Land Consolidation as a Tool in Reshaping Natural Resources Governance to Achieve Long-Term Sustainability and Accountability in BiH - White Paper

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Introduction

• BiH is a rural country (More than 51% of total population live in rural areas) with a large population of people doing a subsistence farming.
• Agriculture is still a significant contributor to the country’s GDP with 8.7% share in 2011, employing 19.6% of total labor force. Nevertheless, relatively few producers make it to the market.
• Country has a strong agriculture export agenda, although total agricultural output is estimated to be below the needs of country’s population and food processors.
• Farming properties are very fragmented with a tendency of further division
Great potential, poor delivery

• BiH has a strong potential to produce a number of food staples, but yields of major crops are lagging behind those in the EU as a major foreign trade target market.

• Export of agricultural produce is one of top priorities of BiH foreign trade policy and each year, grand plans are made so that the export score gets better and better. Although it does happen, trade deficit is still there, even in trade with BiH major foreign trade partner, Croatia.

• BiH is a net importer of agricultural commodities and its domestic agriculture does not produce enough to satisfy the country’s needs. As one of consequences, the processing industry runs on empty more often than not, for BiH agriculture cannot feed it with enough raw stuff.

• All this is seen as a contributing factor to the low competitiveness of BiH on foreign markets.
If agriculture is a big pain, what to do about it?

- Current agricultural policies in BiH do not reflect well on actual situation. On the other hand, modern agriculture can be not applied without tweaking to BiH conditions, due to climate, terrain, soil and socio-economic constrains. Furthermore, land fragmentation is detrimental to the prospect of large scale agricultural operations.

- Country is faced with unprecedented level of land abandonment, abandoned lands are primarily one of the issues municipalities have to handle.

- Land consolidation, practiced in the past, sustained to these days. It still stirs interest in farming popualtion, but is not incorporated in proper institutional and legal framework.

- Municipalities have grounds for taking a proactive role and could initiate land trust establishment wherein they could be both guarantors and governors.

- Consolidation can be a drive towards larger complexes of land that, if not possible in a conventional way, might be consolidated and enlarged assymetrically.

- Assymetric consolidation might be a concept worth considering bearing in mind complexities of situation in the country and is worth further research.
Consolidation, usual or asymmetric. What then? (Instead of conclusion)

• BiH policy makers ought to have their own turf sorted out first and only then can they explore possibilities of reaching foreign markets.

• Next, they should figure out how to meet demands of domestic markets for staples and all sorts of stuff necessary for processing industry. That would probably at least minimize a trade deficit and leave more money for other things, such as land consolidation that could be a powerful policy making tool.

• The land available to municipalities is a great resource for producing certain sorts of stuff that is not something big players in agriculture commodities markets are good at, or they might be not interested in. Let’s talk niche markets.
Your attention has been greatly appreciated, thank you very much