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Land Reform in the Twenty-First Century: New Challenges, New Responses

Roy L. Prosterman¹ & Tim Hanstad²

Global poverty is largely a rural phenomenon. Of the 1.2 billion people in our world living in extreme poverty—earning less than US \$1 per day—approximately three-quarters live in rural areas.³ The great majority of these poor families rely on agriculture for their sustenance and well-being. For these families, land plays a dominant role in their economic and social lives, and their relationship to the land largely defines their access to opportunity, income, economic and nutritional security, and status within the community.

How to improve and secure the relationship poor families have with land persists as a crucial issue in much of the world. This is the central question of “land reform.” We define “land reform” broadly to include reforms that increase the ability of the rural poor and other socially excluded groups to gain access and secure rights to land. Land reform has often been understood to include only redistributing land or landownership. We also include reforms that provide greater tenure security and rights to existing possessors of land.

This article summarily examines the topic of land reform and its relevance in the twenty-first century. Section one discusses the scope of the problem. Section two summarizes the potential benefits of land reform based on past experience and research findings. Since these potential benefits are substantial, section three explores why land reform is so often neglected. Section four discusses relatively recent “second generation” land reforms that attempt to reverse earlier communist-era land reforms. Sections five and six explore, respectively, the factors that make effective land reform possible and the land reform design lessons learned from the past century. These lessons learned segue into a discussion of land reform

options in the present century and the role of foreign donors. The article concludes that, while land reform efforts in the present century will and should be different from those in the past, the case for land reform remains compelling, and practical land reform options exist.

I. LAND REFORM: SCOPE OF THE PROBLEM

Potential land reform beneficiaries in the developing world can generally be grouped into three categories: (1) rural households whose main source of income is agriculture, but who lack ownership or owner-like rights to land; (2) rural households who live on state or collective farms in communist or formerly communist countries; and (3) rural households, particularly those that are indigenous or pastoral, who occupy public or other land on which they hold no formally recognized rights.

First, in less developed countries, roughly 100 million farm families, comprising about 500 million people, lack ownership or owner-like rights to the land they cultivate.⁴ Most of these farm families earn their living as tenant farmers or agricultural laborers. The tenant farmers typically pay high rents and have little security of land possession from season to season. The agricultural laborers generally work for extremely low wages and are at the bottom of the socioeconomic ladder.⁵

These agricultural families make up one half-billion people and are among the poorest on earth. They constitute majorities, or near majorities, of the agricultural population in countries such as India, Bangladesh, Pakistan, Indonesia, the Philippines, South Africa, Brazil, Colombia, Guatemala, and Honduras.⁶ In addition, they are a significant part of the agricultural population in a number of other countries, ranging from Zimbabwe and Egypt to Afghanistan, Nepal, and Venezuela.⁷ In countries where they represent a large part of the agricultural population, these landless families form a deep concentration of poverty and human suffering, as well as an impediment to the process of economic development and, in many settings, a potential threat to political stability.

Although the number of desperately poor tenant farmer and agricultural laborer families in the world today is very large, it would be much larger had it not been for a series of major land reforms carried out over the past century. In some of these land reforms, nearly all land reform beneficiaries ended up with individual family farms, held in ownership or owner-like tenure. These included land reforms in Finland, Poland, Yugoslavia, Mexico, Bolivia, Japan, Taiwan, and South Korea, as well as the populous Indian states of West Bengal and Kerala.⁸

In other land reforms, the great majority of land reform beneficiaries ended up in large state or collective farms that nearly always proved to be inefficient and authoritarian. These included land reforms in the countries of the former Soviet Union, Eastern Europe (other than Poland and the former Yugoslavia), Cuba, Nicaragua, Ethiopia, China, Vietnam, and North Korea.⁹

Second, roughly 130 million rural households (about 580 million people) who reside in these communist or formerly communist countries¹⁰ comprise another category of families that could benefit from land reform measures. Over the last twenty years most of these countries have transitioned away from command economies toward market-oriented systems (the most prominent exceptions being Cuba and North Korea). In these transitional economies, the “second generation” land-reform challenge is to give the remaining roughly 130 million households who had been on state or collective farms the right and the wherewithal to farm as individual families with stable, long-term and transferable rights to their land. As we shall describe further below, these “second generation” land reforms have actually progressed much more rapidly in the past two decades than the land reform measures still needed for tenant and laborer families in traditional less-developed countries.

There is also a third, much smaller, group of agricultural families who have insecure tenure, often on public lands. Some of these families are economically desperate “squatters” who have moved onto the land to cultivate it. Others are traditional landholders, often indigenous groups,

who have occupied the land for decades or more and hold rights recognized by customary law, but not adequately recognized by the state's formal laws. We also include in this category some traditional pastoralists who use land in extensive or migratory patterns, but without sufficiently recognized group tenure rights to the land. In some cases, these holders are now in conflict with settlers, ranchers, loggers, or miners who more recently came upon the land to extract resources or who otherwise disrupt existing use patterns (for example, in parts of Indonesia, Brazil, and the Philippines). This third category of families who could benefit from land reform measures includes roughly 25 million households, or about 125 million people.¹¹

Table 1 broadly summarizes both those who have ownership or owner-like rights and those who are in the categories of potential land reform beneficiaries discussed above.

Table 1. Approximate Number of Rural Households Worldwide Subject to Land Tenure Problems (millions of families).

	Owners or owner-like rights	Landless or Insecure use rights		Squatters and insecure traditional holders	Total
		Insecure tenants, agricultural laborers	Insecure individual use rights or still collective farmers		
(a)	(b)	(c)	(d)	(e)	(f)
Transition (formerly centrally planned) economies:	95	n/a	130	5	230
Other developing countries	180	100	n/a	20	300
Total:	275	230		25 ?	530

Our principal focus in this article is upon: (1) households of agricultural laborers and insecure tenant farmers; and (2) households of current or former collective-farm workers who lack secure land rights. These two categories—columns (c) and (d) of Table 1—comprise the great bulk of households lacking a secure and predictable relationship to the land. This

article deals only briefly with some aspects of the problems “squatters” and insecure traditional holders face.

Nearly all of the foregoing tenure insecurity issues are essentially situations where the rights of cultivators, considered as unitary households, require definition and protection as against the rights or powers exercised by private landlords, plantation owners, collective farm managers, local cadres, the state, or other external actors. In addition, there exists an important intra-household land tenure issue—the issue of gender, which concerns the relative land rights and powers exercised by wives, daughters, widows, and female heads-of-household. We shall also address this often-neglected and important aspect of the land-tenure issue.

II. POTENTIAL BENEFITS OF LAND REFORM

Agricultural land still constitutes the primary source of income, status, and security for over half a billion families outside of the developed world.¹² As Table 1 reflects, nearly half of those families are either landless or have insecure rights to the land on which they depend for their livelihood. It should not be surprising to find that in improving the stability of tenure relationships, land reform can improve lives in a number of ways. Decisively improving the relationship of cultivators to land through land reform has generally led to many crucial benefits, such as:

- increased crop production¹³ and improved nutrition for poor households;¹⁴
- “ladders out of poverty” and a foundation for sustained and inclusive economic growth;¹⁵
- grassroots empowerment and movement towards more democratic societies;¹⁶
- reduced social unrest and instability;¹⁷
- reduced urban migration;
- better environmental stewardship;¹⁸
- and creation of wealth.¹⁹

In sum, secure and stable access to land provides a foundation for better livelihoods and living conditions. It also helps the rural poor to benefit from broad-based economic growth.

A. Increased Crop Production and Nutritional Welfare

With regard to crop productivity gains, there is cogent international evidence linking land reform with increased crop production. First, smaller holdings generally produce more than larger ones, whether measured hectare for hectare or according to total factor productivity.²⁰ Second, and related, family-operated farms generally produce more than collective farms and farms largely dependent on wage labor.²¹ Third, on any given holding, a cultivator with ownership or secure, long-term, owner-like tenure is far more likely to make long-term capital and “sweat-equity” investments that improve and conserve the land than is a cultivator with insecure tenure.²² Finally, a cultivator with ownership or owner-like tenure is more likely to use improved (and more expensive) seeds, fertilizer, and other inputs than is a tenant in the typical tenancy arrangement where the tenant pays for all inputs and receives only a portion of the output.²³

In sum, total production per hectare and total factor productivity are highest on farms owned and operated by a single family. In developing countries where the ratio of agricultural population to arable land is typically high, these farms are also small. When policymakers in developing or transitional countries argue (as they sometimes do) that there are inherent “economies of scale” in large farms, or envision (as they also sometimes do) big, mechanized farms as the “ideal” to be achieved, they are demonstrably wrong. Such views are contradicted by the vast weight of evidence. They also disregard the comparative strengths of societies that lack substantial amounts of land and capital but have abundant and underemployed labor, especially rural labor. This is the case in many if not most developing countries. In such settings, the highly motivated application of intensive family labor to a small piece of land owned or held securely by that family is precisely what makes

economic sense. What typically makes little or no sense in such a society is large-scale mechanized farming, which requires scarce capital and displaces abundant labor that has no alternative employment.

