Rural Youth and Access to Land
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1. INTRODUCTION

Youth access to land, its use and effective control is a factor of empowerment central to the role within their families, communities and organizations. Land, like paid work, is a factor of autonomy for youth and provides them opportunities for maintaining their livelihoods in the rural territories. The lack of land and the economic dependence that it entails, have a deep impact in rural youth means of support strategies, since they prefer to develop their livelihoods based on rural-urban migration rather than staying as unpaid workforce under their parent’s authority. If access is not foreseen, younger generations have to choose between working the family land or leaving the household, not always in good terms, generally to urban areas where it is easier to reach certain levels of autonomy.

Land tenure and the challenges for youth to access land are a source of tension among rural families. Life expectancy is increasing and land inheritance nowadays is between the elder and adult generations. Youth do not have access through inheritance until they are adults (45 approx.). At the same time, small farmers do not have enough land to provide to all their children, while subdivision will affect land productive capacity.

Access to land is a requirement for both material bases of income and social recognition. Rural youth without access to land do not often participate in the decision-making moments during the productive process and thus do not assume responsibilities in the family business. Therefore, initiatives promoting youth access to land should develop entrepreneurship skills, as soon as possible, and sensitize older generations about the relevance of including and delegating responsibilities to their sons and daughters.

Every development program or strategy addressing rural youth or generational change in rural territories, must address land access and tenure issues in an integrated approach, which should also consider capacity building (entrepreneurship, farm or off-farm based activities) and financial support (or access to financial services) to be able to invest and make the land productive.
2. PROCASUR STRATEGY AND SPECIFIC ACTIONS

Procasur Corporation has been working with rural youth since 2008 under the IMI (innovation Mainstream Initiative) funded by IFAD, which improved knowledge on the needs and expectations of rural youth.

Considering the relevance of this issue for rural youth, in 2009 Procasur carried out a comparative study of four land access initiatives for youth in Latin America, called “Land for rural youth”. The purpose of this study was to draw lessons from the experience to help improve the design and implementation of projects intended to facilitate land access to rural youth. To this end four programs were analysed:

- The “National Credit Program ‘Nossa Primeira Terra’” from Brazil, which is part of the subsidized and participatory Brazilian Agrarian Reform;
- The “Young Coffee Growers project” from the National Federation of Coffee Growers (FNC), with numerous supports and guarantees of profitability in Colombia;
- The “Land Fund Program and Installation Rural Young Entrepreneur” from Mexico, which together with the World Bank emphasizes the economic viability of the projects; and
- An initiative of Unions of Agricultural Cooperatives of Nicaragua developed by peasants’ cooperatives.

Currently, Procasur is implementing the Rural Youth Entrepreneurship Program (2012-2015) with the aim of improving knowledge about the situation of rural young people, their processes and livelihood strategies; and to promote the development of innovations. There are some topics of special interest to the program, as they are relevant to the promotion of rural youth economic empowerment. Among these are: business development, access to financial services, access to assets, access to land, partnerships and networks.

Within this framework, Procasur has implemented the Learning Fund, which seeks to innovate financing of rural youth enterprises, providing reimbursable financial resources tailored to the needs of rural youth and their enterprises. The strategy is based on a risk-sharing model, in which young people also need to mobilize resources as a counterpart, while supplies, labour and tools provided by them are valued.

The funds are directed to assets purchasing, in order to capitalize their businesses. Initiatives to be funded could be developed individually, by informal groups of youth, formal youth associations, groups of youth and adults, and family businesses. However, one major criterion for eligibility is that the youth are in fact actively participating or leading the initiative, which is confirmed during fieldwork. The program aims to promote empowerment and economic autonomy of rural youth. A localized program in rural youth, like this one, creates incentives for the parents to give a plot of land for their sons and daughters to start a business of their own. It has happened in several of the initiatives funded, that a group of youth has given access to communal land or a plot of family land to develop their business.

During these years, Procasur has systematized over 30 experiences in Latin America and the Caribbean about rural youth core issues’ like: financial services, entrepreneurship, partnership and access to land. It has also executed more than 10 Learning Routes in these topics, including 2 specifically for women and land access.

At the same time, Procasur and International Land Coalition (ILC-LAC) have launched a call for research aimed at analysing local experiences of access to land for rural youth, identifying formal or informal mechanisms, through which young people are accessing and / or using the land. There are not many public programs in this issue; therefore it is valuable to learn how communities and families are dealing with younger generations access to land, an underdeveloped area of research.

Identifying successful experiences of rural youth access to land and understanding the specific issues affecting young people and their situation can open a horizon of opportunities for the development of concrete actions that contribute to more inclusive and sustainable policies.

