



UNITED NATIONS RESEARCH INSTITUTE FOR SOCIAL DEVELOPMENT

**Technology and Globalization:  
Modern-Era Constraints on  
Local Initiatives for Land Reform**

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## Abbreviations and Acronyms

AIFLD	American Institute for Labor Development
CIMMYT	International Corn and Wheat Improvement Center
FAO	Food and Agriculture Organization of the United Nations
GATT	General Agreement on Tariffs and Trade
IFPRI	International Food Policy Research Institute
IMF	International Monetary Fund
NAFTA	North American Free Trade Agreement
NGO	non-governmental organization
OXFAM	Oxford Committee for Famine Relief

# Summary / Résumé / Resumen

## **Summary**

This paper is divided into four sections. The first section provides an outline of some of the major land reforms of this century. It includes a brief commentary on European feudalism of earlier centuries as well as the land conflict inherent in the American Civil War over slavery. Feudal land tenure systems and the struggle of peasants for rights to land were key factors in the French Revolution. And although the American Civil War was primarily about the abolition of slavery, it had a major land tenure component. Two major land reforms of the current century that have had various periods of active restructuring followed by periods of relative stability are those of Mexico and Russia. In both cases, there have been very fundamental changes within the past decade.

The second section provides a brief outline and discussion of the various levels of political action (at the international, national and local levels) for the initiation and implementation of land reforms. The role of the United States in the East Asian reforms-Japan, Taiwan Province of China and South Korea-as well as in those of Latin America are prime examples. But other countries were also involved in such reforms. Sweden was deeply involved in the land reforms of Ethiopia, and the French and the British tried to convert a variety of communal land systems to Western freeholds in a number of their African colonies. The Soviet Union and China were active in trying to influence the tenure structures of many of the newly independent nations upon the demise of colonialism. Likewise the specialized agencies of the United Nations and other international organizations, including both the Food and Agriculture Organization and the World Bank, have held conferences, offered technical assistance, and used various forms of leverage and pressure in Asia, Africa and Latin America to encourage land policies considered to be more effective than those in existence at the time.

The third section looks at the globalization of markets and economies and the resulting negative effects that this new order can have, especially on local initiatives directed at promoting and implementing land reforms. This increasing globalization, linked as it is to modern technology, permits the interests and powers of other nations, as well as those of the economically powerful multinational corporations, to penetrate deeply into life and decisions at the local level. Likewise, these developments have made action and initiatives by local communities and interest groups increasingly difficult. All economies, even those of the largest nations that were largely self-sufficient a generation or two ago, are today highly dependent on international trade. And a corollary of this increased trade is that national economies are less amenable to direction by domestic economic policies. This makes life of local officials as well as of national legislators and executives increasingly difficult. People demand action to improve their economic conditions, but the actions necessary are only partially under the control of national officials. And local initiatives can rarely be fruitful without support at a higher level.

The final section attempts to suggest some prospective innovations at the national and international levels to make the economic playing field more level so that local initiatives for the promotion and implementation of land tenure changes can again be more fruitful. There are both private and public institutions operating transnationally which may require enforceable new codes of conduct in their economic policy implementation. We cannot, and would not want to, put the technological genie back into the bottle. We cannot, and would not want to, force a dismantling of all multinational corporations. But there is a desperate need for new and enforceable rules and procedures to be observed by giant multinational corporations as well as by some public international institutions such as the International Monetary Fund and the World Bank. Without such major changes in order to get a more level playing field, the effectiveness of local actions is not likely to be restored.

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## Résumé

Ce document se divise en quatre parties. La première donne un aperçu de quelques-unes des importantes réformes agraires de ce siècle. Il comprend un bref commentaire sur la féodalité en Europe durant les siècles passés, ainsi que sur les querelles foncières liées à la guerre civile américaine de lutte contre l'esclavage. Le régime foncier féodal et la lutte des paysans pour le droit à la terre ont été les facteurs clés de la révolution française. Aussi, bien que la guerre civile américaine fut au départ dirigée contre l'esclavage, il apparaît que la composante "régime foncier" ait joué un rôle important. Les deux réformes foncières qui, au cours du siècle, ont eu des périodes de restructuration active variées, suivies de périodes d'une relative stabilité sont celles du Mexique et de la Russie. Dans les deux cas, il y a eu des changements fondamentaux ces dix dernières années.

La seconde partie donne les grandes lignes et une discussion sur les différents niveaux de l'action politique (aux niveaux international, national et local) dans la mise en train de l'exécution des réformes agraires. Le rôle des Etats-Unis dans les réformes de l'Asie de l'Est-au Japon, Taiwan et Corée du Sud-comme celles de l'Amérique latine en est un exemple de premier ordre. Mais d'autres pays ont également été engagés dans de telles réformes. La Suède a été profondément engagée dans les réformes agraires réalisées en Ethiopie. Les Français et les Britanniques ont essayé de transformer des systèmes communaux variés d'exploitation de la terre en propriété foncière libre de type occidental dans certaines de leurs colonies africaines. L'Union Soviétique et la Chine ont essayé activement d'influencer la structure foncière de plusieurs nations nouvellement indépendantes, après la démission du colonialisme. De même, les agences spécialisées des Nations Unies et autres Organisations internationales, dont la FAO et la Banque mondiale ont tenu des conférences, offert de l'assistance technique et utilisé des formes variées de contraintes et pressions en Asie, en Afrique et en Amérique latine, pour encourager des politiques foncières considérées comme plus efficaces par rapport à celles existantes à l'époque.

La troisième partie traite de la mondialisation des marchés et des économies, ainsi que des effets négatifs, que ce nouvel ordre économique peut entraîner, spécialement sur les initiatives locales orientées vers la promotion et la mise en oeuvre des réformes agraires. La mondialisation croissante, liée à la technologie moderne comme elle l'est, permet aux intérêts et forces des autres nations, ainsi qu'à ceux des sociétés multinationales économiquement fortes, de pénétrer profondément la vie et les décisions des gens au niveau local. Ces développements ont progressivement rendu difficiles toute action, décision et initiative des communautés locales, et des groupes d'intérêt. Toutes les économies, y compris celles des toutes grandes nations qui étaient largement autosuffisantes il y a une ou deux générations, sont aujourd'hui très dépendantes du commerce international. La conséquence de cette expansion du commerce est que les économies nationales cadrent de moins en moins avec la politique économique des pays. Cette situation rend la vie de plus en plus difficile aux responsables locaux, aux législateurs nationaux et aux cadres exécutifs. Les gens demandent une action pour améliorer leurs conditions économiques, mais les actions nécessaires sont partiellement sous le contrôle des fonctionnaires. Les initiatives locales peuvent difficilement aboutir sans le soutien du plus haut niveau.

