



**Challenging the Dominant Assumptions  
About Peasants' Responses to Land  
Grabbing: A Study of Diverse Political  
Reactions from Below on the Example of  
Ukraine**

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## **Challenging the dominant assumptions about peasants' responses to land grabbing. A study of diverse political reactions from below on the example of Ukraine.\***

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### **Introduction**

The thinking that 'world peasants are against land grabbing' is dominant among many rural social movements and empathetic with them scholars and NGOs. 'In all our countries, peasants and family farmers organize themselves under different forms to defend their right to land and to their means of subsistence' – was declared at the 'Stop the land grab'<sup>1</sup> International Conference in 2011 in Mali. The peasant question in response to the land grabbing phenomenon has caused a new wave of debates among different scholars. The peasant society has been viewed either from a moral economy perspective as a homogeneous group with the 'them-and-us' mentality and everyday forms of resistance to land grabs (Schneider 2011, Hall et al. 2011, Adnan 2011), or explored as a subject of class conflict (Harvey 2003, Bernstein 2010).

In the meantime, the assertion that resistance is an indispensable rural response to land grabbing suffers from simplification. Land grabs affect different rural groups in different ways, which creates a variety of reactions to it: from opposition to appreciation. In this paper I rethink the contemporary assumptions about rural resistance to large-scale land acquisitions. Analysing the context of Ukraine, I argue that (i) the politics of dispossessed groups depend on terms of inclusion in land deals; (ii) adaptive livelihood strategies dominate above resistant responses; and (iii) peasants are more concerned with personal gains in response to land grabs than with benefits for the whole community, which often causes loyalty to land acquisitions.

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<sup>1</sup> The conference was organized by the national confederation of peasant organizations (CNOP) in Mali, and by La Via Campesina, the international peasant movement. More than 250 farmers, from 30 countries, launched an international alliance against land grabbing on November 19 in Sélingué, Mali. This alliance will be led by peasants, in collaboration with a wide range of social movements and organizations.

Ukraine is a perfect case for such an analysis. The country was recently included by the World Bank on the list of resource-rich and finance-poor countries that became the targets for land grabbing. The distinguishing feature of Ukraine lies in the near-absent overt protests among rural dwellers to large-scale land acquisitions (Visser and Spoor 2011, Visser and Mamonova 2011b). The lack of open protest among post-soviet peasants can be explained by 70 years of communism (a time when expression of disagreement was prosecuted), the demographic characteristics of rural society, the political regime and various other reasons. I consider the relatively peaceful acceptance of land grabbing as a response of peasants which are not encouraged and inspired by rural anti-grab social movements and other pro-poor civil society organizations whose views do not always coincide with the concerns of ordinary villagers (Pye 2010, White et al. 2012). Therefore, Ukraine is an example of diverse political reactions to land grabbing from the button up when the interfering actor (the social movement) is absent.

In this paper I do not adhere to any particular approach to the peasant question and use terminology 'rural dweller', 'peasant' and 'villager' as synonyms. Ukrainian rural development caused class stratification in rural areas, but at the same time, every rural dweller is a land owner of a household plot and conducts subsistence farming. Therefore, applying only one approach on agrarian transformation would limit the analysis. Furthermore, I apply the term 'land grabbing' in the recent definition<sup>2</sup> of Borras et al. (2012), making no difference between foreign and domestic grabs and considering this process more as a 'grab' with the adverse incorporation of villagers, rather than land investments.

My research is based on a fieldwork conducted during the summer of 2012 in two regions of Ukraine: the Letichevsk district (Khmelnitsk region, Western Ukraine) and the Pereyaslav-Khmelnitskiy district (Kiev region, Central Ukraine). These two regions are characterised by high soil fertility and a large amount of foreign land investors operating there. Various sources of academic literature and statistical sources such as the State Statistic Committee of Ukraine, the Ukrainian Academy of Science, the FAO and World Bank reports are embedded in this research.

The paper is structured as follows. First, I discuss and question the main assumption about contemporary peasants' reactions to land deals. Second, I analyse the factors that influence different processes of exclusion and inclusion of peasants in the modern agricultural development, based on the example of Ukraine. In this way, I will explain the different attitudes of rural dwellers to land grabbing. Third, I distinguish several livelihood response strategies of Ukrainian villagers to large-scale agribusinesses resulting in a socio-economic diversification of the peasantry. In the fourth section I analyse the peasants'

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<sup>2</sup> land grabbing as 'the large-scale acquisition of land or land-related rights and resources by a corporate, non-profit or public buyer for the purposes of resource extraction geared towards external consumers (whether external simply means off-site or foreign)' (Borras et al. 2012).

attitude to land deals by using the attitude to land sales as an indicator. I conclude with a discussion about the generalizability of my findings and their application for wider rural communities.

