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The Political Economy of Market-Based Land Reform

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◆ Summary/Résumé/Resumen

Summary

The paper uses a political economy approach to examine the post-1980 shift in land tenure policy away from redistributive land reform. The focus is on the perceptible change in development objectives and policy instruments from the rapid reduction in rural poverty and land concentration through government intervention toward a market-based transfer of land property rights, with emphasis on resource use efficiency and output growth, irrespective of distributional consequences. Based on empirical evidence, the paper presents a quantitative examination of the extent and pace of change in poverty levels, landlessness, food production and inequality in the size distribution of land.

The discussion is divided into five main sections. Sections I and II define key terms and present basic principles of policy choice and access to land. In Section III, these principles are applied to country-specific experiences within a historical context. With regard to the implementation of market-based land reform, the experiences of Brazil, Colombia, Kenya, the Philippines and South Africa are briefly reviewed, followed by an assessment of the effects of the privatization of customary land tenure on food production and land concentration in Côte d'Ivoire, Malawi and Uganda. The implementation of these market-based programmes is viewed as part of the market liberalization and structural adjustment policies of the World Bank and the International Monetary Fund (IMF) associated with heavy foreign debts. Available data indicate increasing inequalities, and falling food production and average daily calorie consumption per person in most sub-Saharan African countries where ownership of communal lands has been privatized. Empirical evidence also suggests that most of the buyers of land are politicians, senior government officials and urban land speculators, all of whom know the law and registration procedures, and have contacts with credit institutions and land surveyors.

Section IV addresses two critical questions. First, if the present trends in market-based access to land were to continue into the twenty-first century, what would be the prospects for the hundreds of millions of landless and near-landless rural poor? And second, can a wage-dependent landless worker purchase land in his or her lifetime? How long would the worker need to save all or part of his or her daily wage in order to purchase land in the open market? Empirical evidence suggests that opportunities to buy land through the market are virtually nonexistent, owing to (i) the downward trend in cropland availability per working person in agriculture, especially between 1980 and 1996, due to rapid urbanization and budget cuts in public spending for irrigation; (ii) inflated land-sale prices combined with falling daily wages in real terms and increases in the cost of living; (iii) the increasing demand for land—which is viewed in this paper not as a commodity or as a factor of production, but as a unique social amenity (a secure form of holding wealth, and of gaining social and political advantages and family food security); and (iv) the impossibility of obtaining land mortgages and the high risk of lending capital to landless workers and asset-poor peasants.

In Section V, it is argued that the land market has special socio-political aspects that require a different mode of analysis. Some assumptions behind the land market approach are challenged, particularly the view of the land market as a culturally isolated economic mechanism serving to equilibrate supply and demand. Some ways are proposed for making the land market approach workable and socially acceptable, bearing in mind the alarming statistics of increasing numbers of rural poor, landless workers and undernourished children, especially in the Middle East and sub-Saharan Africa.

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Résumé

Ce document se sert de l'approche de l'économie politique pour examiner les changements relatifs à la politique concernant le régime foncier par rapport à la réforme de redistribution des terres à la fin des années 1980. L'attention est portée sur les changements visibles dans le développement des objectifs et instruments politiques pour réduire rapidement la pauvreté dans le monde rural et la concentration des terres par un transfert des droits de propriété vers le marché de base. Il insiste sur l'usage efficace des ressources et l'augmentation de la production, sans tenir compte des conséquences de la répartition. En se basant sur une évidence empirique, il examine de façon quantitative l'étendue et la vitesse auxquels changent les niveaux de pauvreté, les sans terres, l'inégalité dans la taille des terres distribuées, et la production alimentaire totale et par tête d'habitant.

Cette étude se divise en cinq grandes parties. Les parties I et II définissent les termes clés utilisés et les principes de base concernant le choix politique et l'accès à la terre. Dans la partie III, ces principes sont appliqués à l'examen d'expériences spécifiques par pays dans un contexte historique. Quant à la mise en oeuvre de réformes agraires basées sur le marché, les expériences du Brésil, de la Colombie, du Kenya, des Philippines et de l'Afrique du Sud sont brièvement passées en revue. Elles sont suivies par une évaluation des effets de la privatisation du régime foncier coutumier sur la production agricole comme sur la concentation de terres en Côte d'Ivoire, Malawi et Ouganda. La mise en oeuvre de ces programmes basés sur le marché est considérée comme faisant partie des politiques de libéralisation des marchés et d'ajustement structurel adoptées par le FMI et la Banque mondiale, accompagnées de lourdes dettes extérieures. Les données disponibles indiquent une augmentation des inégalités, la chute de la production alimentaire et de la moyenne calorique par personne dans la plupart des pays d'Afrique subsaharienne dans lesquels la privatisation des propriétés communes coutumières a eu lieu. Une évidence empirique fait penser que la plupart des acheteurs sont des politiciens, des hautes personnalités gouvernementales, des spéculateurs fonciers urbains qui connaissent la loi et les procédures d'enregistrement, et qui ont des contacts avec les institutions de crédit et les experts géomètres.