La dernière partie tente de suggérer les innovations éventuelles aux niveaux national et international pour rendre le champ économique équilibré, afin que les initiatives locales de promotion et de mise en oeuvre de changements du régime foncier puissent ainsi être plus productives.

Les institutions publiques comme privées opèrent au niveau transnational. Cela pourrait entraîner l'application de nouveaux codes de conduite dans l'exécution de leur politique économique. Nous ne pouvons, ni ne voulons, obliger un démantèlement de toutes les sociétés multinationales. Il y a, cependant, un terrible besoin de nouvelles règles obligatoires que les sociétés multinationales géantes se devraient d'observer tout comme des institutions internationales publiques tels le Fonds monétaire international et la Banque mondiale. L'efficacité des actions locales n'est pas prête de revenir sans ces changements majeurs visant à aplanir le terrain de jeu.

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## **Resumen**

El presente estudio se divide en cuatro secciones. En la primera sección se describen algunas de las más importantes reformas agrarias de nuestro siglo, y se observa brevemente al feudalismo europeo de siglos anteriores y los conflictos relacionados con la tierra durante la guerra civil norteamericana. Los sistemas de tenencia de tierras feudales y la lucha de los campesinos por derechos a la tierra fueron factores claves en la Revolución Francesa. Y, aunque la guerra civil norteamericana tuvo como objetivo primordial la abolición de la esclavitud, la cuestión de la tenencia de la tierra fue otro componente importante. Las reformas de México y Rusia han sido muy significativas en el corriente siglo, experimentando cambios fundamentales en la pasada década. Ambas han atravesado por varias fases de reestructuración activa seguidas de fases de relativa estabilidad.

En la segunda sección se describen y discuten los varios niveles de acción política (internacional, nacional y local) para la formulación e implementación de reformas agrarias. El rol de los Estados Unidos en las reformas de Asia del Este-Japón, Taiwan y Corea del Sur-así como también en las de América Latina, es dado como un ejemplo importante. Hay otros países que también se involucraron en tales reformas. Por ejemplo, Suecia se envolvió profundamente en la reforma agraria de Etiopía. En algunas de sus colonias africanas, tanto Francia como Inglaterra trataron de convertir varios regímenes comunales de tierras en feudos francos de tipo occidental. Por su parte, la Unión Soviética y China intentaron activamente influenciar las estructuras de tenencia de tierras de las nuevas naciones independientes que emergieron luego del fin del colonialismo. Asimismo, las agencias especializadas de la ONU y otras organizaciones internacionales, incluyendo la FAO y el Banco Mundial, han auspiciado conferencias, ofrecido asistencia técnica, y utilizado varias formas de influencia y presión en torno de sus programas de asistencia en Asia, Africa y América Latina para promover políticas de acceso a la tierra más efectivas que las existentes.

La tercera sección examina la globalización de los mercados y economías junto con los resultados negativos que este nuevo orden podría tener, especialmente, para las iniciativas locales dirigidas a promover e implementar las reformas agrarias. La creciente globalización, conectada como está a la tecnología moderna, permite que otras naciones y las económicamente poderosas empresas multinacionales, penetren profundamente en la vida y decisiones a nivel local. Asimismo, el proceso de globalización ha hecho cada vez más difícil la acción de las comunidades locales y los grupos de interés. Las economías de todos los países, incluyendo a aquellas más desarrolladas que eran autosuficientes una o dos generaciones atrás, hoy dependen del comercio internacional. Como correlato de esto, las economías nacionales ahora son dictadas por las políticas económicas globales, haciendo más difícil la vida de los oficiales locales, legisladores y ejecutivos nacionales. La sociedad civil exige acciones para mejorar las condiciones económicas reinantes, pero dichas acciones ya no están bajo el entero control de las administraciones nacionales. Las iniciativas locales no pueden ser fructíferas si no cuentan con el apoyo de niveles más altos.

La última sección brinda algunas sugerencias sobre innovaciones a nivel nacional e internacional para nivelar el campo económico y que las iniciativas locales se encuentren nuevamente en posición de promover e implementar fructíferamente cambios en la tenencia de la tierra. Las instituciones transnacionales, tanto privadas como públicas, requieren nuevos códigos de conducta para la implementación de políticas económicas. No podemos, ni tampoco desearíamos, descartar la importancia de la tecnología. No podemos, ni tampoco desearíamos, forzar el desmantelamiento de todas las empresas multinacionales. Pero hay una necesidad imperiosa de formular e implementar nuevas reglas y procedimientos viables a ser respetados por las grandes empresas multinacionales e instituciones públicas internacionales como el Fondo Monetario Internacional y el Banco Mundial. Si no se producen cambios de gran magnitud como los mencionados, la probabilidad de restaurar la efectividad de las acciones locales es mínima.

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## Introduction

Land tenure reform is not a modern phenomenon, nor has reform been confined to developing nations. But recent technological and institutional changes have brought about unprecedented shifts in the options for socio-economic and political action. These changes have at times affected the possibilities for effective political and economic action at local and even national levels-actions necessary to implement and preserve the benefits of past reforms or to introduce new reform measures. And, of course, there remains the imbalance of political power and influence within many nation states, which has been and remains the primary deterrent to the actions required for equal distribution of resources and opportunities.

The first section of this paper outlines some of the major land reforms of this century, with a note on the earlier transformation of European feudalism. Next, some possible sources of political action (at the international, national and local levels) are considered for the initiation and implementation of reforms. The third section examines the globalization of markets and economies, and the negative effects this new order can have-especially on local initiatives dealing with land tenure reforms. The final section suggests some prospective national and international institutional innovations to level the economic playing field; this is followed by the paper's conclusions.

## Historical Landmarks

The European feudal system of several centuries ago is today an anachronism. Although comprising political, social and economic institutions, it was fundamentally an agrarian system built on the control of land. Eventually that system conflicted with the evolving goal of creating strong nation states, proved ill-equipped to respond to the requirements of expanding markets and too inflexible to accommodate the increased use of capital, and failed to meet the needs of human beings' evolving self-conception.