Additionally, apart from likely increases in crop productivity, research shows that access to land through ownership or owner-like tenure has a substantial impact on family nutrition.²⁴ Land reform in traditional settings can improve the lives of beneficiary families, typically among the poorest of the poor, by letting them keep a significant portion of the crop that would otherwise go to the landlord or plantation owner or by enabling them to produce food on land (including house-and-garden plots) to which they previously did not have access.

B. Foundation for Economic Growth

Cogent comparative evidence also demonstrates that broadening access to land and strengthening cultivators' land rights can generate increases in overall economic activity.²⁵ As a broad base of agricultural families benefiting from land reform receive higher incomes, they enter the marketplace to purchase goods and services, ranging from improved housing to schoolbooks, from bicycles to sewing machines.²⁶ This increased demand stimulates the creation of non-farm employment. Thus, a dynamic family farming sector has significant forward and backward linkages to broader societal development. Research confirms that a broad-based distribution of land assets not only benefits the poor but becomes a solid basis for sustained and inclusive economic growth.

C. Facilitating Democracy

Land reform, when it is implemented effectively, removes its beneficiaries from the control and "power domain" of the landlord, plantation owner, local cadre, or collective-farm manager.²⁷ Further, as land-reform beneficiaries increase their incomes and become more economically secure and confident, their ability to participate in the political

process is strengthened.²⁸ Initially, land reform beneficiaries may be empowered to make demands for a fairer share of government-administered programs and services. Land reform creates more secure and self-confident producers who are willing to challenge the inertia, elitism, and neglect that frequently characterize the politics of underdevelopment. The contribution made by land reform to eventual democratization of previously authoritarian societies has perhaps been seen most dramatically in the cases of Taiwan and South Korea.²⁹

D. Reducing Instability and Conflict

In traditional developing countries, land reform has reduced political instability by eliminating basic grievances arising from the relationship between tenants or agricultural laborers and erstwhile landowners. Many of the past century's most violent civil conflicts ensued when land issues were ignored.³⁰ Land reform can address the most basic rural grievances and increase citizen commitment to a system in which economic and social demands are negotiated peacefully.

Classic civil wars catalyzed and fed largely by land-based grievances such as those that occurred in Mexico, Spain, China, and Vietnam may be less likely with the fading of revolutionary Marxism as a mobilizing ideology. Nonetheless, such land-based grievances still lend themselves to manipulation by ideologues or demagogues who seek domestic power in places like Nepal and Zimbabwe.³¹ More frequently, unsolved land grievances now lead to various forms of "low intensity violence," such as spontaneous land invasions in Brazil, peasant alliances with drug lords in Colombia, or desperate migrants seizing indigenous lands in the Philippines or Indonesia.³² Research also confirms that overall inequality in assets is associated with higher crime rates.³³

More ominously, in this new century, such land-based grievances may now be increasingly mobilized by religious extremism and turned either inwards against domestic governments (such as Pakistan) or outwards

against the United States and other democracies. Such terrorist recruitment relates not to the veneer of leadership at the top, often drawn from the wealthy or the middle class, but to the establishment of a mass base or rank-and-file, which gives terrorist movements much greater resilience and staying power.³⁴ Often this recruitment process may be mediated through the kind of flight to the cities that results from the “push” of desperate poverty in the rural areas rather than the “pull” of urban job opportunities. This flight is likely to disproportionately affect the landless (and their young sons). For example, landlessness is the best predictor of rural poverty in India³⁵ — better than illiteracy or caste — and it is likely the best predictor in other settings such as Pakistan, Egypt, and Indonesia.

E. Other Benefits

Land reform can provide at least three additional benefits. First, and closely related to the point just made, many landless families are driven by their poverty into the cities.³⁶ Effective land reform measures give landless agricultural families a stake in their village society, reducing pressures that lead to premature and excessive urbanization.

Second, long-term, secure rights to land set the stage for environmental stewardship and sustainable farming practices. Moreover, in specific settings such as Brazil, Indonesia, or the Philippines, reallocation of secure rights to existing cultivated land may also have an important environmental impact through forestalling landless peasants from descending on, cutting down, and burning the forest in the desperate search for a piece of land to farm.³⁷ The latter is a form of escape parallel to the desperate flight to cities.

Third, secure land rights that are transferable also acquire a predictable market value and can be used as collateral, “cashed out” for non-agricultural investment or retirement, or passed on as wealth to the next generation. So, by clarifying and strengthening existing informal and/or weak land rights,

governments can create wealth for the poor and bring “dead capital” to life.³⁸

The benefits of land reform described here apply, in general, not only to land reforms carried out to benefit tenant farmers and agricultural laborers in traditional less-developed countries but also to land reforms that permit former collective farm workers in transitional economies to obtain secure rights to land of their own. They too invest, increase production, gain income, consume more, become empowered and less aggrieved, increase their stewardship, and strengthen their rural attachments.

Secure long-term land rights are not, by themselves, sufficient to achieve all these multiple benefits; but in most settings—both traditional and transitional—they are a necessary precondition for the achievement of many or most of them. Land reform is not a panacea or a silver bullet, but it is a foundational element for effective economic and social development in a multitude of settings.

III. WHY THEN IS LAND REFORM SO OFTEN NEGLECTED?

Despite the importance of the rural poor’s land grievances in so many diverse settings and the multiple development goals served by land reform, the topic receives little notice in industrialized democracies. Foreign policy experts, the media, and even foreign aid programs pay relatively little attention to land reform issues. The rare exception often arises in cases where the issue has become a focus of violence or demagoguery, as in Zimbabwe recently.³⁹ Massive programs of reform—such as the current program to give long-term, secure land rights to China’s 210 million farm families,⁴⁰ now nearly halfway to completion—receive hardly a single line of print or frame of television coverage in the media of the developed countries.

Several factors contribute to the studied lack of attention from developed countries. Substantial land grievances, unlike ongoing development issues such as eradication of disease, family planning, and international debt, tend

to arise in their conspicuous form only at discrete moments in time. Thus, the media and the public and foreign aid agencies do not consistently focus on the need for programmatic responses. The media and public, in particular, are sorely lacking in education on the continuing importance of meaningful land reform in developing and transitional economies.

Where the land issue does finally receive some attention, it is often because it has been seized upon and dramatized by demagogues or violent elements. This may be, in part, a result of ignoring an ongoing, systemic problem until the frustrations of the aggrieved finally “boil over.” In these cases, the land reform issue, instead of being the subject of thoughtful study, planning, and response via a non-violent and democratic alternative, is likely to generate a negative reaction as being “what the bad elements want.”

Additionally, developed countries often ignore the land reform issue because it is politically controversial among developing country elites. Local leadership and elites in developing countries are often opposed to any serious land reform measures because the reform may threaten, or is perceived to threaten, their individual or family interests. Such opposition and the related political controversy and sensitivity it engenders have tended to make both bilateral and multilateral foreign-aid agencies shy away from public focus on the land reform issue as too controversial, even where they privately recognize its importance. This is especially true in traditional less-developed countries where land reform options center on redistributing private land. Second-generation reforms in the former command economies, because they typically consist of state-owned land, involve relatively less political controversy and thus have received somewhat more attention from foreign-aid agencies.

Past flawed and unsuccessful land reform efforts also sometimes taint “land reform” and cause policymakers to ignore it as a development option. Numerous countries have had less than successful experiences with land reform.⁴¹ The lack of success is typically due to design flaws, insufficient

political will, or ineffective implementation, factors which are often interrelated. In some cases, these ineffective land reforms have led to real or perceived negative consequences, such as violence or highly regulated land markets.⁴² Based on failed and flawed earlier attempts, policymakers sometimes (and unfortunately) choose to ignore land reform as an option altogether rather than address the flaws in the earlier efforts.