As a result 6 cases have been selected in Argentina, Bolivia, Colombia, Guatemala, Nicaragua and Peru.
SELECTED CASE STUDIES

1. Transfer of land rights to young people (Peru)
2. The role of young people in the struggle for recognition of land (Argentina).
3. Participation of young women in the recognition of property rights: social dynamics, institutional arrangements and perceptions. Did participation translated to more access? (Bolivia)
4. Rural youth relationship to land in contexts of war, from a gender perspective and intergenerational approach in the region of Eastern Antioquia (Colombia)
5. Impact of land access in rural youth livelihood projects (Guatemala)
6. Intra-family rules of game: inheritance processes in the peasant family, understanding adult farmers’ perception on the transfer of properties to young farmers (Nicaragua)

3. THREE PATHS FOR ACCESSING LAND: EXPERIENCES FROM LATIN AMERICA

The three possible paths to accessing land are:

- Through customary practices and traditional rights (like inheritance);
- Through the market, and
- Through state (market oriented reforms or other related public policies).

In all of these young people faces specific challenges to access land:

- Lack of incentives for early inheritance. Land transfer is from old farmers to adults, the youth have little saying.
- Lack of assets for financial loans.
- Almost nonexistence of land reform programs and public policies (too expensive to subsidize).

However it is possible to find specific cases and strategies that have given young people access to land in these three paths:

A. Customary practices and traditional rights

Inheritance is probably still the main path through which youth are accessing land. However, as mentioned before, inheritance is also conflictive because as life expectancy is raising, rural people don’t get to inherit land while they are still young, and if there are more siblings and not enough land, probably only the older brother receives a plot. Therefore, possible strategies for accessing land are:

- Incentives for early Inheritance (land rights);
- Intra-family land transfer (could be informal or only use);
- Use of communal land for entrepreneurship.

Case 1: Transfer of land rights to rural youth (El Huaral province, Peru).

Case 2: Intra-family rules of game: inheritance processes in the peasant family, understanding adult farmers’ perception on the transfer of properties to young farmers. A comparison of 2 case studies with different economic dynamics (Nicaragua)

Case 3: Learning Fund in Peru. A group of young people started a business in the bakery industry for which they needed a plot of land to build it. They wrote an application to the community board that authorized them to start their business.

B. Through the Market

Individual young people accessing land through the land market are rare. It happens in some contexts where financial services are more developed; there is absence
of land pressure—so the land prices are moderate—and/or production of cash crops.

It is infrequent because rural youth do not have any assets to use as collateral for a bank loan, and credit conditions are not suitable for them. Therefore, when we talk about youth access to land through market we are talking about tailored financial services generally offered, subsidized by a non-commercial institution, which could be a territorial or functional organization (NGOs, cooperatives or producers’ associations) aiming to promote land access to youth.

- Territorial or functional organizations create alternative financial mechanisms for youth to access land.
- Private – Public alliances

**Case 4:** Nicaragua, Union of Agricultural Cooperatives (UCA) SOPPEXCCA, small producers of coffee quality export

UCA SOPPEXCCA diagnosed that the low participation of youth and women in the cooperative activities' was due to the lack of land. Therefore, the UCA asked for a credit to Root Capital (social investment fund) that allowed them to open the fund for youth (sons or daughters of members) and women.

Applicants are responsible for identifying the land, and then complete the credit application. First the applicant is evaluated and then the land. The purchase is directly completed between the owner and SOPPEXCCA.

As young people do not have a credit history in the UCA, the eligibility criteria are the participation on UCA’s youth movement and references from the community and technical staff.

Conditions: 16% interest for loans over three years. Payments are organized in annual instalments that match the coffee harvest period, to facilitate payment by the partners. In this sense, the payment can be in cash or its equivalent in pounds of coffee. The deadlines for the payment of the credit are calculated based on the technical assessment of the productive capacity of the land. The credit period goes from 3 years to a maximum of 5 to 6 years. The land serves as collateral. Once the credit is paid, SOPPEXCCA gives the land titles to the owner. Flexibility and grace periods are possible.

The credits are conditioned to do organic production in the land acquired as part of an environmental commitment from UCA.

**Case 5:** Nicaragua, NITLAPAN Land Fund

The Land Fund initiative started in 2008, supported by Dutch NGO Cordaid, aiming to give 70 loans. The focus was mainly on women, young and adults, without land, but not exclusively. The program is geographically and socioeconomically focalized. They wanted to implement a participatory strategy were local leaders play a fundamental role both regarding their community insertion and their mediation capacity between women and landowners, for identification and negotiation of the plot of land.