Yet despite its inadequacies, injustices and rigidities by present standards, the feudal system was an adaptation to the times. Growing out of a crumbling and disintegrating world empire, it organized people according to strict class structures with mutual obligations between classes, thereby assuring some degree of cohesion, internal harmony and security from potential enemies external to the feudal manor. But feudal structure was inconsistent with the requirements of changing from an agrarian system to an industrial society. The various attempts at reforming these agrarian systems, and their eventual transformation, define major landmarks in the economic history of the European states. Feudal land tenure systems and peasants' struggle for land rights were key factors in the French Revolution.

The history of the United States is not devoid of the land reform experience. The American Civil War was a conflict over land as well as slavery (Conrad and Meyer, 1964). The Homestead Act of 1862, which provided full title to 160 acres of public land after five years of residence and evidence of improvements, was passed only after many years of debate. The southern states were threatened by a free-land policy because it undermined the slavery system, which was the foundation for cotton production on plantations. There were not enough votes in both houses of Congress to pass the Homestead Act until the southern states seceded over the slavery issue (Edwards, 1940). The failure to follow through with land reform after the Civil War has cast a century-long shadow over race relations and the economic opportunities of black Americans. The slaves were free, but they did not have the independent economic opportunities that could have been theirs had land reform been carried out (Geisler and Popper, 1984).

Russian collectivization may not have provided the individual incentives or decision-making freedom that family farms did; however, the Russian planners' major concern was rapid industrialization. Russian agriculture was producing a substantial export surplus when collectivization policy was implemented and a key requirement was to free-up labour in agriculture and provide it to the new factories. In addition, the state had to "squeeze" some of the surplus production from the agricultural sector in order to provide relatively cheap food for the growing population in the industrial sector. And collectivization of agriculture was



perhaps necessary to assure party control over the economic system and prevent decentralized political developments. The collective system functioned to achieve these ends (Dorner and Kanel, 1971:41-42; see also Nichols, 1964 and Owen, 1966).

The recent dismantling of the Soviet Union has created some of the most significant changes since the Russian revolution. In fact, the Soviet system of land tenure was never totally static-but recent changes in Russia have been momentous. Indeed, the country's land tenure system has been the object of policy manipulation for most of the twentieth century.

Another example of land tenure policies with various extensions and modifications during this century is found in Mexico. The constitution of 1917, preceded by years of bloody revolution that left one million dead, declared that all land was owned by the nation. The state had the right to transmit land to individuals in the form of private property, but always retained the right to expropriate the land whenever deemed necessary for public use. Yet, due to fragmented political forces following the revolution, major land distribution did not take place until Cardenas's rule in the 1930s. During his six-year régime, almost 18 million hectares were distributed to over 800,000 peasants. This exceeded the amount of land granted by all his predecessors.

In prior régimes distribution was primarily of individual plots to each ejido member; however, faced with the need to expropriate large irrigated haciendas while preserving their productivity, Cardenas created collective ejidos. Although, over time most of these ejidos were decollectivized, with the land again being operated as small individual units.

The 1960s, under the presidency of Gustavo Diaz Ordaz, witnessed a major redistribution of land. About 25 million hectares were distributed, but only 10 per cent of this land was arable. Furthermore, agricultural policies encouraged exports. This, combined with unfavourable terms of trade for agricultural products, led in the 1970s to a sharp decline in basic food crop production and a dramatic increase in export crop production, especially fruits and vegetables (Dorner, 1992:39-40; see also Otero, 1989).

Mexico, along with other Latin American nations, has suffered in recent years from the massive international debts accumulated during the 1970s, followed by the economic depression of the 1980s. Partly as a reaction to these hard times, new conditions have evolved (discussed below) that have led to "the end of agrarian reform in Mexico" (in the words of de Walt et al., 1994).

In 1990 and 1991, the Mexican government implemented a number of major changes, including (1) elimination of most food and agricultural input subsidies and food price controls; (2) opening of markets, including elimination of most tariffs and allowing private enterprises to import food and feed; and (3) privatization of credit and technical assistance. While these were significant measures designed to insert Mexico and its agriculture into the global community (Gordillo, 1990), they were only a prelude to the most far-reaching institutional change for rural Mexico since the Revolution-the rewriting of Article 27 of the 1917 Mexican Constitution.

This article was the institutional response to the demands of "tierra y libertad" (land and liberty) shouted on the battlefields by peasant insurgents during the Mexican Revolution. The new provisions of rewritten Article 27 were approved by both houses of Congress and by the legislatures of all 31 states and became part of the Mexican Constitution in January 1992.

The key provisions of the new agrarian codes are the following: (1) the government has declared an end to the redistribution of land; (2) land rights disputes are to be settled by decentralized, autonomous agrarian tribunals; (3) ejidatarios will now have the legal right to sell, rent, sharecrop or mortgage their land; (4) ejidatarios will no longer have to continue working their land to retain control over land rights; and (5) ejidatarios can now enter into joint ventures and contracts with private entrepreneurs, including foreign investors whose participation will be limited to 49 per cent of equity capital (de Walt et al., 1994:2; here the authors suggest seeing Cornelius, 1992:3-4).

Following the Second World War, major land reforms were carried out in Japan, Taiwan and South Korea. All things considered, conditions were quite favourable for such activity in these countries. In Japan, the decision to implement a fundamental land reform was essentially made by the US occupation forces in the aftermath of Japan's defeat in the Second World War. In Taiwan the exiled government from the mainland, having seen the consequences of an alienated peasantry and lacking a major stake in land ownership in Taiwan, was anxious to win the support of tenant farmers. Additionally, in both Taiwan and South Korea, US influence was very significant (Dorner, 1992; and Dorner and Thiesenhusen, 1990).

Although they have had much impact on US thinking about land reform, transformations of agrarian structures in Japan, Taiwan and South Korea were unique in many ways and did not warrant the expectation that the same formula could be exported to other countries. In addition to the unique circumstances with respect to political power arrangements, there were other features favourable to these reforms. The pre-reform land tenure system in these countries is best characterized as a structure of small operatorship, tenancy units. The main target of reform was irrigated rice lands, where there was a long tradition of farmer organizations. The organizations were strengthened by the reforms and played a key role in the transition and in helping the reform's beneficiaries. The reforms basically consisted of cutting the tie between tenants and their landlords-abolishing the rent collection and control system-and the tenants already had a background of relatively independent entrepreneurial activity (Dorner, 1992:6; see also Kikuchi and Hayami, 1978 and Hayami and Ruttan, 1971).