### **1. Three main assumptions about peasants' reaction to land deals their contradictions from the literature**

In modern literature on land grabbing, rural dwellers are considered victims of large-scale land acquisitions whose traditional subsistence schemas are threatened by limiting their access to land and other natural resources (Quan 2000, Adnan 2011, Schneider 2011). Shapan Adnan writes in his paper: 'the political responses of the dispossessed groups have involved resistance to land grabbing and dispossession as well as struggles for gaining possession or repossession of land' (2011, 4). The assumption that **peasants oppose land deals per se** is applied by many anti-land grab social movements, such as La Via Campesina and MST. Meanwhile, according to the World Bank Group, large-scale land occupation can be, to some extent, beneficial to the local population. Indeed, there are many people being included or incorporated into the emerging enclaves of land-based investments, through a variety of schemes (contract farming, plantation workers, and so on). The doubters of this 'win-win' scenario argue that this inclusion of rural dwellers is an adverse incorporation which, according to Hickey and du Toit (2007), leads to chronic poverty. Meanwhile, even under adverse incorporation, rural dwellers manage to find advantages. Thus, peasants benefit from the recent large-scale agricultural development in Kazakhstan by taking the jobs it creates. Rural Kazakhs, according to Petrick et al. (2011), 'due to the socialist tradition of industrialized farming operations [...] regard themselves primary as workers and not as land owners'(2011, 1), therefore, do not struggle for the 'peasant way' and accept work at the new latifundia. Smalley and Corbera (2012) found that attitude to land investments varies across different rural groups in Kenya. Their interviews with farmer communities indicated the 'vision of development through jobs' and the 'desire for agricultural development projects' as the reasons behind the support of land deals, while the majority of the pastoralists opposed land acquisitions, referring to 'fear of eviction or lost access' and antipathy towards large-scale production. Consequently, for some rural groups and sectors, land grabbing does not necessarily bring negative changes. Outcomes critically depend on the 'terms of inclusion' of local people in land deals (McCarthy 2010). According to White et al. (2012) 'these questions underline the need for a contextual understanding of the political economy of the new enclosures and the labour regimes that emerge from them' (2012, 633).

**The inability of peasants to adapt and coexist with land grabbing** is another popular assumption. Many works were written on the peasants' role in resisting social and economic changes. This resistance is also the key to understanding peasant rebellions and their defences against powerful outsiders (Foster 1967, Scott 1976, Shanin 1972). According to class-based theorists, the

peasantry is an instable group that is disappearing by transforming into the labour class under capitalism (Bernstein 2010). Oliviere de Schutter (2011), UN Special Reporter on the right to food, questions the peasants' peaceful coexistence with land grabs in his analysis 'How not to think of land-grabbing'. However, in his critique he refers to utopian environment factors (such as clearly delineated existing rights of land users and large areas of 'underutilized' land) as indispensable components of the coexistence scenario. Meanwhile, the peasants' choice for adaptation to industrial agriculture is largely overlooked. At the same time, the adaptation to land grabs can lead to more advantageous positions in the rural community. A recent study of Fan and Chan-Kang (2004) on contract farming shows that, despite adverse incorporation, small-scale farmers who participate in contracting agreements have significantly higher incomes than other rural dwellers in China.

The peasants' decision making process that defines their responses to land grabbing **is often analysed in respect to peasant values such as the 'peasant way of life', food and land sovereignty and economic and ecological justice** (Kristjanson et al. 2004, Kay 2012, Rosset 2011). These values formed the basis for programmes of many rural social movements defending peasants' rights for food, land and sovereignty. Meanwhile, Pye (2010) identifies the frequent mismatch between the global campaigns of civil society and the rural social movements and local concerns of villagers in the context of Indonesia. For example, while biofuel debates are globally framed in terms of biodiversity conservation and climate justice, local concerns focus on land rights and employment conditions. As Pye argues, the complaints of palm oil smallholders and plantation workers are conspicuously absent at the international level of civil society and social movement campaigns (Borras, McMichael and Scoones 2010). Therefore, the romanticizing of peasants' motives can be fraught with unexpected consequences.

