, and landless rural communities are being squeezed into smaller parcels of land or forced off the land altogether, while more and more land is concentrated in fewer hands, mainly serving the interests of corporate agribusiness and distant investors, utilising industrial models of production that employ fewer and fewer people.

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This report sheds new light on the scale and speed of this growing land inequality. It provides the most comprehensive picture available today, informed by 17 specially commissioned research papers as well as analysis of existing data and literature. It lays out in detail the causes and consequences of land inequality, analyses potential solutions, and offers a potential pathway to change.

While there are still significant gaps in our knowledge, not least about the extent of corporate and financial interests in the world's land, it is clear that land inequality is greater and is increasing much more rapidly than we thought. The need to address this is urgent, and it is in all our interests to do so.

Why land inequality matters

Historically, land inequality is tied to legacies of colonialism, conquest, and division, and in many parts of the world it is a politically charged issue. From the early twentieth century through to the 1960s and 1970s, agrarian policies with a focus on small-scale producers and family farmers, together with land redistribution policies implemented by a number of governments, resulted in the main global measures of land inequality recording a slow but steady fall.

However, since the 1980s, land inequality has once again been on the rise. The reasons are discussed in this synthesis report but, in summary, it results largely from large-scale industrial farming models supported by market-led policies and open economies prioritising agricultural exports, as well as increased corporate and financial sector investments in food and agriculture, and the weakness of existing institutions and mechanisms to resist growing land concentration.

A key outcome of the current trend is an increasingly polarised land and agri-food system, with growing inequalities between the smallest landholders and the largest. Globally dominant food systems are controlled by a small number of corporations and financial institutions, driven by the logic of return on large-scale investments through economies of scale. At the other end of the spectrum are locally dominant agri-food systems, largely made up of small-scale producers and family farmers, connected to particular pieces of land. These are not completely separate systems; there are many points of intersection, but they represent two approaches that are moving further and further apart.

The embeddedness of land inequality with other inequalities, and of land inequality with global crises and trends, involves a complex system of interconnections.

Land inequality manifests itself in numerous ways, whether social, economic, political, environmental, or territorial. Most of these manifestations are inter-related and influence one another, resulting in the major global crises and trends that we see today.

Land inequality is fundamentally related to political inequality, particularly in societies where accumulation of land conveys political power. This feeds elite control and increases income, wealth, and asset inequalities. When the quality of institutions is low, policies that support the powerful tend to find favour while policies that benefit the poor, the landless, smallholders, indigenous peoples, women, and family farmers do not. Also, highly concentrated land ownership or control can subvert political processes and thwart efforts at fairer redistribution. In this way, land inequality ultimately weakens democracy.

Unemployment and reduced incomes are further results of land inequality, with critical implications for developing countries that have large youth populations. Large industrialised farms absorb fewer workers overall and tend to casualise the workforce, pushing real wages down. Especially in Africa, where agriculture is still the largest employer and youth unemployment is a major challenge, the unfettered continuation of current land inequality trends would create a social and economic disaster of massive proportions.

Climate change is both a cause and a consequence of land inequality, reducing agricultural productivity in parts of the world and forcing many off the land altogether. And while large-scale, environmentally damaging monocultures contribute to climate change, the more sustainable land use practices of small-scale farmers and indigenous peoples are threatened by evictions, deforestation, biodiversity loss, and excessive pressure on water and other natural resources.

There are strong connections between land inequality, changes in agricultural practices, global health security, and the spread of disease. COVID-19 is the latest zoonotic disease to emerge from a combination of unsanitary animal farming and pressure on land and wildlife populations, exacerbated by the same drivers that fuel land inequality. COVID-19 has also contributed to land inequality through dispossession in more heavily policed societies.

Migration has long been a coping strategy for people faced with poverty, poor living conditions, social exclusion, and lack of opportunities – all factors that arise from unequal access to land. Mass and forced migration is also a response to conflict, displacement, climate change, and unstable democracies, and is driven or aggravated by land inequality.

Land inequality is inextricably related to social exclusion and intergenerational justice. Rural women and youth face multiple challenges linked to land inequality, including reduced access to land and employment prospects, exacerbated by climate change. Land inequality hence has implications for social exclusion and disempowerment, structurally reducing opportunities for younger rural generations, especially girls, to improve their lives in the long term.

Ending poverty and hunger, ensuring good health and well-being, decent livelihoods, gender equality, climate action, peace, and strong institutions are thus all dependent to some extent on addressing land inequality. Without addressing land inequality of all kinds, it will not be possible to achieve inclusive and sustainable development that leaves no one behind.