There was a long tradition of intensive agriculture on small operating units farmed by tenants. By the late 1940s to the early 1950s, commercial fertilizer, improved seed varieties and other scientific practices were rapidly being adopted. The additional post-reform incentives created for tenant producers by freeing them from rents (as well as a strong demand and, slightly later, favourable cost/price ratio) resulted in very progressive agriculture. While not all of these results can be attributed to the reforms, their impact was undeniable. However, the assumption that similar results would be forthcoming from Latin American reforms was not warranted. The Asian unimodal system stood in sharp contrast to the dualistic farm-size structure prevailing in most of Latin America (Dorner, 1992:7).

The agrarian reform that affected the most people occurred on the Chinese mainland shortly after the end of the Second World War. Initial reforms in the early 1950s were followed later in that decade by complete collectivization and communization of agriculture, a system that prevailed for over 20 years (Dorner and Thiesenhusen, 1990). But since the early 1980s, collective agricultural production has been largely abandoned (as in other areas; see Thiesenhusen, 1989 and Melmed-Sanjak and Carter, 1991). The People's Republic of China has established the "production responsibility system" and essentially returned to individual farming (Dorner, 1992:53). This change was followed by a substantial boost in agricultural productivity.

There were several major reforms in Latin America before 1960. Mexico has already been mentioned. Bolivia had a revolution in 1952, followed by substantial reforms. The Arbenz government in Guatemala distributed land to 100,000 families in 1953, only to have the process reversed by a US-backed counter-revolution (Dorner, 1992:32; see also Chonchol, 1989:8). Cuba's revolution in the late 1950s also led to massive reforms in line with the communist model. After the formation of the Alliance for Progress in 1961, which encouraged programs of comprehensive agrarian reform, most countries in South and Central America passed specific agrarian reform legislation. Several countries in the region, such as Chile, Peru, Nicaragua and El Salvador, carried out substantial reforms from the 1960s through the 1980s. But the optimistic results posited were seldom realized.

In discussing the Latin American land reforms, Thiesenhusen concludes:

Although the agricultural sector was more 'modernized' after the reforms, most of the change occurred in the nonreformed sector and benefited those who were not peasants (although the reforms in Nicaragua and El Salvador are too new to apply this judgement). The region's agrarian reforms, many of them limited to begin with, included built-in features that were inequitable. Furthermore, most reforms were not supported with much

credit or technology transfer to beneficiaries. In other instances, they were neutralized by policies that channelled expenditures away from farming in the reformed sector and/or drove down prices for goods produced there. And the context of economic populism surrounding some agrarian reform efforts caused help for the poor to dissipate in bursts of inflation, which had an especially devastating impact on nonbeneficiaries. In general, government took away by stealth what it had given with a flourish (1995:xi).

In most countries of Latin America, the prevailing patterns of land ownership and land use are still wasteful and hard to justify. Modernization of farming, proceeding rapidly, has not solved the problem of extensive land use coexisting with substantial agricultural underemployment. Land reforms of the past are unravelling with neo-liberalism and free trade; land reforms of the future must cope with rural-urban and international migration, pressure from indigenous groups and protection of the environment, all complicating factors.

One could go on to list land reforms-some substantial, some quite modest-in other countries, such as Egypt, Tanzania and the Philippines. But the purpose here is not to give an exhaustive list of countries where some type of land reform had been implemented during the past century (feudal European reform, of course, came much earlier), but rather to illustrate the universal concern with these agrarian, institutional issues. I have also tried to show the various means by which land reforms have been brought about over the past several centuries.

## **International, National and Local Initiatives**

Most of the major reforms noted above came after political uprisings and revolution, often followed by authoritarian power (sometimes led by the military; and if not led by a military figure, then the military was at least in full support of such an authoritarian power structure). Extensive reforms carried out under a system of democratic institutions are quite rare.

The action, influence and support of land reform programs from outside, by another nation, has been widespread. The influence of the United States in Japan, Taiwan and Korea was referred to above. The United States was unable or unwilling to wield that same influence in Viet Nam or the Philippines. Also, US efforts in Latin America, while yielding considerable outcomes in a few areas, never matched the sought-after results. Other nations also tried, with varying degrees of success, to instigate and influence the land reform programs of other states.

Sweden used its diplomatic and foreign assistance missions in Haile Selassie's Ethiopia to cajole and advise the government to undertake land reform for both domestic and foreign policy reasons. French and British experts tried to convert a variety of communal land systems to Western freehold models throughout their African colonies, before and after independence, thinking that private land holding systems would encourage agricultural productivity by introducing new incentives to farmers. Soviet, Chinese and Israeli officials have used their own approaches to land ownership to inspire reforms in many newly independent countries. The specialized agencies of the United Nations and other international organizations, including the Food and Agriculture Organization of the United Nations (FAO) and the World Bank, have held conferences, offered technical assistance and used various forms of leverage and pressure in Asia, Africa and Latin America to encourage land policies that their experts consider more efficient or more equitable than the existing systems (Montgomery, 1984:3-4).

At times, major land reforms begin as political initiatives and action at the local level. The main thrust of peasant collective action has been land invasion, sometimes out of sheer desperation, sometimes as a means of pressuring the government, or simply as a means of defying the government's inaction. In the case of peasant organizations, one must distinguish between those whose origins and purposes are focused on the struggle for land and fighting for their rights, and those created primarily to perform economic functions.

Peasant collective action in the fight for land was more significant in Latin America's earlier reforms-those of Mexico, Bolivia and Venezuela, for example. However, there were certainly active peasant organizations

that made a difference in the Honduran reforms and, to a lesser extent, in the Dominican Republic and El Salvador. In general, the efforts of peasant organizations in Latin America were primarily to gain political power and/or to convince those in power to meet their demands for land.