These assumptions about peasants' responses to land grabbing will be challenged in the next sections, based on the analysis of diverse political reactions from below and in the context of Ukraine.

## **2. The 'terms of inclusion' and their effect on peasants' attitudes to land grabbing**

John McCarthy (2010) argues that factors such as the functioning of smallholder development schemes, the form of democratic control over village institutions, the spatial pattern of villages and investments and the way land tenure systems and informal land markets work are critical factors that influence the exclusion or inclusion of local people in land deals.

In the Ukrainian case, peasants' exclusion and adverse incorporation<sup>3</sup> have been proceeding during the recent history of the country. Ukraine, as many former Soviet Union countries, underwent a distributive land reform since its

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<sup>3</sup> Under adverse incorporation I consider the process of inclusion but on adverse conditions.

independence in 1991. Former collective lands were distributed by means of land shares issued to rural dwellers. However, in practice, property and access are not (or are more than) matters of land title, but fundamentally 'matters of power and authority' (Sikor and Lund 2009, Peluso and Lund 2011). Information about the land reform and its advantages for the rural population was carefully filtered by rural *nomenklatura*<sup>4</sup>. A 1997 World Bank survey shows that just a few Ukrainian peasants knew about the possibilities of leasing their lands or establishing private farming, while most of them (80 percent) knew that they could "invest" their land shares in reorganized farm enterprises, as it was propagated by farm managers (Csaki and Lerman 1997). This led to the re-concentration of the collective lands in the hands of rural elites. Subsequently, many agricultural enterprises were deliberately bankrupted in order for their properties to be acquired at low costs (Visser, Mamonova and Spoor 2012). As a result, many farmlands were abandoned and rural workers became jobless (Visser and Spoor 2010).

Land grabbing, as it was correctly pointed out by Borras et al. (2012), does not necessarily require the foreignization of land. Massive domestic land accumulation in Ukraine started with the titling programme of 1999. However, the Ukrainian titling scheme was an 'illusive inclusion' of rural dwellers in the land market. Then, 95 percent of the title recipients were already at the retirement and pre-retirement age, and were unable to cultivate the lands (Koteneva 2010). According to Bondarchuk (2011), 'this process was just a farce, aimed at showing the "fair" land distribution and led to the concentration of Ukrainian black soil in the hands of rich rogues' (2011, 1). A few years later, foreign investors entered the Ukrainian land market, spurred by global food-feed-fuel scarcity and cheapness and fertility of Ukrainian farmlands. The present accumulation by dispossession, advocated by David Harvey (2003), is characterised in Ukraine by power disequilibrium in lease relations between large agroholdings and rural dwellers, who are still the official owners of farmlands due to moratorium on land sales.

Smalley and Corbera (2012) proposed an interesting notion about the linkages between the land rights system and the local perception of inclusions in land deals. They compared rural dwellers' opinions to two land acquisitions, made by a domestic and a foreign company in Kenya. Their findings indicated that peasants considered the Kenyan company operating on communal lands as a land grabber who wrenched the lands away from community users. However, the foreign company operated on already private lands and, therefore, its actions were perceived more as an agreement on transfer of land ownership rather than land grab.

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<sup>4</sup> Nomenklatura was a category of people in the Soviet Union who held various key administrative positions in all spheres of those country's activity: government, industry, agriculture, education, etc., whose positions were granted only with approval by the communist party of each country or region.

According to Vladimir Lapa<sup>5</sup>, general director of the 'Ukrainian Agribusiness Club', 4,5 million of land owners of the total 6,5 million currently rent their lands to large agricompanies, and conduct subsistence farming on their household plots. Many peasants see land-leasing as a good deal. During the transition period, these lands generated no revenue for their official owners, while with the invasion of the new actors, peasants began to receive annual rent payments. Despite the underpayments for their land shares (less than 5 percent of the crop cultivated on the leased lands), peasants often welcome land grabbers. Raisa (67) an inhabitant of the village Rysanivtsy said:

'Our chiefs desolated these lands... There were weeds growing here, taller than me. And these new guys came, brought order, cultivate our lands. Before that, we did not receive any rent. And now we do! We receive 1,5 ton of grain every year. Of course, this is much better. And who cares if they are Ukrainians or foreigners, if they cultivate our lands well'.<sup>6</sup>

Meanwhile, when peasants do not experience the 'illusive inclusion' to land deals, their sense of fairness is violated. See, for example, the work of Visser and Mamonova (2011a) about rural protests in contemporary Russia, when rural dwellers received no compensation for their previously unclaimed land plots.