Like many other needed structural or redistributive reforms, experience indicates that the long-term societal gains from effective redistributive land reform far outweigh the short-term pains relating to political sensitivity or controversy. Political realities, however, do not always allow for much needed reforms that make long-term economic and social sense. In many cases, the political obstacles can be overcome, as discussed in Section V, below. Policymakers, activists, and potential beneficiaries should not despair, however, if the political obstacles to achieving land reforms that are sweeping and comprehensive cannot be overcome. Instead, it is crucial to recognize a variety of less ambitious land reform measures that may still be capable of providing widespread and effective benefits, as discussed below in Section VII.

IV. "SECOND GENERATION" LAND REFORMS

The comprehensive twentieth century land reforms that were carried out without collectivization⁴³ played a major role in fostering development and stability.⁴⁴ Land reforms that led to collectivization proved almost universally to be failures.⁴⁵ Many countries that previously conducted collectivized land reforms are now undertaking "second generation" reforms aimed at reorganizing state and collective farms into family-size units and introducing market-oriented land systems.⁴⁶ These second generation land reforms now appear to be playing a major beneficial role in many formerly collectivized countries, most notably for the approximately 210 million farm households of China.⁴⁷

China's farm families worked on large agricultural communes or collective farms from about 1955 to 1980.⁴⁸ During 1980–83, China pursued a decollectivization process through which the state distributed virtually all land of the collectives to each farm family in individual landholdings.⁴⁹ Unfortunately, the families received insecure rights to the land.⁵⁰ Local officials could relocate them from plot to plot through periodic “readjustments” in the name of maintaining absolute equality of distribution as household size changed. The results of the rural reforms, particularly the land tenure reforms, are impressive both in themselves and as considered by world standards. China's gross agricultural output value increased, in constant inflation-adjusted terms, by 86 percent from 1980 to 1990.⁵¹ China is now about halfway through completing a major new land reform that is giving these families, totaling about 850 million persons, secure and transferable thirty-year use rights.⁵²

Extensive decollectivization, with the granting of individual ownership or long-term use rights to farmers, has also occurred in the past two decades in Vietnam, Lithuania, Estonia, Latvia, Romania, Albania, Bulgaria, Hungary, Kyrgyzstan, Georgia, and Armenia.⁵³ Land reform has made much less progress in Russia and Ukraine, and still less in Kazakhstan, Uzbekistan, and Belarus.⁵⁴

V. FACTORS THAT MAKE LAND REFORM POSSIBLE

While the need for land reform remains great in many countries, the political obstacles are often substantial. However, lack of political will or the existence of substantial political controversy were also present shortly before many non-violent, democratic land reforms in the latter half of the twentieth century.⁵⁵ Factors that played important roles in overcoming political and other obstacles to land reform in recent decades may provide lessons as we assess prospects for twenty-first century land reform efforts. Over the last half of the twentieth century, there have been at least eight such factors.

Grassroots support for land reform and linkages with political parties. Building or harnessing widespread grassroots support for land-reform measures (for example, through local civil society organizations) and forming linkages to political parties have been important factors in determining whether land reform measures will be adopted and whether land reform, once legislated, will actually be implemented. Grassroots support from civil society organizations and political linkages were significant in the success of land reforms in El Salvador and the Indian states of Kerala and West Bengal, as well as in many of the transitional economies of Eastern Europe where decollectivization and privatization of land have been carried out.⁵⁶ Grassroots support is likely to be even more important in the future for two reasons. First, many countries where land reform is still needed are political democracies. Second, advances in communications technology now allow non-governmental organizations (NGO) to organize and publicize the conditions of the rural poor more effectively than they did in the past.

Political will for land reform vested in a strong central authority. Political will for land reform vested in a strong central authority, such as General MacArthur in Japan or Chiang Kai-Shek in Taiwan, has been important in the past. Authoritative action from the center may still play a key role in settings such as China, but in the future this variable seems likely to be of diminishing importance given the international trend toward more democratic forms of governance.

The threat of strong revolutionary movements drawing support from grievances of the landless. The threat of revolutionary uprising has sometimes played an important role in making land reform politically possible. Willingness to seriously consider land reform in the Philippines over past decades seems to have risen along with the fortunes of rural revolutionaries.⁵⁷ The guerrilla threat was also a factor in making land reform politically feasible in both El Salvador in the 1980s and South Vietnam in the early 1970s.⁵⁸ With the general demise of revolutionary Marxism, this variable of impending revolution appears to have receded in significance and,

in any case, has little relevance to “second generation” land reforms. If religious extremism comes to take the place of revolutionary Marxism in mobilizing the grievances of the landless, however, this variable could well resurface with considerable importance in countries such as Pakistan, Indonesia, Bangladesh, Egypt, and Afghanistan.

Adequate compensation paid for land expropriated. The amount of compensation paid to landowners from whom land is taken is a critical variable. Over time, evidence has accumulated that the “carrot” of paying adequate compensation to those whose land is taken can be more influential than the “stick” of a perceived revolutionary threat or land occupations.⁵⁹ Lack of adequate financing for land reform has often limited otherwise possible land reform efforts. In particular, providing adequate compensation for the taking of privately owned land may reduce landowner opposition and help legitimize reform for significant sectors of public opinion, thereby substantially reducing the amount of grassroots pressure or central-authority determination otherwise necessary to accomplish a given degree of reform. The feasibility of this “carrot” has been reduced in recent years, however, by substantial increases in the value of privately owned land in many countries, especially in settings where there is high population pressure on land. This has reduced the quantity of land that can be acquired with a given amount of financing. As a result, new and imaginative approaches to land reform design that take into account how much land must be distributed to provide essential benefits to most of the needy group must be considered. These implications are discussed in Section VI.

Ideology. Ideology has played an important role in democratic land reform in much of Eastern Europe and parts of the former Soviet Union. There, some post-communist governments have espoused an active policy of decollectivization, sometimes linked to restitution of land rights to former owners of small and medium farms (or their heirs) who lost land during collectivization.⁶⁰ However, non-restitutive approaches that allocate land to whomever presently works on the collective farm (whether or not they are

descended from the former owners) are likely to be far easier to administer. They are also more likely to lead to small farms that are owner-cultivated rather than being leased-in from heirs (beneficiaries of restitution) who reside in urban areas.

Public education and information. Public education can be an important factor in making land reform possible, especially in democratic settings. Educating the public and policymakers that land reform can bring extensive economic and social benefits may help crystallize the political will to carry out land reform. Public education will be a crucial factor in the twenty-first century.

Availability of technical assistance. Likewise, the availability of technical assistance can be an important factor in making land reform possible. Fact-grounded advisory work that makes policymakers, as well as the public, aware of specific solutions to technical issues involved in particular land reform settings may not only help to crystallize the necessary political will but help to ensure that a land reform program is designed in such a way that it can actually be implemented. Such technical assistance can also be crucial to the development of training, monitoring, dispute resolution, and other measures that help facilitate effective implementation of land reform programs.

Support from international donors. Finally, external support, both for technical assistance and needed financing, can be another important variable. Support and encouragement from the United States played an important role in the South Vietnamese and Salvadoran land reforms, as well as in the post-World War II reforms in Japan, Taiwan, and South Korea. Currently, land reform measures in some of the transitional economies are a part of market reforms receiving support from the International Monetary Fund (IMF) and World Bank, as well as the European Union in preparation for accession. Such external support has been rare in recent years in traditional developing countries, but there have been signs of renewed interest, such as the World Bank's support for voluntary, "market-assisted" land reform in several countries including

India, Brazil, Colombia, and South Africa (discussed in Section VII below).⁶¹ In addition, the recognition that the grievances of the landless poor mobilized through radical religious movements may ultimately pose a threat to world order could have an impact at the international level.

VI. LAND REFORM DESIGN: LESSONS FROM THE TWENTIETH CENTURY

Mustering the political will to undertake land reform is a threshold issue. However, policymakers must also consider how to design land reform interventions. While each country setting is unique and needs specifically tailored interventions, past land reform efforts do offer some general lessons. We first highlight a dozen basic points relating to land reforms carried out in traditional less-developed countries during the twentieth century. Then, we turn to similarities and differences of “second generation” land reforms now underway in transitional economies.