Organizations created to serve economic functions-such as collective action for obtaining credit, marketing produce, or purchasing inputs and supplies-were not common. This stands in sharp contrast to the farmer organizations in East Asian reforms, which served as critical partners of government in promoting agricultural research, extension services, farm credit, input and product marketing, and the like (Dorner, 1992:52). The difference between Latin America and East Asia is not surprising given the contrasting nature of tenure patterns-the dominant, large-scale latifundia in Latin America versus a preponderance of small, individual (tenant/owner) operatorships in East Asia.

Operating peasant farmers have, through their various forms of organization (economic and political), provided critical supportive action for the implementation of land reforms. Likewise, they have joined together in some post-reform efforts to reshape the organizational structures established by the reforms. The most common case, perhaps, is the move toward individualizing operations initially created as some form of collective/production co-operative-as was the case in Peru, Mexico, and the Dominican Republic, among others (Thiesenhusen, 1989; Carter and Kanel, 1985).

A wide range of non-governmental organizations (NGOs) from outside have also often worked with counterparts in the nation carrying out reforms.

Trade unions, church groups and relief agencies have dispatched both technical and popular missions abroad to influence, advise and offer support to agrarian and urban reformers. In land policy disputes in Central and South America, the ultimate influence of OXFAM or AIFLD may be slight, but the impulse to be there persists (Montgomery, 1984:4).

Local collective action before and after will remain crucial to the support of meaningful land reforms. However, it must be re-emphasized that major land reforms cannot be carried forward without action and institutional change at the national level as well. The following section explores the hypothesis that local (and sometimes national) action has become more constrained due to a variety of developments over the past 20-30 years.

## **Obstacles to Effective Action**

During the course of this century, changes in the conditions of agricultural life have been unique and momentous. Early on, a family needed little to provide for its subsistence beyond a parcel of land and the simplest of tools. But subsistence farming is becoming less and less viable; it is next to impossible to barter excess potatoes for the raw materials of other life-sustaining necessities. The market is now all important; all items vital to life are becoming monetized. Markets penetrate and govern many aspects of life in even the remotest rural areas. And if they have not yet done so, it is only a matter of time before they do.

The technological revolution in farming (and "revolution" is not an overstatement of this phenomenon) totally transformed the conditions under which it is carried out. Technology requires increasing attention to and reliance on markets-local and extended. Technology and markets demand new institutional rules and procedures-locally, nationally and internationally.

These developments have led to the increasing globalization of a food system in which the interests and power of other nations, as well as of multinational corporations, penetrate deeply into life and decisions at the local level (Korten, 1995). All these developments have made action and initiatives by local communities and interest groups increasingly difficult.

While all countries import some food, most also export several specific commodities; the quantity of agricultural products moving in international trade is astounding. In 1990, over 200 million metric tons of grain and soybeans were shipped to international markets-over 11 per cent of total world production (International Food Policy Research Institute-IFPRI, 1995).

One of the most significant phenomena of the past 30 years has been globalization: growing ties, linkages and interdependencies among and between nations the world over. It has been developing gradually, but with increasing acceleration over the last 30-35 years. Although we live in a world of increasing economic interdependence, most of our institutions remain national and geared to addressing issues internal to the nation state.

All economies, even those of the largest nations that were essentially self-sufficient a generation or two ago, are today highly dependent on international trade. A corollary of this increased trade is that national economies are less amenable to direction by domestic economic policies, making life increasingly difficult for national legislators and executives. People demand action to improve their economic situation, but the actions necessary are only partially under the control of national officials. Furthermore, local initiatives can rarely be fruitful without support from a higher level (Dorner, 1997:39).

The past 20 years, concludes G. Edward Schuh:

have been a period in which the economic integration of the international economy has far outdistanced its political integration. In fact, we have witnessed a successive breakdown and growing irrelevance of international institutions at the very time that our respective economies have become increasingly integrated. Domestic economic policies have less and less relevance in today's world and do little more than create suspicion and lack of confidence in national governments since their policies do less and less what they say they will (1985:16).

And Harlan Cleveland concludes:

No nation controls even that central symbol of national independence, the value of its money; inflation and recession are both transnational (1985).

Keith Griffin suggests:

Globalization is eroding national sovereignty. Improvements in transport and communications have shortened distances, saved time, reduced transportation costs and destroyed the natural protection that once insulated national economies from one another. It no longer is possible for countries to pursue independent economic policies and to ignore economic forces operating at a global level (1996:119).

Perhaps the closest we have come to a really transnational institution with power to enforce its decisions is the increasingly complex multinational corporation. Although they have been much criticized for some of their practices, often appropriately so, it is almost impossible to conceive of the world economy functioning without them. These multinationals account for more than one fifth of total world production. World trade in many commodities is dominated by multinationals, and a large part of registered international trade represents their internal transactions. With cheap and rapid transportation and instant electronic communication, multinationals can quickly shift capital, technology and management all over the world (Dorner, 1997:39-40). Is it any wonder that national policies do "less and less" of what they say they will?

Massive technological changes and a growing emphasis on market capitalism leading to complex interrelations and interdependencies in a new globalization of economic activity are certainly among the key features making local action and initiatives more difficult and frequently less effective.

The turn toward liberal democracy and the search for individual freedom have been preceded or accompanied by a world wide shift in favour of market forces and private enterprise in the management and organization of the economy. The origin of this latest burst in economic liberalism may be traced to the crisis experienced by industrial countries in the aftermath of the sharp increases in the price of oil during the 1970s; but the new doctrine has since attracted an ever-increasing number of adherents in countries around the world, including the communist régimes of East and South-East Asia (Ghai and Hewitt de Alcántara, 1994:4).

But there are additional international institutional developments that may have devastating effects-for example international trade agreements. I refer specifically to the North American Free Trade Agreement (NAFTA) and the General Agreement on Tariffs and Trade (GATT).

I wish to be clear that this is not a treatise against freer trade. I do not see these agreements as some kind of conspiracy against particular groups of producers or consumers. And I believe that these treaties have many positive features to recommend them. Nevertheless, in this complex and interwoven global economy, some areas may feel major negative consequences as these agreements are implemented.

The poor peasants in the Mexican state of Chiapas apparently anticipated such negative consequences when they declared their revolution on the very day that NAFTA went into effect:

On January 1, 1994, the day that the North American Free Trade Agreement (NAFTA) took effect, the Mexican government and economic elite came face to face with its old nemesis, an armed rebellion of campesinos whose rallying cry was land, justice and democracy. 'Don't forget us', the rebels were saying, 'you depend on us for your political and economic stability. We have not gone away during the past 75 years of postrevolutionary governments, and we will not go away with neoliberalism and free trade' (Barry, 1995:3).