The distribution of benefits, costs and risks of any land deal is also highly dependent on the nature of its 'business model' (White et al. 2012). As in many developing and transition countries affected by land grabbing, Ukraine has a twofold system of agricultural production: large-scale industrial export-oriented agriculture (42 percent of agricultural GDP) and small-scale subsistence farming (53 percent of agricultural GDP). 'Subordinate inclusion' of rural dwellers as large-farm wage-workers in the new agricultural development caused mass agiotage around new job possibilities. With the land grabbers' invasion of the Ukrainian countryside, the amount of jobs shrank because of labour-saving technologies and mono-crop production, but labour wages increased. While the average monthly salary in agriculture was about 1960 UAH (equal to 187 euro) at the end of 2011 (the State Statistic Committee of Ukraine), my research for this paper indicated that the workers of agroholdings currently receive 2-3 times more. This causes a struggle for incorporation among rural dwellers. According to Viktor Prikazhnuk, director of the 'Obry' agrocompany, a subsidiary of a large American agroholding, more than 30 people are on a waiting list for the position of a combine driver.

The opposition to land grabs is presented by a small group of private farmers. During the early stages of the Ukrainian land reform, groups of rural intelligence (such as agronomics and accountants of reorganized collective farms) had access to information and managed to detach lands from large enterprises to create private farms. Currently, they produce 5 percent of the country's agricultural output. Land grabbing does not displace farmers from their lands

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<sup>5</sup> Interview was conducted in Kiev, Ukraine. 22 July 2012.

<sup>6</sup> Interview was conducted the village Rusanivtsy, the Letichevsk district, the Khmelnytsk region, Ukraine. 29 July 2012

directly, but the large agroholdings exclude farmers from agribusiness using cheap credits, new technologies and state support. Farmer Nikolay Arapin expresses his dissatisfaction with large agroholdings:

'Agroholdings! Who are they? They are bandits! [...] They evade taxes. They don't pay taxes at all! [...] Moreover they receive millions of state subsidies. No farmer, no *odnoosibnik* [*note: independent peasant*] has received any kopeyka [*note: little money*] from the state. Furthermore, they export the grain. They have an access to foreign markets. They export it at a good price. Meanwhile, the resellers extort my grain at the lowest price...'<sup>7</sup>

In the new unfair market conditions, many private farmers are bankrupted. The State Statistic Committee of Ukraine declared a slight reduction in the number of private farmers: from 43 thousands in 2006 to 41 thousands in 2010. They explained this through farm consolidations and the global financial crisis (Kropivko 2012). However, in reality, this reduction is much larger. For example, in 2010 there were 54 private farms registered in the Zalischtsk district of the Ternopol region, of which only 11 conducted agricultural activities (Zalibrary 2011). The bankrupted farmers and those who are on the brink of bankruptcy are often hired by large agroholdings to work the field with their private machinery. Such advance incorporation leads to the degradation of farmers to the position of wage-workers.

### 3. Livelihood response strategies to land grabbing and socio-economic differentiation of the peasantry

Households from different socio-economic groups have different strategies to deal with the results of land grabbing. Moreover, this is a reversible process: peasants' politics influence their socio-economic positions in rural communities. In Table 1 I provide an overview of livelihood response strategies of rural dwellers to land grabbing and their conditions and outcomes.

**Table 1** Livelihood response strategies to land grabs in Ukraine

N	Livelihood response strategy	Ongoing processes	Outcome	Attitude to land sales	Attitude to large-scale agribusiness
S1	Compete with large-scale producers	Adverse incorporation	Bankruptcy → S3	Negative	Competitor, who does not play by the rules
S2	Take a free market niche	Coexistence, defensive integration	Semi-independence	Negative	Destroyer of collective enterprises, causer of rural unemployment Tenant
S3	Became a wageworker	Subordinate inclusion	Dependence, proletarianization	Positive	Employer

<sup>7</sup> Interview was conducted in the village Hreblya, the Pereyaslav-Khmelnytsky district, the Kiev region, Ukraine, 1 August 2012