A. *Lessons From Traditional Less-Developed Countries*

1. *If redistributive land reform is to provide benefits to a substantial portion of the rural landless, there has rarely been an effective substitute for the mandatory (but compensated) taking of private land as the basis for redistribution.* Countries sometimes pursue other alternatives, including distribution of or “resettlement” on uncultivated public lands, strict regulation of the landlord-tenant relationship, or voluntary sale and purchase of land through “land bank” or “market-assisted” mechanisms. Such alternatives can provide important benefits, but they have rarely provided widespread beneficial impacts. Resettlement programs have generally been costly, disruptive, and environmentally damaging.⁶² Ongoing regulation of the continuing landlord-tenant relationship has usually proven impractical and even counter-productive.⁶³ “Market-assisted,” “negotiated,” or “community-led” land reform initiatives (in which poor households are provided subsidies to make private purchases of

land) are relatively new and innovative efforts. They have not yet proven effective for redistributing substantial amounts of land, although they are worthy of further experimentation.⁶⁴ Where political, social, or economic realities do not allow for sweeping redistributive land reforms based on mandatory, compensated takings of private land, “second-best” or less comprehensive measures should be pursued.

2. *The state should provide reasonable compensation to private landowners whose land is taken for redistribution.* Failure to pay reasonable compensation virtually guarantees that landlords will evade the law, cause the law to be rescinded, or violently resist enforcement of the law. This compensation need not always equal full market value, but the program design should carefully consider both market value and the flow of income from the land. Payment of substantially less than “market value” may often be sufficient to produce the same ongoing flow of income that had been produced by the land taken, but this may be inadequate in those settings where there is a large gap between market value and the lesser capital fund needed to reproduce the annual income flow.

In many settings, particularly Asian settings, where population pressure on the land is fierce, market values may considerably exceed the capitalized flow of income from the land. It may then be essential to pay full market value and to design the land reform in ways that make it nonetheless affordable, as discussed in the fifth point below. On the other hand, there may be other settings (particularly in Latin America or Africa) where much privately owned land is not intensively used and where market values for such land are quite low and affordable. Moreover, land reform programs that provide market or near-market value for land are more likely to be able to be implemented over varying and longer periods of time, if necessary, than land reforms that are significantly confiscatory. This is because the latter may be possible only in narrow “windows of time” when special factors exist, such as a very strong central authority with limited ties to rural landowners, or a threat of revolutionary upheaval drawing upon the grievances of the landless.

Three further points should be noted regarding compensation. First, if a portion of compensation to owners is deferred and paid in government bonds, those bonds should be inflation-adjusting, and former landowners should probably be able to use a portion of the bond as preferred collateral in obtaining loans for various productive investments.

Second, in most settings, beneficiaries should also be required to repay the government something for the land, with the possible exception of cases where the very poor receive very small plots, discussed also in the fifth point below.

Finally, democratic and redistributive land reforms should be carried out in the spirit of an eminent domain proceeding in which it is understood that certain lands need to be acquired for application to an important social purpose. Democratic land reform should not be conducted in the spirit of judging the present large landowners or financially penalizing them.

3. *If possible, land reform should be of sufficient scope and universality to reach most potential beneficiaries.* This means that agricultural laborers, tenants, and non-permanent laborers as well as permanent ones, should benefit from the process. Benefits, however, need not be uniform. For example, in the Keralan land reform in India, tenant farmers received full-sized parcels, while some agricultural laborers received small house-and-garden plots.⁶⁵

4. *Providing even very small plots can produce substantial benefits.* Agricultural laborers in the Indian state of Kerala who received tiny house-and-garden plots of 1/10 acre (.04 hectare or about 4,350 square feet) found themselves considerably better off in terms of income, family nutrition, and status.⁶⁶ Similar findings have come from recent research in the Indian states of Karnataka and West Bengal.⁶⁷ In Karnataka, agricultural laborer families who received government-granted house-and-garden plots of only 1/25 acre (.016 hectares or about 1,730 square feet) were able to satisfy most of the family's nutritional needs for vegetable, fruits, and dairy products and obtain cash income equivalent to one full-time adult wage from plant and animal

products on the tiny plot.⁶⁸ Strong supporting evidence on the benefits of owning small house-and-garden plots exists from such diverse settings as Russia, Indonesia, and the Caribbean.⁶⁹

5. *The maximum per-family quantity of land allocated to beneficiaries should be the amount a family can intensively farm with its own labor and modest capital.* Some land reforms have provided per-family holdings far larger than necessary. The distribution of large holdings can severely limit the number of potential beneficiaries. Rather than providing an idealized holding size, it is generally better to calculate the area likely to be available under the particular land reform's acquisition formula and divide that amount by the number of families needing land. The resulting quotient should be the maximum for per-family allocations. (One private report criticized the 1980–81 land reform in El Salvador for not giving a “vital minimum” of nine hectares to each beneficiary family, without realizing that such a pattern of distribution would have required distributing twice the land area of the entire country.⁷⁰) Governments should recognize that every recipient family will be made substantially better off than they presently are, even if the size of their new holding is not “ideal” or “viable” as a sole source of income. Land reform neither creates nor destroys land. It puts an existing agricultural population into a relationship with an existing land base that is more fair and more productive than it was before.

6. *Minimize costs per beneficiary family in order to benefit the maximum number of landless rural families.* Available resources should be focused initially on the *sine qua non* of acquiring land for redistribution. Land reform beneficiaries often require some ancillary support for interventions such as credit and technical assistance. However, program designers must avoid allocating excessive resources per family to such ancillary programs and may need to omit entirely some costly benefits such as new housing. A universal experience in successful land reforms is that families that gain ownership, even of a very small plot, build their own house, starting with something very simple and progressing to a more substantial dwelling over time. Faced with

a choice between spending “x” amount of resources to give one family land and a house, or four families land but no house, it seems clear that program designers should opt for land-only benefits to the maximum number of families.

7. *Focus on intra-household allocations of land rights.* Most past land reform programs, even those cited as successes, have ignored the intra-household allocation of land rights. Women possess limited rights to land throughout much of the world, even though they are often responsible for producing much of the food.⁷¹ It is important to understand how reform or reallocation of land rights may impact women differently than men and to ensure that the reform avoids discriminating against women. Providing women with strong legal rights to land can have important security, efficiency, welfare, and employment effects.⁷² One basic step toward promoting equitable intra-household allocation of resources is to ensure that any land distributed through land reform programs is jointly titled in the names of both husband and wife, or even independently titled in the name of a woman, rather than in the single name of the “head of household,” who is usually male.

8. *Understand, consider, and—to the extent possible—incorporate customary law and land tenure regimes when undertaking land reform initiatives.* Some land reforms have involved attempts to replace customary land-tenure regimes that still exist in some parts of the world—especially areas of less population density—with more “modernized” land rights.⁷³ While some changes over time may be appropriate, it is vital to recognize that most customary land-tenure regimes have evolved over long periods, and that such regimes can function with a high degree of equity and environmental awareness. Rather than wholesale replacement of customary regimes in the name of modernization, new written law should generally attempt to incorporate or defer to customary law and legal institutions, while at the same time recognizing that “custom” itself has the characteristic of adaptability and often changes over time.

9. *Program administration should involve beneficiaries, serve beneficiaries, and be well-publicized to beneficiaries.* Farmer-dominated, local-level committees with strong representation of the beneficiaries are in the best position to determine who owns the land, who has been cultivating it, and what it produces.⁷⁴ In some settings, grassroots farmer unions or organizations of agricultural laborers may play this role. Beneficiaries should not be required to leave the locality to fill out applications for benefits, nor should they be required to fill out applications under the watchful (and often intimidating) eyes of local elites. The applications should be simple and the program should include repeated publicization of the land reform program and beneficiaries' rights at the local level using local media and other means that will effectively communicate such information.

10. *Avoid excessive restrictions on land sale and lease markets.* Past land reforms often placed restrictions on the beneficiaries' ability to sell or lease the land. Such restrictions can have perverse results even if they are intended to "protect" the beneficiaries. Land reform programs have often imposed restrictions on selling and leasing to prevent improvident sales by the new, small landowners or to thwart the growth of new "exploitative" tenancy arrangements.⁷⁵ While some limited and especially time-bound restrictions on land markets can be warranted under special circumstances, excessive restrictions can deprive farmers of access to credit (by preventing mortgage of the land rights) and can reduce the ability of farmers to adjust the size of their farm in response to economic and agronomic conditions. Paralleling the right to sell, mortgage should be allowed for both productive investments and the purchase of additional land.