Conditions: One-year grace period, and two years to repay the loan. As an alternative to cash payment is possible to pay the equivalent in kind (one quintal of corn and beans, for example). Interest rate: 10% (from 2011).
Case 6: Colombia ‘New Owners’ (“Nuevos propietarios”) Private-Public Alliance between the coffee producers committee, the state government and energy company CHEC.

Their first strategy was very different from the one they are developing now. Before, the committee searched the land (big plots around 30 ha), which raised land prices in the market. Then, they called for applications from which applicants that met conditions were selected to work the land. Once the committee paid the land it was transferred to the youth. Thus, in the meanwhile, youth were mainly workers. They tried to promote youth partnerships through two models: work cooperative and limited company, among young people that did not know each other, which created a lot of tension among them.

Now, they select the young people and they individually search for the plot of land (1-3 ha). Under this scheme, youth become responsible of selecting the land, pay the loan and ultimately of the whole business. They started the pilot in 2013, and the aim is to reach 250 individuals in the next 5 years. This scheme has lower costs for the partnerships as well.

C. Through the State

This path is characterized by market-oriented land reforms, where the state subsidizes the purchase of land in the market. However, nowadays these policies are scarce, almost non-existent, mainly because of the costs associated. In this path we also present the case of the European Union Early Retirement scheme as interest public policy creating incentives for generational change in the rural areas. However, the strategy is expensive and we are aware of the difficulties of applying it to countries in the global south.

- Market oriented land reform
- Public policies e.g.: early retirement and land transfer programs. Savings or pension funds.

Cases 6 and 7: Brazil and Mexico

Two different approaches: Brazil programs were created to respond to an historical demand from the union of rural workers, and it has a family agriculture approach. Mexican programs originated in an attempt to reduce rural youth migration. However, since 2007, due to budget constraints, it has adopted a neo-professional approach, in which the initiatives are selected based on their capacity to produce profit and be competitive in the market. It is also important to notice that from this period on, Financiera Rural is giving regular credits similar to the commercial ones, without special considerations to young beneficiaries.

Selection of youth is stricter in Mexico than in Brazil, were participants are selected based on their productive project. In Brazil if the youth are qualified they apply with a productive proposal to be funded.

Mexico focuses in business development first and then the selected youth apply for land access through rent or purchase. In Brazil the development of business and the acquisition of land are simultaneous.

Nossa Primeira Terra (2003 -)

It is a credit from the rural reform agency directed to organized students from the training centres (centros de formación en alternancia)— youth 18 to 32 years—with a gross family income from R $ 15,000.00 (USD 7,250) to R $ 30,000.00 (USD 14,500). It gives up to R 80,000 (USD 35,000) for purchase of land, technical assistance, and infrastructure. In the rural poverty line resources invested in productive or community infrastructure are not reimbursable. Interest rate is 1%. Within 17 years with the possibility of grace period. The applicants negotiate the land directly and resources are transferred to the owner. Every form of association is possible.
Land Fund and installation of rural young entrepreneur program (FTJER) 2004 -

The Fund is directed to youth from 18 to 39 in ejidos that have regulated their land rights. First the youth go through a capacity building process where they develop a first entrepreneurship. After this stage young people are selected for the next phase where productive initiative and land rent or purchase is financed. Before, the interest rate was around 5%—a third of what commercial loans offer. However now the rates are similar to the commercial ones. Young people that have finished the first phase leave the program because they do not want to own a debt at the commercial rates offered. Less than half go to the next step.

The program promotes rent or purchase of land in the local community; therefore around 90% of land transfers were among family. The program is indirectly creating an incentive for early inheritance.

Case 8: European Union Early Retirement scheme and installation of young farmers CAP

An essential aspect of the new rural development policy is the importance it gives to human resources. Support for the transfer of farm businesses from one generation to another will be provided through the setting up of measures for young farmers and through the encouragement of early retirement. Training measures will also be pursued, enabling the human potential in rural areas to be harnessed.

Setting up young farmers

- Aids for promoting the entry of young farmers are given on condition that the farmer is under 40 years of age and is setting up for the first time as a producer. Two types of aid are available: a single payment that cannot exceed EUR 25,000 and an interest subsidy for loans contracted, limited to the same amount.

Early retirement

- Aid for early retirement is up to EUR 150,000 for the person retiring, and annual payments may not generally exceed EUR 15,000. The payment for farm workers is up to EUR 35,000 (EUR 3,500 per worker per year). The period over which the aid is paid cannot exceed 15 years for the retiring farmer and ten years for the farm worker. Both must be under 55 years of age. The aid does not therefore continue after the seventy-fifth birthday of the retiring farmer or beyond the normal retirement age of the farm worker. In cases where the retiring farmer receives a pension provided by the Member State, the Community aid is granted in the form of a complementary payment, taking account of the amount set by the national regime.