S4	Migrate to urban areas	Social exclusion	Surplus labour →S3	Positive	Land buyer
S5	Nothing	Marginalization	Poverty	Positive	Land buyer, successor of collective enterprises

According to the table, the adaptive strategies (S2 and S3) are the safest livelihood strategies in respect to land grabbing. The most and least resistant (or less adaptive) strategies cause the destructions of subsistence and lead to the socio-economic repositioning of the group in the rural community. As it was mentioned in the previous section, private farmers who try to compete and confront with large-scale agribusiness (S1) often get bankrupted and become wage-workers. The rural-to-urban migration (S4) often results not in high-paying formal-sector jobs, but in urban unemployment or employment remunerated by income that is meager even by rural standard (Stark and Levhari 1982). There is a strong tendency of migrant repatriation in the Ukrainian countryside. This creates unconsumed workforce in rural areas, which increases the numbers of 'surplus people', described by Tania Murray Li (2009). The least confronting strategy (S5) leads to the marginalisation of rural dwellers and their full dependence on social transfers in the case of elderly people.

Consequently, in this circumstances the adaptation to land grabbing is a manifestation of the peasants' risk avoidance. Below, I will focus on the S2 and S3 adaptive strategies in more detail.

S2 substantiates a repeasantization tendency in rural areas, described by van der Ploeg (2008). Dealing with the unfavourable living conditions, peasants become highly dependent on subsistence farming on their household plots (Smith 2000, 2002a,b, Smollet 1989). However, it is not the classical subsistence farming, described in the work of Chayanov (1966). Contemporary Ukrainian peasants adjust to the new reality and move to a market niche free from large-scale agribusiness, in a so called 'defensive integration'.

Large agroholdings in Ukraine specialize in exportable mono-crop production that brings quick profits. Meanwhile, less profitable and time- and labour-consuming products such as potatoes, vegetables, fruits, and milk were left outside the focus of land investors (Prokopa and Borodina 2012). Table 2 demonstrates that during the transition period, and especially during the last years, the amount of livestock and milk yields of corporate farms have decreased more than 7 times. Meanwhile, the milk production by household is stable in the analysed periods and even shows some increase. Currently, households contribute up to 81 percent of the milk produced and up to 67 percent of the milk marketed in Ukraine (Tarassevych 2005).

**Table 2** Characteristics of raw milk production in Ukraine (1990-2006)

	1990	1995	2001	2002	2003	2004	2005	2006
Cows in milk, mill. head:								
Dairy farms	6.2	4.6	1.7	1.4	1.1	0.9	0.9	0.8
Households	2.2	2.9	3.2	3.3	3.2	3.0	2.8	2.7
Total	8.4	7.5	4.9	4.7	4.3	3.9	3.6	3.4
Yield, t/cow:								
Dairy farms	3.0	1.9	2.1	2.2	2.1	2.5	2.9	3.2
Households	2.7	2.7	3.1	3.2	3.2	3.4	3.6	3.9
Total	2.9	2.2	2.7	2.9	2.9	3.2	3.5	3.6
Fluid Milk, mill. t:								
Dairy farms	18.6	9.4	3.6	3.5	2.7	2.5	2.6	2.5
Households	5.9	7.8	9.8	10.7	11.0	11.2	11.1	10.8
Total	24.5	17.3	13.4	14.1	13.7	13.7	13.7	13.3

Source: State Statistic Committee of Ukraine

Peasants are also the main producers of potatoes and vegetables in the country. At the current labour rates, household plots produce crops such as potatoes and vegetables at lower market costs than farm enterprises (Morton et al. 2005). This is the result of the 'self-exploitation' peasant practices described by Chayanov (1966). Being more efficient and cheaper in intensive agricultural production, peasants exclude the large scale agribusiness from this niche. According to the FAO report (2008), current households produce 98 percent of the total harvest of potatoes, 86 percent of the vegetables and 85 percent of fruits and berries.