11. *Do not force or pressure land reform beneficiaries to adopt a particular mode of organizing their farms.* Most beneficiaries are likely to choose to create individual family farms.⁷⁶ Some, however, may choose extended family operations or collective modes of production, at least initially. Farmers are best suited to make organizational decisions regarding

their farms. The legal framework should support a variety of alternatives for farm organization.

12. Collect, monitor, and analyze data during all phases of the program. Before completing design of the program, designers should collect overall data regarding the number and composition of landless and land-poor families, distribution and concentration of land ownership, as well as production, rents, and income from land. In addition, after program implementation begins, it is important for program administrators to conduct ongoing monitoring to evaluate both the progress and the impact of the reforms. Such systematic monitoring and evaluation is crucial for identifying problems and providing information necessary for program refinement.

B. Lessons from Transitional Economies

Second generation land reforms in transitional economies involve many, but not all, of the same program design issues. The land to be redistributed is normally owned by the state or by the dissolving collective, so it is usually unnecessary for the state to purchase the land. Some program design issues, however, deserve emphasis:

1. Aim for universal or near-universal coverage of the potential beneficiaries. Universality can be achieved in two ways. First, all members of the state farm or collective farm, including pensioners, should be given a right to receive land individually. Some Eastern European countries have complicated this step by giving preference to pre-collectivization land owners and their heirs.⁷⁷ The second factor to consider in achieving universality is to include all or nearly all state farm and collective farm land in the redistribution. A few countries, such as Russia, have exempted large portions of this land from the redistribution program and thus limited the program scope.⁷⁸

2. Land market development issues are more important in second generation reforms. In particular, it is important to build the necessary legal and policy framework and institutional mechanisms to enable farmers to

transfer land rights by lease, sale, inheritance, and mortgage. The creation of such frameworks and institutions can be difficult in settings where land markets have not existed for decades.⁷⁹

3. *Allow state or collective farm members to exercise various options on a continuing basis, including options to farm collectively, to withdraw their land as part of a small group, or to withdraw their land to create a family farm.* This is particularly important in settings where the state farms or collective farms have not broken up quickly or decisively. At a minimum, state or collective farm members (or heirs of former small owners under a restitution program) should not have to make an irrevocable decision at the beginning of the land reform process regarding how he or she will exercise the new land rights.

4. *Permit and foster efforts by state or collective farm members to conclude interim arrangements.* These transitional arrangements could include short-term leasing to the state or collective farm, or its corporate successor, while the member decides what to do with the land in the longer term. State or collective farm members must be adequately informed of their alternatives and not forced into a particular choice by the farm management.

5. *Permit collective farm members to withdraw a fair share of the collective farm's animals, machines, and other non-land assets together with the member's share of the land.* Collective farm members are unlikely to be able to pursue other options without such non-land assets. Moreover, the concept of collective ownership should provide the basis for their right to claim a share of these collectively owned assets.

6. *Important principles of gender equality, participatory administration, program monitoring, and sensitive treatment of customary law also apply to second generation reforms in transitional economies.* These important program design issues, highlighted in Section VI.A in the context of more traditional land reform settings, are equally important for second generation reforms. Women should receive at least equal rights to distributed land; programs should be administered by local, beneficiary-dominated

committees; program progress and impacts should be carefully and regularly monitored; and customary law regimes should be treated sensitively and not summarily replaced.

VII. NEW LAND REFORM OPTIONS IN THE TWENTY-FIRST CENTURY

For most of the twentieth century, the dominant methodology for conducting land reform in non-Marxist settings was compulsory acquisition of defined lands from private landlords or plantation owners, often at a sharp discount from market value, and redistribution of such lands to tenant farmers or agricultural laborers in farms whose size approximated that of small-to-medium sized farms in that country. Sometimes land reform also meant compulsory regulation of the landlord-tenant relationship in an effort to elevate and protect tenants' rights or resettlement of tenants or laborers onto (supposedly) uncultivated public lands. The latter approaches, in particular, were nearly always unsuccessful.

Although land reform faded as a development priority in many parts of the globe during the 1980s, the world witnessed a renewed interest in land reform near the end of the twentieth century.⁸⁰ It seems likely that this interest will be sustained through the first part of the twenty-first century.

The land reform approaches in the new century, however, involve both new challenges (such as those in the decollectivizing and market-creating transitional economies) and new responses. The approaches are likely to be substantially revised from those that dominated the past century. Such a new set of approaches should begin by reaffirming that the provision of secure land rights (ownership or owner-like tenure) to the roughly 230 million households in the developing and transitional economies⁸¹ is one of the highest economic development priorities. Policymakers should also recognize that the provision of secure land rights may be necessary for the maintenance of political stability in many countries.

In pursuing the new land reform approaches, policymakers should learn from cumulative past experience and be advertent to current needs in a number of ways.

Large-scale land reform programs that redistribute a large proportion of a country's privately owned agricultural land to tenant farmers or landless laborers are unlikely to be politically feasible in most, but not all, settings.

In countries that had previously undertaken land reforms that collectivized agricultural land and production, second generation land reform programs that undo the damage caused by involuntary collectivization in the transitional economies will continue to be a central challenge. Such programs are likely to include: (1) provision of longer-term, more secure, and transferable land rights in countries that have already decollectivized, such as China and Vietnam; (2) measures to facilitate voluntary decollectivization in countries where that has not yet happened, such as Russia and Ukraine; and (3) measures to introduce alternatives to collectivization for the first time in the few settings, such as North Korea, where such alternatives do not yet exist.

In many settings, it will be necessary to establish or strengthen land market prerequisites, including secondary institutions such as land registration and mortgage that will help support, protect, and add value to land rights.

In country settings with large numbers of rural, landless households, political and financial factors will likely make distribution of micro-plots—including house-and-garden plots—more feasible and desirable than continuing efforts to distribute “full-sized” small farms. Even tiny plots (as small as 0.06 to 0.25 acre) can, in many settings, provide a substantial increment to family nutrition and income, increased status and wage bargaining power, freedom from moneylenders, and a place for one's own house. Such measures can be affordable even if the state must pay relatively high market values for land to be redistributed. Although a redistribution of very small plots cannot carry the full range of benefits described in Section II, the existing evidence strongly suggests that there is a rather steep “benefits curve” in which even a modest initial land endowment produces a high

proportion of many of these benefits. Developing country policymakers should also consider introducing this “micro-plot” concept into existing rural development programs such as rural housing and income generation programs. The failed approach of resettling land-poor farmers and laborers onto distant, uncultivated public land should be largely abandoned, except in very special and compelling circumstances.

Failed attempts to regulate the landlord-tenant relationship should also be abandoned, except in special and compelling circumstances. For example, in the Indian state of West Bengal, the state should either retain tenancy regulation for remaining tenants, since the costs of evictions have already been borne, or, even better, provide the protected tenants with realistic options for becoming full owners. In settings where past tenancy reform approaches have unintentionally led to negative consequences, the state may need to undo aspects of the failed reforms. For example, Indian states should consider removing the most onerous legislative restrictions and prohibitions on tenancy in order to provide greater opportunity and freedom for land-poor farmers to access land through rental markets.

States should pay more attention to safeguarding and assuring customary land rights of the poor, including rights to forestland and grazing land. Thus, in addition to redistributive land reform that helps the poor to gain access to new land, efforts are needed to help the poor formalize or otherwise protect their existing customary rights to land. States are increasingly recognizing that group or communal rights may be the best option for traditional pastoralists who use grazing land in extensive or migratory patterns, accompanied with appropriate licensing or access restrictions.⁸²

Policymakers have recently and belatedly begun to pay attention to intra-household allocation of land rights. This should continue and increase, with efforts to ensure greater rights for women in the enjoyment, disposition, partitioning, and inheritance of land.

Policymakers in many countries will need to undertake more systematic attempts to find timely compromise solutions to forestall violent,

confiscatory, and anti-democratic efforts to secure land for the poor (including efforts that may lead to backlashes that further undermine democracy, the rule of law, and the position of the poor).

Rare cases may still exist where land is cheap and plentiful enough (such as unused or grossly underutilized land in parts of South America or Africa) to allow the state to employ the old approach of redistributing “full-sized” farms to a large number of beneficiaries. In such cases, however, the state should compensate existing owners whose land is mandatorily acquired by paying the owners either the market value, or very close to the market value, of their land.