There is clear evidence that small-scale and family farmers and indigenous peoples generally produce more net value per unit area than large enterprises, and their land use practices tend to support biodiversity and healthier soils, forests, and water supplies. Women's land rights and collective land rights are particularly important in this context. Driven by the logic of heritage and stewardship rather than short-term profits, they have much to offer the global objectives of equitable and sustainable development, yet they are increasingly excluded while global trends favour land concentration.

Land inequality - the shocking reality

The traditional measurement of land inequality – the Gini coefficient for land distribution based on household surveys recording ownership and area of holdings by size – provides a useful long-term perspective on land inequality across countries. However, it paints only a partial picture that does not take into account the multi-dimensional nature of land (tenure, quality, assets), nor does it reflect multiple land holdings or actual control over land, nor does it include the landless. In the framework of this Land Inequality Initiative, these data have now been complemented by innovative methodologies, implemented using a sample of 17 countries. The results indicate that land inequality is much worse than previously thought.

Today, it is estimated that there are approximatley 608 million farms in the world, and most are still family farms. However, the largest 1% of farms operate more than 70% of the world's farmland and are integrated into the corporate food system, while over 80% are smallholdings of less than two hectares that are generally excluded from global food chains. Although patterns vary significantly from region to region, since 1980 in all regions land concentration has either been increasing significantly (North America, Europe, Asia and the Pacific) or a decreasing trend has been reversed (Africa and Latin America). In most low-income countries, we see an increasing number of farms in combination with smaller and smaller farm sizes, while in higher-income countries large farms are getting bigger.

By taking into account multiple ownership of plots, land values, and the landless population, research conducted for this project concludes that land inequality has thus far been significantly underestimated. Overall, research carried out for this project has found that the top 10% of rural populations across the sampled countries capture 60% of agricultural land value, while the bottom 50% of rural populations, who are generally more dependent on agriculture, capture only 3% of land value (Bauluz et al., 2020). Compared with traditional census data, this shows an increase in rural land inequality of 41% when agricultural land value and landlessness are taken into account, and an increase of 24% if value only is considered.

These new estimates also provide important new insights into international patterns of land inequality. Although Latin America remains the most unequal region, land inequality in the Asian and African countries sampled increases proportionally more when land value and landless populations are included. Asian countries that appeared moderately equal under traditional measures (such as India, Bangladesh, and Pakistan) have among the highest levels of inequality when land value and the landless population are included. China and Vietnam, by contrast, display higher levels of land inequality among landowners than South Asia and Africa, but land concentration is only slightly higher when land value and landless households are considered. Africa has the lowest levels of land area inequality among landowners, but this rises significantly when land values and landless populations are included.

Hidden hands – the unseen drivers of land inequality

The findings on land inequality reported here are almost certainly an understatement, as none of the available data show how much land is controlled or operated by corporate entities and investment funds, even though their operations clearly involve significant interests in land across different countries.

These less visible forms of control do not necessarily require ownership. Contract farming, for example, can incorporate land into supply chains, creating new dependencies and perpetuating extractive models. There is increasing corporate concentration of ownership and control throughout the agri-food sector, which influences the way that land is used. Furthermore, the growing role of financial markets and actors treats land as an asset class and can significantly change the way that it is controlled and used.

In the agri-food sector, corporate organisation is linked to industrial modes of primary production, which seek advantages of scale. In addition, through horizontal and vertical integration, these actors control large sections of specific value chains, often all the way from seeds via inputs to retail, enabling them to exercise significant control over the land to reap maximum value, and contributing indirectly to land inequality.

Concentration of control is compounded by increased interest in agricultural land from the financial sector. Parts of the world's farmland are now considered financial assets, with no known physical owner, subject to decision-making processes that may be external to the farm. Instruments such as shareholdings and the use of derivative values detach investments from their material base, and can bring greater instability to agricultural markets and put speculative pressures on land and agricultural products. Among the asset managers and private equity firms involved in farm investments are the biggest managed funds in the world, which also have substantial investments in major supermarket groups as well in the world's largest seed companies and livestock breeders.

Complex corporate and financial structures and cross-shareholdings mean that clear lines of responsibility for land use and management are becoming harder to discern, just as they are becoming more important. It is also difficult to hold investors to account for their economic, social, and environmental impacts when primary investors are unknown or geographically and institutionally remote from the land in question.

Land inequality solutions for effective change

The policies and measures presented in this synthesis report are not exhaustive. Nor is there any "*one size fits all*" solution. Instead, this report offers a number of measures to build on and adapt for specific contexts, regions, or countries, while noting that the land sector is in constant and accelerated transformation and mitigation measures will always have to be adapted over time.