Calling NAFTA a death sentence for the people of Chiapas, some 4,000 Indians launched an armed rebellion against the Mexican government (Korten, 1995:293-294). Their battle cry-"Basta!" (Enough!)-was picked up by popular movements all across Mexico and resonated around the world.

A recent study of NAFTA's impact on peasant corn producers suggests that the development of infrastructure for transport, marketing and commerce is needed to facilitate:

. . . either the modernization of corn production to reach higher yields or the diversification into nontraditional fruits, vegetables, or field crops. Yet economic restructuring has removed the essential government services of credit, technical assistance, insurance, marketing and agricultural advising precisely at the time when peasants need such services to diversify and modernize their production (Collier, 1994:151).

But one can also sympathize with the actions of the Mexican government. Mexico faced a financial crisis in the mid-1990s when the monetary system was in deep trouble and major international financial assistance was required to overcome these conditions. The International Monetary Fund (IMF), along with United States loans, provided the help needed to overcome the crisis. But the IMF (as in the assistance currently being offered to the financially troubled South-East and East Asian countries) imposes stringent requirements for major restructuring of a government's economic policies. Such refocused national economic policies frequently create hardships for the average citizen, with some groups enduring more pain than others.

Thus while the current rules and procedures of the global economy often restrict potentially successful initiatives of local groups, national governmental leaders too may at times find major restrictions imposed on the scope and focus of economic policy initiatives they might wish to consider.

Still another factor that may restrict successful local actions and initiatives is the increased diversity of economic interests within such areas. This may make it more difficult to achieve the community cohesiveness required for concerted efforts to rally behind one particular interest. I again refer to the writing of Dharam Ghai and Cynthia Hewitt de Alcántara:

Deepening poverty and associated migratory trends also pose serious challenges to community solidarity in the majority of Third World and former socialist countries, as well as in China. Agrarian communities, which have provided the primary framework for local co-operation in developing countries, are being torn apart by contradictory forces associated with globalization and recession: both the increased pace of modernization of the past few decades, and the subsequent withdrawal of many new forms of support on which local people were coming to depend, have left rural communities disorganized and vulnerable. The loss of population, as people try to make a living outside the community, has converted the more remote villages and towns of some Third World countries into hollow shells, and has sharply reduced the ability of the remaining inhabitants to farm or to protect the natural environment (Ghai and Hewitt de Alcántara, 1994:13; see also Hewitt de Alcántara, 1994:13).

Yet another example from Mexico is taken from a study of the Puebla Project, located on the central plateau of the state of Puebla. The project was initiated in 1967 by the International Corn and Wheat Improvement Center (CIMMYT) and the Mexican government. The key objective of the project was to develop strategies for increasing corn yields on lands operated by small producers under rain-fed conditions. But, writes Miguel Sanchez Hernandez:

The diverse types of people in rural communities (poor peasants, middle peasants, rich peasants, landless, small merchants, politicians, artisans, etc.) could react so differently to any organizational process that it would be difficult to put them all together in the same bag (1987:66).

In Latin America at least, this seems like a rather general phenomenon. In data compiled by de Janvry and Sadoulet, it appears:

... likely that as much as two thirds of the farm households across Latin America derive more than half of their income from off-farm sources-principally wages from employment both in agriculture and in a wide variety of other activities, many of which are linked to agriculture through forward, backward, and final consumption linkages. At the same time, the share of the rural, economically active population working in non-agricultural activities has also increased very rapidly and reached percentages such as 23 in Brazil, 16 in Ecuador, 41 in Costa Rica and 42 in Mexico (1989:1209-1210).

It is evident that rural and urban labour markets have become more integrated. Fewer agricultural workers are recruited from among the rural landless and those on very small farms, while more come from households based in rural towns or in cities. The above statistics are especially impressive given the fact that the data are from a decade ago.

There is an additional national institutional issue involved in the question of local initiatives and their effectiveness. And a useful way to think about institutions, suggests Kanel,

... is to regard them as concerning rules and not, primarily, organizations. Institutions define the roles and status of the actors in the economy, and they define the rules of the game that the actors can use in relations among themselves and in their relations with nature (1988:427).

Institutions consist of rules defining for individuals their rights and privileges, responsibilities and obligations, as well as their exposure to the protected rights and activities of others. John R. Commons defined institutions as "collective action in restraint, liberation, and expansion of individual action". And, according to Commons, a working rule

... tells what the individual must or must not do (compulsion or duty), what they may do without interference from other individuals (permission or liberty), what they can do with the aid of the collective power (capacity or right), and what they cannot expect the collective power to do in their behalf (incapacity or exposure). In short, the working rules of associations or governments, when looked at from the private standpoint of the individual, are the source of his rights, duties and liberties, as well as his exposures to the protected liberties of other individuals (Commons, 1957:6); for further elaboration of these ideas see also Kanel, 1974 and 1985).

These rules function at different levels of the economy and society, and at times there may be conflicts between the rules at the higher levels of government and the need and desire to institute certain actions at the local levels. This issue became very clear and obvious in Russia after the central government passed land privatization legislation in the early 1990s. Individual farmers were given the option to obtain land and farm on their own individual farm unit, or to form partnerships with some of their farmer colleagues, or to form joint stock companies, or to continue farming more or less as they had been under the collective Kolkhoz or the state farm Sovkhoz. But at least in the early period following the establishment of such options (my first hand knowledge is from work in Russia in 1994), most farmers chose to continue farming as they had done before this "paper privatization" took place. A number of comprehensive surveys clearly showed that the new owners' preferences were to keep the large production units intact. This was especially the case on those state or collective farms regarded as the more successful operations.

It is quite understandable that many did not wish to leave the current system and "go on their own" where rules and procedures were unclear and untested. Furthermore, collectivization in Russia and the former Soviet Union had been the norm for so many years, most people had no experience or memory of an earlier system. People who might have experienced farming on their own and under a different set of institutional rules would now be of an age where they would not be among the current work force.