Policymakers should also recognize that there could be a potentially important, supplementary role for “market assisted land reform” or “negotiated land reform.” In these approaches, the state removes policy distortions that inflate land prices and provides funding to needy families to acquire private land being voluntarily offered for sale. Such schemes require further testing in pilot projects before being widely pursued.

The state should assist land reform beneficiaries with simple complementary measures, but not attempt to be the provider of all services to land reform beneficiaries. For example, the state may need to provide some support for credit, extension, or basic infrastructure (such as extending simple, local roads and electrification lines from existing residential areas to newly distributed house-and-garden plots). However, all such interventions should be conducted with an eye to keeping costs-per-beneficiary at a level that allows for universal or near-universal coverage to those requiring benefits. Private providers and the beneficiaries themselves have important roles to play.

The Costs of Land Reform

Based upon the approaches outlined above, we very roughly estimate the costs of a comprehensive global effort to provide land to those in need. The

costs can be divided into three categories: land costs, costs of complementary measures (roads, electricity, agricultural extension), and administrative costs.

Beginning with land costs, we estimate that there are roughly 100 million agricultural laborer or insecure tenant households in traditional developing countries. Let us assume that 10 million of such families (10 percent of the total) live in settings where land prices are low enough to allow the state to provide them with full-sized farms for land compensation costs averaging \$400 per family. Total land costs for these 10 million families would be about \$4 billion (10 million x \$400).

The remaining 90 million households, living in settings where land prices are relatively high and where little or no public land is available for allocation, might be given average one-tenth acre homestead-cum-garden plots or field plots that the state has acquired through eminent domain proceedings (or by purchasing on the market) and upon payment of full market value, at a cost of \$200 per family. Total costs for these 90 million families would be about \$18 billion (90 million x \$200).

In transitional economies, land costs for the 130 million households lacking secure land rights should be nominal or zero since this land is already owned by the state or by the collective. Thus, total land costs for the 230 million households would be roughly \$22 billion (\$18 billion + \$4 billion + 0).

In addition to these land costs, the basic complementary measures already described (extending simple roads and electricity lines, providing agricultural extension services, etc.) might average about \$400 per full-size farm beneficiary, \$100 per homestead plot beneficiary, and \$100 per beneficiary family in transitional economies. (The bulk of the beneficiary families in transitional economies are in China, most of which are already served by simple roads and electrification.) This produces a total incremental cost of \$26 billion (\$4 billion + \$9 billion + \$13 billion).

Finally, administrative and institutional capacity-building costs for effective program implementation might equal roughly 30 percent of the total, or \$14.4 billion (30 percent of the sum \$22 billion + \$26 billion). Thus, we

roughly estimate the grand total to be \$62.4 billion (\$22 billion + \$26 billion + \$14.4 billion). The roughly estimated \$62.4 billion equates to an average cost of just \$270 per beneficiary family. The total amount is more than nominal, but it is difficult to imagine other development investments that are likely to produce greater returns per unit of financing. An investment of \$270 per family has strong potential for helping 230 million of the world's poorest families overcome poverty, contribute more fully to economic growth, and resist calls to pursue radical politics or violence as a solution to their plight.

VIII. THE ROLE OF FOREIGN DONORS

In the context of these new options, and given the scope of the present needs, what are the policy implications for the industrialized democracies? How can the industrialized democracies encourage the introduction and implementation of land reform programs in countries where such programs are greatly needed?

The starting point, of course, must be the renewed recognition that access to land and secure land rights play a crucial role, both in development and in the assurance of political stability and world order. Given that fundamental recognition as a premise for action, one must consider even the total resource needs of \$62.4 billion suggested above to be relatively modest.

Foreign donors should stand ready to provide important support affecting at least three of the major variables likely to determine whether land reform occurs in a given country.

First, aid donors should provide technical assistance and financial support to indigenous non-governmental organizations, labor organizations, and other broad-based groups that are able to conduct essential grassroots education and organizing on the land reform issue.

Second, aid donors should provide technical assistance to government policymakers on land reform benefits and on elements of program design and administration, including a comparative perspective on what land reform measures have been used in other countries. One consequence of the discrete

and infrequent nature of land reform programs in a particular country is that many of the countries where it is needed have had little experience or knowledge of how to design or implement an effective land reform program. Some technical assistance can also help inform broader public education programs regarding the economic and social benefits of land reform.

Finally, of vital importance to most of the traditional less-developed countries where land reform is needed, aid donors should provide financial support to land reform programs that states are actually implementing, including resources for landowner compensation (in cases of mandatory expropriation) or land purchase (in cases of voluntary market-assisted programs).

Such assistance is most effective when the donor and the state identify the necessary financial resources in advance, so that a state considering land reform knows what resources are available. Moreover, aid donors should consider providing all financial assistance on a “progress payments” basis, so that resources are released based on progress—only as land is actually acquired and redistributed to the targeted agricultural families. This release of funds should come only as each increment of progress has been confirmed by independent random sample monitoring.

Traditional less-developed countries should provide a significant part of the total resources needed for land reform. Assuming that the recipient countries could fund at least one-third of the total \$62.4 billion needed, and assuming that a program of this scope would be spread over ten years, the industrialized democracies would need to provide roughly \$42 billion or about \$4.2 billion a year. This is about 5 percent of current official development assistance (“foreign aid”) given by all the industrialized democracies. If distributed according to the proportions by which the industrialized democracies currently contribute to foreign assistance, the United States share, for example, would come to around \$1 billion a year, representing a proportionate increase of roughly 5 percent of the recent U.S. foreign aid budgets of about \$19 billion a year.

IX. CONCLUSION

The case for land reform is compelling. The experience of many countries shows the crucial role of land reform in providing not only a source of income, security, and status for the non-landowning rural poor, but also as a foundation for broader rural development and political stability. Accumulated experience also provides responses to the current challenges of land reform that are highly likely to be both affordable and politically feasible over the coming years.

Land reform in many settings thus appears both necessary and achievable. The stakes are considerable, both for the traditional developing countries, the transitional economies, and, not least, the industrialized democracies. Successful efforts to assure secure rights to land, even in small quantities, to the roughly 230 million farm households on our planet who stand in need of such land rights could make a mid- to long-term difference of almost incalculable magnitude to the kind of planet we will live on and that our children will inherit.

The one option that appears decisively foreclosed is neglect.

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³ WORLD BANK, REACHING THE RURAL POOR: A RENEWED STRATEGY FOR RURAL DEVELOPMENT 6 (2003)

⁴ UNITED NATIONS DEVELOPMENT PROGRAMME, HUMAN DEVELOPMENT REPORT 2003: MILLENNIUM DEVELOPMENT GOALS: A COMPACT AMONG NATIONS TO END HUMAN POVERTY 81 (2003) [hereinafter HUMAN DEVELOPMENT REPORT 2003].

⁵ See ROY L. PROSTERMAN & JEFFREY M. RIEDINGER, LAND REFORM AND DEMOCRATIC DEVELOPMENT 36 (1987).

⁶ *Id.* at 26-28.

⁷ *Id.*

⁸ See generally WHOSE LAND? CIVIL SOCIETY PERSPECTIVES ON LAND REFORM AND RURAL POVERTY REDUCTION (Krishna B. Ghimire & Bruce H. Moore eds., 2001) [hereinafter WHOSE LAND?]; FOOD AND AGRICULTURE ORGANIZATION, LAND REFORM: LAND SETTLEMENT AND COOPERATIVES: 2003 SPECIAL EDITION (P. Groppo ed., 2003) [hereinafter LAND SETTLEMENT & COOPERATIVES]; TOWARD MODERN LAND POLICIES: STUDIES IN THE DEVELOPMENT OF NATIONAL POLICY TOWARD LAND IN SELECTED COUNTRIES (Davis McEntire & Danilo Agostini eds., 1967) [hereinafter TOWARD

MODERN LAND POLICIES]; LAND REFORM IN DEVELOPING COUNTRIES (James R. Brown & Sein Lin eds., 1967); LAND REFORM AND SUSTAINABLE DEVELOPMENT (Robert Dixon-Gough ed., 1999).

⁹ See LAND REFORM IN THE FORMER SOVIET UNION AND EASTERN EUROPE (Stephen Wegren ed., 1998); WHOSE LAND?, *supra* note 8; LAND SETTLEMENT & COOPERATIVES, *supra* note 8; TOWARD MODERN LAND POLICIES, *supra* note 8; LAND REFORM IN DEVELOPING COUNTRIES, *supra* note 8; LAND REFORM AND SUSTAINABLE DEVELOPMENT, *supra* note 8.