Thus, to some extent, the large-scale agriculture causes the repeasantization of rural areas in Ukraine. Households engaged in subsistence farming and local markets supply are called '*odnoosibniks*' (from Ukrainian: independent peasants). These households meet a significant proportion of their simple reproduction needs from the direct consumption of use values, as their production is not fully commoditised. These petty commodity producers have the capacity to engage in expanded reproduction, but their ability to sustain capital accumulation is severely constrained because of unfavourable condition for a small-scale farming in the country. However, *odnoosibniks* lack the 'struggle for autonomy', the main characteristic of repeasantization, according to van der Ploeg (2008). Their households significantly depend on the rent they receive from tenants, which they use to feed their livestock. Owing to this dependency and the absence of overlapping interests in market shares and lands, these peasants coexist with large-scale production. However, for how long? Olivier de Schutter, for example, holds that 'the coexistence scenario will likely be short-lived: it will simply be a slow motion path to the transition towards a rural economy dominated by large production units, in which small-scale farming will be marginalized and subordinated to the large production units and in which further rural migration will be encouraged' (2011, 261).

S3 is the result of a subordinate inclusion of peasants as wage-workers in the new system of agroproduction. The high demand for agricultural jobs in the Ukrainian countryside was already mentioned in the previous chapter. The

tendency of transforming different peasants groups into rural labour can lead to a conclusion about the accelerating proletarianization of Ukrainian villages. However, conceptualising the structure of rural households requires some understanding of what role the wage-work plays in rural households. Due to a socialist system of rural employment in collective farms, peasants do not consider subsistent farming or entrepreneurial activities as a real work. Meanwhile, according to the 2005 FAO Farm Survey, wage-work accounted only for 41 percent of the rural family income, with at least one family member employed by an agroenterprise. The sales of farm products and social transfers accounted for more than half of the household income (Lerman et al. 2006). This process of livelihood differentiation is the basis for the composite labels of 'worker-farmer' (Cooper 1980), and 'peasantariat' (Parson 1981, Leys 1986).

The ambivalent relations between 'worker-farmers' and large agribusiness are turning around the wages and land rents. Farmer Olexander Skiba<sup>8</sup> calls this situation 'the Ukrainian land paradox', under which 'the bourgeoisie rents lands from its proletariat'. Indeed, many farm workers are simultaneously land-shareholders of enterprises they are employed to. According to the theory of class conflicts, the upper class tends to reduce small land owners to dependent labourers in such conditions (Paige 1975). However, based on the example of Ukraine, it seems to work other way around. Large agroholdings do not struggle for having the lands in ownership and are satisfied with a long-term lease, as it does not require huge capital investments. The wage-workers, in contrast, propose the cancellation of the moratorium on land sales. This will be further discussed in the next section.

Thus, there is a tendency for peasants to transform into two groups: the subsistent farmers (which substantiates the persistence thesis) and the rural labour classes in the meaning of Henry Bernstein (2010) (what proves the disappearance thesis). This contradiction became possible due to different livelihood response strategies to land grabbing and the terms of inclusion. The moratorium on land sales in Ukraine, which is expected to be lifted in 2014, will speed up the process of this differentiation. However, I expect that the land sales permission will skew this trend towards the proletarianization of the countryside. According to the expectations of many analysts, land speculators will coerce peasants to sell their land plots after the lifting of the moratorium (Kovaliv 2012). Therefore, peasants' attitude to land sales before the moratorium cancellation is the best indicator of the rural loyalty to land grabbing.

#### **4. Loyalty to land grabbing and personal gains from it**

The 'peasants' way of life' is a pathway from poverty, according to the populist position in the land grab debates. It has been proven that the efficiency and

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<sup>8</sup> Interview was conducted in the village Yerkiivtsi, the Pereyaslav-Khmelnytsky district, the Kiev region, Ukraine, 1 August 2012

productivity of small-scale agriculture are significantly higher than those of large agroholdings, and that the self-employment of the peasantry can solve the problems of the rural areas (Lerman and Sedik 2007). However, this is not always the desired outcome of peasants themselves. According to Alex Lissitsa<sup>9</sup>, president of 'Ukrainian Agrarian Club', 90 percent of the villagers do not want to live in rural areas. Of course, this number might be exaggerated in the interests of large agribusiness. Even so, the fieldwork performed for this study indicated that many rural dwellers see the rural life as 'slavery' or 'peonage', and are not against moving to cities at the right moment. Moreover, due to risk aversion, many peasants do not engage in risky private farming and, in the context of the post-soviet tradition of industrialised farming, prefer to be employed by agricompanies. This research indicated the desire for a job in an agroenterprise even by relatively independent *odnoosibniks*, who talk with nostalgia about 'good Soviet times' when everyone was employed by collective farms and received a stable salary.