But there were other obstacles, mainly of an institutional nature. For example, the lack of surveying infrastructure made it impossible to provide individual land titles within any reasonable time schedule. The titles could be challenged because of their ambiguous legal status. Institutional rules and procedures and the physical infrastructure for providing mortgage and production credit, purchasing small quantities of inputs, or selling small quantities of outputs simply did not exist. All movement of inputs and outputs continued to be geared to the top-down service structure of large collectives. Likewise, farm machinery and building structures were all designed for large production units. Local initiatives were very difficult until changes were introduced at the top and throughout the regional structures, and down to those of the lower governmental echelons, the "oblast" and the "raion".

Significant transformation of this system depends on developing a clear, consistent and widely accepted order of rules and procedures, with legally defined and enforceable rights, duties and prohibitions. Certain physical infrastructural facilities must also be provided. Widely available technical assistance and educational programs are required: (1) to provide individuals with the multiple skills required in farming, many of which are not likely to be learned under a system of large-scale farming with a more specialized labour force; and (2) to provide the necessary information to get everyone on track and knowledgeable about the new system. Without such changes, mainly at upper levels of government, the prospects of local-level initiatives for transforming such a system are minimal.

## **Prospective Institutional Innovations to Level the Playing Field**



What are the causal elements underlying the problems discussed above? Technology! True, technological developments have played a major role in the globalization of national economies. But can we turn back the clock on technology? Can we turn our back to it and withdraw financing to curtail its development? This is virtually impossible in today's world and it would hardly be a wise move if it were possible. Technology is largely the result of previous scientific inquiry. We cannot shut down the inquisitiveness of the human mind. The technological genie cannot be put back into the lamp. This is not to say that all things made possible by modern science are also good and should be encouraged and developed. It may at times be necessary to curtail or prevent the widespread use and commercialization of selected technological possibilities. But it is a fact that technology and globalization are here to stay.

Technology is, after all, the creation of the human intellect. To try and shut it down would be to deny our own humanity. What we need to do is to use that same creative intelligence to formulate new rules and procedures so that we can reap the positive effects of technology, but at the same time reduce and reallocate as needed the costs and ill effects of that technology and the globalization to which it gives rise.

What about the expanding emphasis on international trade? Here again, building walls around nation states would negatively affect large segments of the population in all countries. And it would not only, or even primarily, be the well-to-do who would suffer from such actions. Likewise, trying to eliminate the multinationals, the IMF or the World Bank would not result in any positive achievements, even if it were possible. But again, and this point must be emphasized, this does not mean that these organizations should be free to continue to carry out their important functions under current rules. We must create new rules to govern the behaviour of these powerful international actors!

True, it is very difficult to prescribe "specific solutions" for these problems. There is a growing need for a more widely shared awareness of the difficulties outlined and a critical need for some restructuring of institutions at both the international and national levels. Since the 1980s there has been a constant exhortation of the benefits of private enterprise, market forces and competition. Free markets are wonderful if the economy has the right characteristics for them to operate effectively. But market forces are subject to manipulation and control by those with the economic and political power to do so. When resources and opportunities are widely and equitably distributed, most economic activity is best left to individual, private initiative and market forces. But this is not the case where a skewed distribution makes self-help impossible for a large and desperately poor proportion of the society.

In their research focusing on these issues, Carter and Barham point out:

In general terms . . . laissez faire does not present a level playing field to small farmers in the context of agro-export boom. More specifically . . . (a) the direction taken by agrarian growth is shaped by farm size biases which arise in the production or marketing of export crops that differentially advantage one class of producers over another; and (b) the importance and strength of these class biases are shaped by the initial distribution of land wealth in the local economy (1996:1138; see also Carter et al., 1995).

Thus, while advocating free markets and open competition can be quite relevant and fruitful where the economic playing field is level, the clear reality is that it is not-neither internationally, as among nation states, nor nationally, as between different sectors and/or groups of producers. And while the IMF and the World Bank have been very helpful in the "bail-out" of nations in major economic distress, the "strings" attached (i.e., the actions required of the nation state in "exchange" for the massive financial assistance provided) to their assistance have frequently intensified inequalities within the nation so served.

The rules and procedures of these international agencies must be reviewed so that the strings attached apply also to internal policy measures with respect to the impact alternative measures may have on the poorest and most disadvantaged in the society. The continuing rebellion in the Mexican state of Chiapas is not only over a concern with the impact of freer trade under NAFTA and with the end of agrarian reform following the government's actions in 1992. Nor are all the underlying causes of this rebellion related to these international factors. Nevertheless, these factors do add to the burdens borne by poor rural people. And an additional

reaction by the people of Chiapas was likely due to the negative consequences of the mandated restructuring undertaken to ameliorate the financial crisis of the mid-1990s. Recent demonstrations reported in South Korea and Indonesia have basically the same origin.

But of equal (or perhaps even greater) significance to additional rules and procedures for these international agencies with respect to requirements imposed on nations in time of crisis, there is a desperate need for new and enforceable rules and procedures to be observed and followed by the giant multinational corporations. In most cases these large corporations have fewer high-level rules to abide by than their own. By contracting for and assuring a market for produce worldwide, their decisions can influence in a basic way the land use and tenure relations in vast rural areas. And because they frequently have little or no competition, they are quite free to set prices and conditions favourable to their own best interests. ". . . these institutions have become too big, too distant, and too captive of special interests" (Korten, 1995:294).

The fact of the matter is that these large conglomerates do not experience (let alone pay for) the damages and costs that their actions may inflict on innocent people throughout the world. Just as there is a need for stricter rules for internalizing costs of environmental damage and destruction, so there is an urgent need for rules and procedures to internalize some of these "hidden costs" borne to a great extent by the poor people in countries throughout the world. In a succinct summary of these issues, Barraclough et al. note:

There are now some 37,000 transnational parent corporations with 200,000 affiliates worldwide. Their annual sales in 1992 were 5.5 trillion dollars and many were financially more powerful than most of the national economies with which they were dealing (UNRISD, 1995). They controlled about 70 per cent of world trade. These transnationals now enjoy freedom without responsibility. Some kind of international code setting minimum social and environmental standards for transnational investors, producers and traders seems at least as logical as the quality standards already widely applied to fruit and other commodities entering world markets, or to the accounting standards already required of international banks (1997:103).