It is important to emphasise that land redistribution efforts alone will fail to ensure sustainable livelihoods, let alone prosperity, for the majority of rural people. A range of measures is needed, including redistributive programmes, regulatory reforms, taxation, and accountability measures, not only in relation to land but across the agri-food sector, from inputs to retailing. Such interventions will entail redressing the power imbalances affecting land and the agri-food sector, while also supporting more equitable relations between people and the land.

Agrarian land redistribution reforms have played a decisive role in a few countries, but they have usually required exceptional social and political upheaval to succeed. To be effective, and to prevent a return to land inequality over time, agrarian reforms should be based on long-term political goals that are aligned with a country's overall socioeconomic trajectory, embracing broad-based structural change. They should also consider the socioeconomic needs of intended beneficiaries, such as access to credit, support services, and infrastructure.

Regulation covers a range of measures governing land transfers, ownership, use, and control. This should include regulation of institutional ownership and control mechanisms of land through sophisticated financial instruments, including listed and unlisted funds. Effective land market regulation needs governance institutions with a public purpose, reflecting collective rights, and the ability to act with a certain degree of autonomy. This way the market can be integrated into society and controlled by institutions including representatives of the inhabitants of a territory.

Land taxes can be a progressive instrument in addressing land inequality. Effectively used, they can discourage accumulation, reduce speculation, and constrain intergenerational transmission of inequality. They can also provide a predictable source of revenue that can be used for investment in infrastructure and public services. Obstacles to land taxes may be political or may be due to lack of information on land ownership, transactions, and changes in value.

Strengthening corporate and investor accountability in relation to land is unlikely to happen without enforcement. While positive aspirations are set out in mechanisms such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, change will only happen with compulsory compliance and reporting to live up to the standards expressed in them. Ultimately, there is a need for stronger national laws and policy frameworks that compel investors to follow the highest due diligence standards and human rights and environmental protection standards. There is also a need to support more independent and innovative monitoring of companies and investors operating in agriculture and land-related activities, as well as of shareholding and control of production.

Any solutions to land inequality must address horizontal land inequality, which particularly affects women and groups who hold collective land rights. Secure collective rights protect the well-being, livelihoods, and ability to retain land of mostly indigenous peoples and local communities, and reinforce the stewardship role that these populations and territories play with regard to climate change, global biodiversity management, bio-cultural conservation, and justice, including territorial and gender justice. It is vitally important to require respect for free, prior, and informed consent (FPIC) from communities. Securing women's land rights is equally important and challenging, including for communally held land. Achieving gender equality in land rights requires a complex combination of actions, including legal reform and adaptation of social norms and attitudes and behaviours.

Change will be hard, but not impossible. Counter-movements and collective action are emerging in response to land inequality, endeavouring to make current production models and value chains fairer to farmers and more inclusive. Agro-ecological movements have also grown significantly, defending the land rights of independent family farmers and pushing for change, as well as implementing different practices on the land.

A pathway to change

Despite the vital importance of land inequality, the tools to address it remain weakly implemented and vested interests in existing land distribution patterns are strong and hard to shift, particularly in the face of structural factors driving inequality.

Nevertheless, change is necessary. The urgency of addressing land inequality is fuelled by the same urgency with which people are demanding action on other interconnected challenges: climate and environmental crises, poverty, disease, and threats to democracy. This same sense of urgency is seeing communities taking small steps towards building more sustainable food and agriculture systems, helping to build more cohesive societies, and making them more resilient.

However, reversing land inequality to any significant extent will require a deep transformation in power relations. Solutions will require major changes in political, economic, and legal norms. They will require action that strikes at the root of what makes societies and economies unequal and unsustainable. This will take considerable effort by rural people's organisations, indigenous peoples, civil society, policy-makers, and corporate and financial sector leaders. Inclusive processes will have to be created, giving all stakeholders a voice, especially the most vulnerable.

The new knowledge coming from this Land Inequality Initiative aims to support this change process, and inform advocacy and campaigning actions as well as the establishment of a longer-term facility to measure and monitor land inequality globally. Ultimately, an alternative future, envisaged by all those contributing to this work, will be driven by new visions of human well-being and planetary flourishing. How we use, share, and manage land, water, and natural resources is at the heart of this vision.

Land Inequality Initiative

is steered by an informal reference group, composed of experts in the field of land and wider inequalities.

Members of the reference group did provide guidance and expertise throughout the process and include the following organisations:

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