¹⁰ FOOD AND AGRICULTURE ORGANIZATION, FAO PRODUCTION YEARBOOK: 2003 25-30 (2004) [hereinafter FAO PRODUCTION YEARBOOK].

¹¹ Approximately 10 million Indonesian agricultural laborer families control no cropland of their own. See Roy Prosterman & Robert Mitchell, Concept for Land Reform on Java 7 (May 8, 2002) (unpublished paper presented at the seminar "Rethinking Land Reform in Indonesia," on file with the authors).

¹² FAO PRODUCTION YEARBOOK, *supra* note 10, at 19. See also KLAUS DEININGER, LAND POLICIES FOR GROWTH AND POVERTY REDUCTION 17 (2003).

¹³ See Hanan G. Jacoby, Guo Li & Scott Rozelle, *Hazards of Expropriation: Tenure Insecurity and Investment in Rural China*, 92 AM. ECON. REV. 5 (2002).

¹⁴ HUMAN DEVELOPMENT REPORT 2003, *supra* note 4, at 82.

¹⁵ See Klaus Deininger & Pedro Olinto, *Asset Distribution, Inequality, and Growth*, (World Bank, Policy Research Working Paper No. 2375, 2000); Bruce H. Moore, *Empowering the Rural Poor Through Land Reform and Improved Access to Productive Assets*, in WHOSE LAND?, *supra* note 8, at 1, 6; Joyce Palomar, *Land Tenure Security as a Market Stimulator in China Contents*, 12 DUKE J. COMP. & INT'L L. 7, 8 (2002).

¹⁶ See DEININGER, *supra* note 12, at 41.

¹⁷ See PROSTERMAN & RIEDINGER, *supra* note 5, at 24, 30.

¹⁸ DEININGER, *supra* note 12, at 41-42.

¹⁹ See John Pender & John Kerr, *Determinants of Farmers' Indigenous Soil and Water Conservation Investments in Semi-Arid India*, 19 AGRIC. ECON. 113 (1998). See generally HERNANDO DE SOTO, THE MYSTERY OF CAPITAL: WHY CAPITALISM TRIUMPHS IN THE WEST AND FAILS EVERYWHERE ELSE (2000).

²⁰ Giovanni A. Cornia, *Farm Size, Land Yields and the Agricultural Production Function: An Analysis for Fifteen Developing Countries*, 13 WORLD DEV. 513, 516 (1985); Johan van Zyl, Bill R. Miller, & Andrew Parker, *Agrarian Structure in Poland: The Myth of Large-Farm Superiority* (World Bank, Policy Research Working Paper No. 1596, 1996) (evaluating Polish private farms finding that small farms were more efficient than large farms over 20 hectares); WORLD BANK, KENYA: GROWTH AND STRUCTURAL CHANGE 70-71 (1983) (evaluating farms in Kenya and finding higher efficiency in small versus large farms).

²¹ PROSTERMAN & RIEDINGER, *supra* note 5, at 35-71.

²² A survey of over 2000 households in seventeen provinces was conducted in rural China in cooperation with Renmin University in 2005. Results on file with Rural Development Institute. Publication of the findings is forthcoming in 2006.

²³ PROSTERMAN & RIEDINGER, *supra* note 5, at 37-38.

²⁴ HUMAN DEVELOPMENT REPORT 2003, *supra* note 4, at 82.

²⁵ See DEININGER, *supra* note 12, at 17.

²⁶ AGRARIAN REFORM AND GRASSROOTS DEVELOPMENT: TEN CASE STUDIES 312 (Roy L. Prosterman, Mary N. Temple & Timothy M. Hanstad eds., 1990).

²⁷ *Id.*

²⁸ *Id.*

²⁹ Taiwan implemented a 37.5 percent rent reduction in 1949. In a study performed over the first seven years of the reform, a total of 77,965 tenant families bought, with their own resources, approximately 40,100 hectares of land. Ultimately, 71 percent of the nearly 350,000 hectares of public and private land had been transferred to the private ownership of tenant farmers. Tseng Hsiao, *Theory and Background of Land Reform in Taiwan*, in LAND REFORM IN DEVELOPING COUNTRIES, *supra* note 8, at 324, 337. See generally CHEN CHENG, LAND REFORM IN TAIWAN (1961).

In South Korea, the government enacted a series of land reforms that capped the amount of land that could be owned by an individual at 2.9 hectares. This made it possible for nearly 76 percent of agricultural households to own land. M. Riad El-Ghonemy, *The Political Economy of Market-Based Land Reform*, in LAND REFORM & PEASANT LIVELIHOODS 105, 113 (Krishna B. Ghimire ed., 2001).

³⁰ PROSTERMAN & RIEDINGER, *supra* note 5, at 10-12.

³¹ See generally THE POLITICAL ECONOMY OF ARMED CONFLICT: BEYOND GREED AND GRIEVANCE (Karen Ballentine & Jake Sherman eds., 2003).

³² See generally Gerrit Huizer, *Peasant Mobilization for Land Reform: Historical Case Studies and Theoretical Considerations* (United Nations Research Institute for Social Development, Discussion Paper No. 103, 1999).

³³ *Id.*

³⁴ PROSTERMAN & RIEDINGER, *supra* note 5, at 10-11.

³⁵ WORLD BANK, INDIA: ACHIEVEMENTS AND CHALLENGES IN REDUCING POVERTY, at v (1997).

³⁶ PROSTERMAN & RIEDINGER, *supra* note 5, at 229-30. See also AKM Ahsan Ullah, *Bright City Lights and Slums of Dhaka City: Determinants of Rural-Urban Migration in Bangladesh*, 1 MIGRATION LETTERS 26, 26 (2004).

³⁷ AGRARIAN REFORM AND GRASSROOTS DEVELOPMENT, *supra* note 26, at 213-214.

³⁸ This is a central premise of the influential book, *The Mystery of Capital*, authored by Peruvian economist Hernando de Soto, *supra* note 19.

³⁹ *Southern Africa's Land: Dish It Out!*, ECONOMIST, Sept. 25, 2004, at 67.

⁴⁰ Brian Schwarzwald et al., *An Update on China's Rural Land Tenure Reforms: Analysis and Recommendations Based on a Seventeen-Province Survey*, 16 COLUM. J. ASIAN L. 141, 209 (2002).

⁴¹ See generally JOHN P. POWELSON & RICHARD STOCK, THE PEASANT BETRAYED: AGRICULTURE AND LAND REFORM IN THE THIRD WORLD (1987).

⁴² Mexico has been engaged in a struggle over land for at least 100 years. Mexico's revolution in 1910-17 was fought in the name of land. In an attempt to pacify the Mexican citizenry, both those interested in communal land and those interested in private ownership, Mexico's Constitution of 1917 placed Mexican land under the control of the State but allowed it to be sold for private use. Mexico's land redistribution took place between 1917 and 1975. The length and uncertainty of the process led to instability in

Mexican agriculture. The State added to the instability concentrated its economic resources in the agricultural areas of the Pacific Northwest, which left the rest of the country with few resources. Irrigation districts were created with little logic, and abuse of power occurred within these miniature fiefdoms headed by the irrigation district managers. Dissatisfaction with this system led to concentration of power in the hands of Mexico's Ministry of Agriculture who made all of the decisions, from what would be planted in certain districts to what machinery could be used and what seeds would be distributed. This often led to peasant uprisings or opposition which in turn led to violence and in the end decreased crop productivity. *Id.* at 27-48.

⁴³ "Collectivization" refers to the involuntary organization of farms into collective production units.

⁴⁴ PROSTERMAN & RIEDINGER, *supra* note 5, at 23, 67-71, 93-95.

⁴⁵ *Id.*

⁴⁶ Stephen K. Wegren, *Introduction to LAND REFORM IN THE FORMER SOVIET UNION AND EASTERN EUROPE* i, xvi (Stephen K. Wegren ed., 1998).

⁴⁷ Schwarzwald et al., *supra* note 40, at 209.