Decision-making processes in peasant society are described by rational choice theorists as an individual and culturally specific weighing of which alternatives offer maximal returns in face of scarce resources (Salisbury 1970, Popkin 1979). The peasants' rationality dominates above the community belongingness, and the short-term personal gains reign over the village needs. The interviews for this research have indicated that peasants are against land sales in the abstract. Villagers often say that 'land sales are a wrongdoing,' and they are convinced that the open land market will negatively affect the rural areas. Petro (76) from the village of Trebukhovtsy predicts:

'When the moratorium will be eliminated, bandits will acquire all the lands. Ukrainian villages will disappear, they will die... They have been dying already: look, there is one old lady left per every house...'<sup>10</sup>

Nevertheless, Petro plans to sell his land plot and move in with his children in a city. The peasants' rationality is observed regarding the environment issues as well. In the conducting fieldwork interviews peasants criticize the current monocrop production and usage of fertilizers by large agrocompanies; however, no one withdraws his or her shares from the tenant who does this. The rent price is considered as a point of difference, while environmental sustainability plays a minor role. Large agroholdings often entice peasants from more environmentally friendly private farmers by offering a higher rent price for the lands.

Attitude to land sales depends on the socio-economic position of rural residents described in the Table 1 and the comparison of benefits from the land ownership versus land sales. While private farmers and *odnoosibniks* oppose the land sales

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<sup>9</sup> From the speech of A. Lissitsa at IAMO Forum 2012 'Land Use in Transition: Potentials and Solutions between Abandonment and Land Grabbing', Hulle Germany. 22 June 2012

<sup>10</sup> Interview was conducted in the village Trebukhovtsy, the Letichevsk district, the Khmel'nitsk region, Ukraine. 28 July 2012

due to their dependence on the lands, some villagers look forward to selling their lands. As it was mentioned before, the majority of land holders are pensioners, who are not able to farm. Therefore, they are intending to sell their lands in order to improve their material standing or help their children. Maria (69) from the village Rusanivtsy explains her choice to sell her land:

'I will sell the land plot. Why do I need it? I am already an old woman. I will not farm it. If they give me at least a kopeyka [*note: little amount of money*] for this land... I need to help my children. One of my sons is in poverty. I will sell my land and give the money to him. Maybe, he will get out of his troubles... Why do I need the land?'<sup>11</sup>

The calculation of possible benefits from lease or land cultivation versus quick profits dominates in the decisions of wage-workers. Because of their employment at agricompanies, they are less engaged in subsistence farming and do not have own livestock. Therefore, the need for the rent as a feed supply for households' animals is absent, and its annual monetary equivalent is not significant in the rural income.

According to a survey conducted by the Centre of Social Expertise<sup>12</sup>, 12 percent of respondents intend to sell their land plots when the land sales will be legally allowed. Meanwhile, the majority of people (68.5 percent) plan to continue leasing their plots. Only 3,1 percent plans to establish private farms.

The peasants' conservatism regarding land lease schemes and their loyalty to land grabbing can also be explained by the social benefits peasants receive in return for their lands. According to the 2005 FAO Farm Survey, peasants still get assistance with household plot cultivation and seeds from agrocompanies. This support is demanded by rural dwellers. Viktor Prikazhnuk, former chairman of kolkhoz, now director of the 'Obry' agrocompany, a subsidiary of a large American agroholding, explains the corporate citizenship of his company:

'in the past, the state helped people through kolkhozes. Kolkhoz helped a lot. People expect the same from us. We have to help, otherwise they could lease their lands to someone else [...] People ask us to buy equipment for the local hospital, or to repair the roads. We allocate money for this... There was a case of fire in one rural house. The inhabitant asked us to help. We gave him some money and cipher to repair the roof. We are trying to help.... However, we can't help everybody...'<sup>13</sup>

The World Bank Group principle N6 of responsible land investment that 'should generate desirable social and distributional impacts' (WB 2010, 16) is doubted

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<sup>11</sup> Interview was conducted in the village Rusanivtsy the Letichevsk district, the Khmel'nitsk region, Ukraine. 29 July 2012

<sup>12</sup> This survey was conducted by the Centre of Social Expertise of the Institute of Sociology of the National Academy of Science and the State Agency of Land Resources from April to June 2011. 1600 villagers, 1 200 farmers and 800 farm managers were interviewed for this survey.