If such additional and enforceable rules at the international level were available, they would also provide more flexibility and incentives for national governments to be more responsive to pressures and petitions from the demands of their citizens. Nevertheless, national governments must bear the prime responsibility for development, or the lack of it, within their nation. And national leaders must confront the powerful forces that may be opposed to a more equitable system of production and distribution-especially as they relate to land tenure restructuring and reform. It is only as national governments create the will and ability to confront these barriers that local initiatives will realize their full potential. Local collective action may be able to achieve some advances without such a reshuffling of power at the top, but without decisive action at the national level it will always be limited. The only exception is if such local initiatives spread geographically and result in an overthrow of the current government. And that is certainly not a course for outsiders to suggest or advocate.

Although I have been presenting the case for increasing the opportunities for local action and initiatives, one must also acknowledge the limits of action at this level. Technology has made it impossible to solve some problems and to deal with many issues in the modern world at the local level. A look at technology evolution in the area of transportation will illustrate this point. In the days before the automobile, the major sources of power and transport in farming were horses and oxen. Local communities set the rules governing the issues arising with this level of technology. It was not likely that horses or oxen would be used to travel outside the boundaries of localized jurisdictions.

But with the coming of the automobile, a plethora of conflicting local rules resulted since the automobile could indeed be used to cross a number of jurisdictional boundaries. Roads could not be constructed without dealing with other jurisdictions about this matter. Roads had to go somewhere. Other localities had to be involved and negotiations had to take place. Vehicles and drivers had to be licensed and registered. The handling of a potentially dangerous fuel had to be regulated. The safe use of this powerful horseless carriage required a new set of institutions and the involvement of a larger, higher-up-the-scale political unit to

formulate new rules to provide regional or nationwide uniformity. The airplane created still more complex problems, and commercial air traffic today would not be possible without at least minimal international rules-for example a common language for international air traffic controllers and a co-ordinated system of safety and security procedures (Dorner, 1986:14-15).

Modern technology has shifted decision making and rule making to ever higher levels-local, state, regional, national and, increasingly, international. Ours is a world, says Harlan Cleveland:

. . . where science, which has always been transnational, keeps inventing inherently global technologies-for weather observation, military reconnaissance, telecommunications, data processing, resource sensing, and orbital industry. As a result . . . we find ourselves moving beyond concepts of national ownership, sovereignty and citizenship to ideas such as the global commons, the international monitoring of global risks, and 'the common heritage of mankind' (1985).

I should also refer to a case in my own country-the United States. Institutions at the state and local levels have at times failed to protect equally the individual rights guaranteed by our federal constitution. The issue of and struggle over racial equality in the past could not be resolved until they came to be governed by national rather than state or local laws. Likewise, it seems to me, the security and equitable functioning of institutions dealing with land markets, credit and property relations cannot be left solely to local jurisdictions. There must be major inputs and rules of action that are formulated and enforceable at the national level.

We live in a world vastly different from what it was 75 or even 25 years ago. Technology has been a fundamental force behind these momentous changes. Local communities have lost some authority and prospects for productive action, but new technologies in the area of communication and transportation, among others, have also given local communities new leverage. Nevertheless, in this new and increasingly interdependent global economy and society, new rules at the international and the national levels are required to provide additional leverage for the nation state with respect to some areas of policy, but especially to re-empower the governmental units at the local and regional levels.

## Conclusion

In recent years there has been much emphasis on privatization and market solutions. This has certainly been true in the United States, but it is a more general phenomenon. There has been a growing mistrust of government, especially at the national and the international levels (Nye et al., 1997). But in general, such prescriptions work to the disadvantage of the poorest and least powerful sectors of the economy and the population. It has also frequently had a debilitating effect on local groups and organizations and the actions they might wish to take to improve their conditions.

National governments simply cannot negate their responsibilities by denying them and assuming the problems will be solved elsewhere. Local action can be fruitful only if and when the appropriate actions are introduced at higher levels of government. But the issue goes beyond the national level to the international level.

There are two major areas of concern: (1) the restructuring requirements imposed in exchange for financial bail-outs by the IMF, the World Bank and nations contributing to such assistance. This is not to deny that rather severe measures may be needed under certain circumstances. But it is too often the case that those suffering most of the negative consequences of such restructuring are the poor and the near poor. And this consequence is related to the second area of concern: (2) the growing urgency for new international rules and enforceable guidelines for actions by the large transnational corporations. Their capacity to move in and out of specific areas and spread the costs of their actions in a random manner, without accountability, must be curtailed.

This is not to condemn all actions of the IMF, nor to suggest that the multinationals should be denied prospects of operating transnationally. But responsible action would dictate that the consequences of action taken by the most powerful international entities be carefully scrutinized and that the negative effects of such actions be shared by those most able to pay for them-and that, likewise, the positive consequences of actions taken by these powerful actors be widely available and shared by the poorer segments of society. These are critical areas for the development and enforcement of international rules of action (i.e., international institutions). Addressing some of these same issues, Griffin and Khan note:

While it is unrealistic to expect that stabilization can be painless for everyone, the evidence suggests that it is possible to combine stabilization with protection of the poor and preservation of human development achievements (1992:96).

There is one caveat. As suggested earlier, local communities must be given the freedom to act on local problems, but to make such local action possible and productive may indeed require changes in the rules of action (or institutions) at the national level. But these rules at the national level may also at times need to proscribe certain actions at the local level. This is required to avoid possible chaotic conditions (contradictory regulations from one community to the next, for example, which could greatly interfere with and restrict movement of goods and people within the nation), and to maintain philosophic, legal and socio-economic consistency between local actions and regional and/or national goals.

It is all too simple to say "let the market take over, let the local community do it, let local people take charge and solve their own problems", etc. But this denies responsibility that must be shouldered at higher levels-national and international-and it is appropriate to emphasize the international. Griffin explains it this way:

Unilateral action, slowly but surely, is likely to give way to global collective action. This, in turn, will require strengthening, reforming and in some cases reconstructing global institutions which are democratic and can act in the global public interest (1996:120).

Only if responsibility is seriously embraced at each level can there be fruitful, harmonious and widely accepted actions and consequences. This is not an easy prescription to follow. And it is especially difficult when dealing with a most controversial issue such as land reform. Yet issues must be dealt with in this way. The alternatives are either no solution to such vexing problems-and risking a prospective revolt by the otherwise powerless masses-or some selective but key-issue partial solutions with the potential to evolve into more general solutions.

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