The Early Retirement Scheme was set up in Ireland in 2007. It is one of the measures in Ireland’s Rural Development Programme 2007-2013. Farmers who retire early under the scheme may be eligible for a pension of up to €15,000 a year for up to 10 years. The scheme also provides a pension for retiring farm workers, in certain circumstances. However the scheme was suspended in 2008 due to financial problems.

4. CONCLUSIONS AND LESSONS

In all the programs presented it is possible to identify different strategies for subsidizing the cost that accessing land has to rural youth. Some are subsidized by the state, other by public and private alliances and NGOs, others by producers associations and cooperatives.

The programs defer in many ways (scope, focalization, approach, methods). As we mentioned some are driven by social inclusion of the youth, others are focused in productivity and the ability to compete in the market. Therefore, each program has learned different lessons. However, it is possible to identify some common ground lessons that should be consider for programs and strategies addressing youth and land access.

- Land programs for youth should be guided by a systemic view and included in a broader strategy of territorial rural development.

A generational change approach should be part of a long-term strategy of modernization and competitiveness of the territory of a social fabric that forms the basis of rurality and producer organizations and civil society.

• **Diversification of strategies and instruments according to sub-stages of the life cycle.**

Every program or project promoting land access to youth should develop their own tools for each phase of the lifecycle, for example focusing on land transfer to young adults (25-35 years), especially couples. Among the younger youth is preferable to focus support on building capacity to meet future challenges of agribusiness.

• **A program for land access should consider complementary financial services for productive assets (inputs, infrastructure, and assets) and capacity building.**

Rural youth have less experience than adult producers. They have been excluded from decision-making in the productive process and have never been responsible of the whole production by themselves. Therefore, different actions, toward capacity building, should be included, like specific technical assistance but also business development and management through different methodologies such as mentorships and exchange of experiences, among others.

Land access should consider financial services tailored to rural youth. This means that financial services should take into account the characteristics of the entrepreneurship productive cycle, consider grace periods until commercialization, low rates and flexibility in terms. Complementary funds are needed to produce the land; otherwise youth will not be able to have access to assets and infrastructure. This situation can generate frustration and defection of the program.

• **The Program should not try to impose one model of partnership and land property; it should rather implement participatory planning to adjust to customary forms of association in the territory.**

Almost every experience (Brazil, Colombia and Mexico) at first tried to promote partnerships exclusively among youth. However, they soon realized that youth preferred other forms of associations, in which family plays an important role. In Mexico, youth have preferred to keep within family businesses and not to depend on others to meet their financial commitments.

• **Programs offering financial services to rural youth should try to tailor their products and services to the needs and characteristics of the rural youth.**

This means, to create alternatives to real guarantees and credit history, ask for example for community references instead. Conditions of payment could consider a period of grace until the business is producing. SOPPEXCCA, for example, matches the production cycle with the deadline for paying the credit. They also give the possibility of paying in kind. This is important in order for the youngsters to meet their financial commitment while the program could benefit others.
Smaller groups belonging to previous social networks have worked better in terms of partnerships (couples, neighbours, siblings). In Colombia the program also tried to promote cooperative models among young people that did not know each other, producing several tensions. Young people have shown to be pragmatic, preferring association or cooperative work for buying inputs and commercialization but not for production.

Nevertheless, youth should be informed of the different possibilities of partnership and its implications, and get support during the formalization process.

- **Participation and involvement of the community from the beginning of the Program.**

Redistribution of land could create tensions among the community. In Mexico, for example, comuneros have refused to consider young people that have acquired land through the program as comuneros because then they would also have right to use common land, which could create conflict. Therefore it is highly recommended to include participatory planning with the youth and other relevant actors of the community. In this way the program will empower youth and promote youth inclusion in the community.

- **Programs directed to rural youth must be flexible and participatory!**

Participation of possible beneficiaries, their families and communities should be included from the design of the strategy and during the implementation. This is important due to possible tensions on who is benefiting from the program in the community. It is also important that youth have a participatory role in identifying and purchasing the land in order to meet their expectations.

Operation rules must be flexible and prepared to change and adapt to new circumstances. Mechanisms for accessing land, business projects and social organization may vary; therefore, the program should consider different possibilities.

The mechanisms for accessing land are determined by the characteristics of each enterprise (rent, leasing, bailment, purchase) and also by the possibilities given by the land tenure regime. In some cases, in Mexico, for example, commercial crops as fruits and vegetables have benefited from renting because it is cheaper. However, renting for livestock has been prejudicial because it has reduced the incentives for building infrastructure.