<sup>13</sup> Interview was conducted in the village Trebukhotsy, the Letichevsk district, the Khmel'nitsk region, Ukraine. 28 July 2012

by academics and rural activists (see Borrás et al. 2012), but can in fact be implemented through the demands of rural dwellers. Tamara (55) from Hreblya village is convinced:

'If we will sell our lands, the new owners will do nothing for rural dwellers. The leasing gives us a possibility to control them'<sup>14</sup>.

The position of Ukrainian peasants regarding land sales is ambiguous. However, their decision to sell their lands is influenced more by pragmatic views than by concerns about food, land sovereignty, or the sustainability of the present agricultural system.

## **Discussion**

The purpose of this research was to question the dominant views on peasants' responses to the land grabbing process. Indeed, many rural dwellers oppose large-scale land acquisitions and development of industrial farming in their villages. However, this is not the only reaction of peasants toward land grabs. My research shows that different ways of including the local population in land deals and rural development cause various forms of peasant politics. Thus, the 'illusive inclusion' of villagers through titling schemes and later leasing contracts form positive rural responses to large agribusiness. The 'subordinate incorporation' through employment at agroenterprises in the context of rural unemployment and low salaries in agriculture creates a 'struggle for incorporation' among peasants.

This research consciously overlooks many other well-known forms of peasant politics because of its focus on the Ukrainian case, where land grabbing is not accompanied by the actual displacement of peasants. This paper suggests that Ukrainian rural dwellers, whose access to land and other resources on which they depend is not directly dispossessed, apply more adaptive strategies to deal with rural shocks. Moreover, the adaptive strategies lead to the socio-economic differentiation of the peasantry, and define the two main trends in rural areas: repeasantization and proletarianization.

In the Ukrainian context I found confirmation of rational choice theories on decision-making strategies. This largely explains the rural dwellers' loyalty to land grabbing, and their consideration of land sales based on cost/benefit analyses.

However, how generalizable are the findings from this Ukrainian case study?

In the introduction to this paper I have written that Ukraine is an example of diverse political reactions from below towards the land grab, where the interfering actor (the social movement) is absent. In this case, the generalizability of the findings depends on the reasons for the absence of civil society organizations in the Ukrainian countryside. On the one hand, the post-

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<sup>14</sup> Interview was conducted in the village Hreblya, the Pereyaslav-Khmelnytsky district, the Kiev region, Ukraine, 2 August 2012

soviet peasantry is seen as a politically apathetic group that is not adjusted to open forms of protest due to the soviet legacy. Consequently, the silent acceptance and adaptation to land grabbing is a feature of the population in post-totalitarian countries. On the other hand, the lack of social organizations that would encourage rural dwellers for protests might be explained by the absence of self-interests in group mobilization. In this statement, I would like to refer to another post-soviet country, namely Russia. Russian rural dwellers organise and participate in protests against land grabbing if the expected financial rewards from the conflicts are higher than from other, more loyal rural politics (see Visser and Mamonova 2011a).

Another fact, which could influence the general application of the findings, is the Ukrainian peasants' exclusion from the distributive land reform in its early stages. The land distribution process did not make the official land owners dependent on their lands and, therefore, the loss of control over their property does not endanger the peasants' subsistence. However, the voluntary transfers of land ownership are common even in countries where peasants had a chance to farm their lands before land grabbing. Thus, in Chile, lack of access to loans for land reform beneficiaries and the existence of agrarian debts prevented them from investing in the emerging fruits and vegetable activities. As a consequence, most peasants had as a better option to sell their lands to entrepreneurs, who could invest in these profitable activities (de Janvry and Sadoulet 2002).

The moratorium on land sales and the preservation of the peasants' official ownership on farmland is not a common practice in the countries affected by land grabbing. However, as I mentioned above, this situation helps to identify peasants' motives and strategies in response to land deals when power imbalances do not drastically affect land redistribution.

With this paper I argue that the common views on the peasants' politics in land grabbing process should be reconsidered. The rural propensity to adaptation and exploration of benefits from land grabs can play an important role in shaping policies of rural social movements and developing recommendations to governments and investors in regard to large-scale land acquisitions. Moreover, taking into account the specificity of Ukrainian case, the new insights on the peasants motives and response strategies to land grabbing should be integrated in land grab academic debate. This work indicates the need for further research on rural communities' responses and differentiation in the context of large-scale land acquisitions.

*Nijmegen, 22 September 2012*

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