



Speech of Minister of Finance, Hon Baburam Bhattarai

I feel greatly honoured to have been invited to this International Land Coalition Conference and to share experiences and views.

It is a very happy event that the Conference is being held in Nepal, when we are in the process of introducing scientific land reform in the country. The present government was formed after the historic revolution that overthrew monarchy and made the people politically sovereign. Our task ahead is to make them economically sovereign.

We are moving towards accomplishing this task by bringing about socio-economic transformation in a progressive way. We want to destroy the old feudal production relations in agriculture and industry and develop new ones oriented towards the development of productive agricultural and industrial capitalism. I hope the conference will provide us the opportunity to share experiences and lessons learnt in various pertinent issues associated with land reform and to benefit from these.

Nepal is in a transition from feudalism to capitalism. This involves two paths. The first is the British-Prussian path and the second is the German-French path. In the first path the big feudal landlords gradually get changed into capitalist class, and in the second path the land is assigned to the tiller and they get developed into capitalist class. The first path, which is applicable to countries endowed with vast amounts of land, is called the reformist path, and the second path, which is applicable to countries having limited land, is called the revolutionary path. Except a few countries which had capitalist development early like Britain, most of the countries have followed the second path. This is more so in most underdeveloped countries and countries which had a revolution like Nepal.

Land reform is usually conceptualized in the narrow sense of ceiling fixation and the distribution of excess land to the landless. Although land redistribution is an important component of land reform, we need to see this in a holistic frame. Land reform is also a means to reduce poverty and improve the productivity of land. Poverty is a threat to hard earned peace in Nepal and removing poverty requires, among other things, land rights to the resource-poor farmers.

In Nepal, there is limited cultivated land and that is also fragmented. And the land distribution is highly skewed. The bottom 60 percent holds only 20 percent of total land. Despite large equality in land ownership, there is no capitalist production system. This is the problem that we have. There is still feudal type tenancy system and large absentee landlords, who live in cities. Their land is cultivated by small unregistered tenants on equal sharing of production. The landlord does not contribute anything to cultivation but takes away 50 percent and even more of total production.

The so-called land reform measures carried out in the past in Nepal have hardly changed the age-old feudal semi-feudal relation. These land reform measures did not really change the semi-feudal and unproductive land relations in the country. Fixation of high ceilings and inadequate security of tenancy rights of resource-poor farmers were the major weaknesses of these measures. Neither was there reasonable land to redistribute nor were the land right of tenants assured. As a consequence there has been lack of land rights, growing deprivation of the mass and widening inequality between the rich and the poor. Therefore, we need to establish the rights to land and provide livelihood to the people. For these to happen, the political parties in the government have agreed to implement scientific land reform and land use policy and provide access of landless and tenants to the land.

In Nepal, as in any other underdeveloped country, land is the principal asset and the main source of livelihood to a large majority of people. The skewed land distribution pattern and absentee landlordism, as these exist today, are the major obstacles to create an egalitarian society. Therefore, we are going to introduce scientific land reform based on the principles of "land to the tiller", which will give the tillers the ownership of land. This is one of the essential, and perhaps the most critical factor for improving land productivity. However, the issue of scientific land reform is not only a complex issue, but also a sensitive one. So we need to be very prudent. In this context, the sharing of diverse experiences and expert opinion would be very much useful to us in framing appropriate policies and measures to be incorporated in the Land Reform.

I hope this Conference will come out with objective solutions and pragmatic decisions towards ensuring the realization of land rights as one of the fundamental rights to enable the poor to live a life with human dignity.

Than You.