⁴⁸ After the birth of the People's Republic of China in 1949, its leadership implemented a land reform that provided individual land ownership to millions of tenant farms. Starting in the mid-1950s, however, China began the process of consolidating small family farms into larger and larger communes. Land on these communes was collectively owned and production was managed collectively. Justin Yifu Lin, *The Current State of China's Economic Reforms*, in *CHINA IN THE NEW MILLENNIUM: MARKET REFORMS AND SOCIAL DEVELOPMENT* 39, 41-49 (James A. Dorn ed., 1998). *See also* J.D. Ping Li, *Rural Land Tenure Reforms in China: Issues, Regulations and Prospects for Additional Reform*, in *LAND SETTLEMENT & COOPERATIVES*, *supra* note 8, at 59.

⁴⁹ Lin, *supra* note 48, at 49. *See also* Li, *supra* note 48, at 59.

⁵⁰ Lin, *supra* note 48, at 49-50. *See also* Li, *supra* note 48, at 59.

⁵¹ W. HUNTER COLBY, FREDERICK CROOK & SHWU-ENG H. WEBB, U.S. DEP'T OF AGRICULTURE, STATISTICAL BULLETIN 844, AGRICULTURAL STATISTICS OF THE PEOPLE'S REPUBLIC OF CHINA, 1949-1990, at 28 (1992). Indeed, a longer-term data series indicates that China has been able to increase national grain production per capita much more rapidly with individual farming than with collective farming. Total grain production per capita increased an average of only 1.3 kg per year during some twenty-five years of collectivized farming. By contrast, during 1949-55, the initial six year period of individual farming, nationwide grain production per capita increased an average of 14.6 kg per year; and from 1981 to 1990, during the first nine years under the Household Responsibility System, nationwide grain production per capita increased an average of more than 7.2 kg per year. *Id.* at 14, 40.

⁵² Li, *supra* note 48, at 61-62.

⁵³ *See generally* D. Kopeva, *Land Markets in Bulgaria*, in *LAND SETTLEMENT & COOPERATIVES*, *supra* note 8, at 41; J. Ebanoidze, *Current Land Policy Issues in Georgia*, in *LAND SETTLEMENT & COOPERATIVES*, *supra* note 8, at 125; *LAND REFORM IN THE FORMER SOVIET UNION AND EASTERN EUROPE*, *supra* note 9.

⁵⁴ *See generally* *LAND REFORM IN THE FORMER SOVIET UNION AND EASTERN EUROPE*, *supra* note 9; A.L. Overchuk, *Integrated Approach to Land Policy, Development of Land*

Administration Institutions and Land Market in the Russian Federation, in LAND SETTLEMENT & COOPERATIVES, *supra* note 8, at 219.

⁵⁵ China and the former Soviet Union are illustrative examples.

⁵⁶ AGRARIAN REFORM AND GRASSROOTS DEVELOPMENT, *supra* note 26, at 314.

⁵⁷ See generally JEFFREY M. RIEDINGER, AGRARIAN REFORM IN THE PHILIPPINES: DEMOCRATIC TRANSITIONS AND REDISTRIBUTIVE REFORM (1995).

⁵⁸ PROSTERMAN & RIEDINGER, *supra* note 5, at 115, 145.

⁵⁹ *Id.* at 194-95.

⁶⁰ Hungary, for example, has pushed for a change to transform agriculture into a market-based economic sector based on private land ownership. Csaba Csaki & Zvi Lerman, *Land Reform and Farm Restructuring in Hungary During the 1990s*, in LAND REFORM IN THE FORMER SOVIET UNION AND EASTERN EUROPE, *supra* note 9, at 224, 225.

⁶¹ Klaus Deininger, *Negotiated Land Reform as One Way of Land Access: Experiences from Colombia, Brazil, and South Africa*, in ACCESS TO LAND, RURAL POVERTY, AND PUBLIC ACTION 315 (Alain de Janvry et al. eds., 2001).

⁶² See, e.g., THE WORLD BANK GROUP, TRANSMIGRATION IN INDONESIA (1994), available at

<http://wbln0018.worldbank.org/oed/oeddoclib.nsf/4e0750259652bf5885256808006a000d/4b8b0e01445d8351852567f5005d87b8?OpenDocument>).

⁶³ Egypt, the longest-running success story, reversed its protective regulations dating from the 1960s under landlord pressure in the mid-1990s. West Bengal has been a more recent success story, but even there large numbers of tenants were evicted before protections became effective for the rest. Elisabeth Sadoulet et. al., *Access to Land via Land Rental Markets*, in ACCESS TO LAND, RURAL POVERTY, AND PUBLIC ACTION, *supra* note 61, at 196, 213.

⁶⁴ Deininger, *supra* note 61, at 315.

⁶⁵ Ronald J. Herring, *Explaining Anomalies in Agrarian Reform: Lessons from South India*, in AGRARIAN REFORM AND GRASSROOTS DEVELOPMENT, *supra* note 26, at 49, 59-60.

⁶⁶ SHUBH K. KUMAR, ROLE OF HOUSEHOLD ECONOMY IN CHILD NUTRITION AT LOW INCOMES: A CASE STUDY IN KERALA 60-61 (1978).

⁶⁷ Timothy Hanstad, Jennifer Brown, & Roy Prosterman, *Larger Homestead Plots as Land Reform? International Experience and Analysis from Karnataka*, 37 ECON. & POL. WKLY. 3053 (2002). See also Timothy M. Hanstad & Lokesh S.B., *Allocating Homestead Plots as Land Reform: Analysis from West Bengal* (Rural Development Institute, RDI Reports on Foreign Aid and Development No. 115, 2002).

⁶⁸ Timothy M. Hanstad & Lokesh S.B., *Reaping the Rewards of Homestead Gardens: Nutritional and Income Benefits from Homestead Plots in Karnataka* 8 (Rural Development Institute Research Report, 2004) (on file with RDI).

⁶⁹ Hanstad, Brown & Prosterman, *supra* note 67.

⁷⁰ PROSTERMAN & RIEDINGER, *supra* note 5, at 283 n.45.

⁷¹ Robin Nielsen, "If He Asks Me to Leave This Place, I Will Go": *The Challenge to Secure Equitable Land Rights for Rural Women*, in REALIZING PROPERTY RIGHTS: VOL. I 202 (Hernando de Soto & Francis Cheneval eds., forthcoming Mar. 2006).

⁷² *Id.*

⁷³ In Tanzania, for example, the government attempted to claim that land held under customary tenure was not a true property right as it would be if it was land held under statutory tenure and therefore the government of Tanzania could utilize or take away land from the customary landholders. Patrick McAuslan, *Legal Pluralism as a Policy Option: Is it Desirable? Is it Doable?*, in LAND RIGHTS FOR AFRICAN DEVELOPMENT: FROM KNOWLEDGE TO ACTION 9 (Esther Mwangi ed., 2005).

⁷⁴ See Huizer, *supra* note 32, at 54.

⁷⁵ Sadoulet et al., *supra* note 63, at 223-224.

⁷⁶ For example, in Mexico's land reform where beneficiaries had the ability to choose to farm as individual families or multi-family collectives, 97 percent of the beneficiaries chose family farming. Robert C. Ellickson, *Property in Land*, 102 YALE L.J. 1315, 1379 (1993).

⁷⁷ Wegren, *supra* note 46, at xxi.

⁷⁸ See Roy L. Prosterman, Robert G. Mitchell & Bradley J. Rorem, *Prospects for Family Farming in Russia*, 49 EUROPE-ASIA STUD. 1383, 1384-85 (1997).

⁷⁹ World Bank, Technical Paper No. 436, *Legal Impediments to Effective Rural Land Relations in Eastern Europe and Central Asia: A Comparative Perspective* (Roy L. Prosterman & Timothy M. Hanstad eds., 1999).

⁸⁰ See DEININGER, *supra* note 12, at 1. This recent and comprehensive research report developed by the World Bank in cooperation with hundreds of international experts and agencies concludes that access and rights to land are vital for poor households. For such households, land is: (1) the "primary means for generating a livelihood"; (2) the "main vehicle for investing and accumulating wealth"; (3) a foundation for economic activity; and (4) a key determinant for household welfare. *Id.* at xix-xx, 17. Moreover, "[a]ccess to land and the ability to exchange it with others and use it effectively are of great importance for poverty reduction, economic growth, and private sector investment, as well as for empowering the poor and ensuring good governance." *Id.* at 1-2.

⁸¹ FAO PRODUCTION YEARBOOK, *supra* note 10, at 25-30.

⁸² See Hubert Ouedraogo & Camilla Toulmin, *Tenure Rights and Sustainable Development in West Africa: A Regional Overview* 10-11 (paper presented at the Land Tenure in African Nations Workshop, Feb. 1999).