Dans la partie IV deux points critiques sont formulés: Si les tendances actuelles d'un accès à la terre basé sur le marché, associés à la croissance de la population et aux coupes budgétaires dans les dépenses publiques devaient continuer au cours du vingt-et-unième siècle, quel serait le sort des centaines de millions de sans terres et de pauvres ruraux presque sans terres? Est-ce qu'un ouvrier sans terre vivant d'un salaire pourra se payer une terre au cours de sa vie? Combien de temps cela prendra t'il pour qu'un travailleur puisse acheter de la terre sur un marché ouvert en utilisant une partie ou la totalité de son salaire journalier? Une évidence empirique semble montrer une opportunité virtuelle zéro d'acheter une terre sur un marché imputable: (i) à l'existence d'une tendance à la baisse dans la disponibilité des terres agricoles par personne travaillant dans l'agriculture, spécialement dans les années 1980-96, suite à une urbanisation rapide et aux coupes budgétaires dans les dépenses publiques pour l'irrigation; (ii) à l'inflation dans les prix de vente de la terre combinée avec la baisse des salaires journaliers en termes réels et l'augmentation du coût de la vie; (iii) à l'augmentation de la demande de terre qui n'est pas considérée ici comme un facteur de production mais uniquement comme une attraction sociale (une manière sûre de maintenir le bien-être et gagner des avantages politiques et sociaux ainsi que la sécurité alimentaire pour la famille); (iv) à des hypothèques sur la terre impossibles à obtenir et

un risque élevé d’emprunt de capital pour les ouvriers sans terre et les paysans très pauvres.

Dans la dernière partie, certaines hypothèses derrière l’approche du marché de la terre sont discutées, en particulier lorsque l’on voit le marché de la terre non pas comme une institution sociale mais juste comme un méchanisme économique équilibrant l’offre et la demande tout à fait isolé culturellement. Certaines voies sont proposées pour rendre l’approche du marché de la terre réalisable et socialement acceptable, en gardant en mémoire le rôle crucial des représentants des travailleurs ruraux ainsi que les récentes estimations alarmantes de l’augmentation du nombre de pauvres ruraux, d’ouvriers sans terre et d’enfants sous-alimentés, spécialement au Moyen-Orient et en Afrique subsaharienne.

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Resumen

Este estudio examina el cambio ocurrido después de los años 80 en la orientación de las políticas redistributivas de la reforma agraria hacia otras políticas de tenencia de la tierra, según la perspectiva de la economía política. El análisis se centra en el evidente cambio en el desarrollo de los objetivos y cursos de acción, que pasaron de buscar una rápida reducción de la pobreza rural y la concentración de la tierra a la transferencia de los derechos de propiedad sobre la tierra en el mercado, enfatizando el uso eficiente de recursos y el crecimiento del producto, independientemente de las consecuencias distribucionales.

Las secciones primera y segunda definen los términos clave utilizados y los principios básicos acerca de la elección de políticas y acceso a la tierra. En la tercera sección, estos principios son aplicados a casos en países determinados dentro del correspondiente contexto histórico. En lo concerniente a la implementación de la reforma agraria orientada hacia el mercado, examinaremos los casos de Brasil, Colombia, Kenya, Filipinas y Sudáfrica, para luego pasar a los efectos de la privatización de tierras para la producción tradicional de alimentos y la concentración de tierras en Côte d’Ivoire, Malawi y Uganda. La implementación de estos programas orientados hacia el mercado son vistos como parte de las políticas de liberalización y ajuste estructural que el Banco Mundial y el FMI adoptaron para países con altas deudas externas. Los datos disponibles indican que en la mayoría de los países africanos de la región del sub-Sahara donde ha tenido lugar la privatización de tierras consuetudinarias comunales, las desigualdades socio-económicas se han incrementado, así como también han disminuido la producción de alimentos y el promedio de las calorías diarias ingeridas per cápita. La evidencia empírica sugiere que la mayoría de los compradores de tierras son políticos, altos oficiales del gobierno y especuladores de tierra urbanos que conocen las leyes y procedimientos de registro y poseen contactos en instituciones de crédito y agrimensores.

La cuarta sección presenta dos interrogantes críticos: Si las presentes tendencias de acceso a la tierra orientado hacia el mercado, crecimiento de la población agraria y cortes presupuestarios en el gasto público, continuaran en el siglo XXI, ¿Cuál será el panorama para los cientos de millones de personas pobres y sin tierra o casi sin tierra en el ámbito rural? Y ¿Puede un/a trabajador/a sin tierra y dependiente de un salario adquirir tierras durante su vida? ¿Cuánto tiempo le llevaría al/la trabajador/a comprar tierras en el mercado abierto por medio del ahorro de todo o parte de su salario? La evidencia empírica sugiere que la oportunidad de comprar tierras a través del mercado es virtualmente nula debido a: (i) la presente tendencia decreciente en la disponibilidad de

tierras para cultivo por trabajador activo en agricultura, especialmente en 1980–96, dados la rápida urbanización y cortes presupuestarios en el gasto público para irrigación; (ii) altos precios para la venta de tierras combinados con la caída de los salarios diarios en términos reales y el aumento en el costo de vida; (iii) creciente demanda de tierras que, en el presente estudio, es vista no como un factor de producción, sino como una amenidad social única (una forma segura de mantener la riqueza y obtener ventajas sociales y políticas, además de asegurar alimentos para la familia); y (iv) hipotecas sobre la tierra inobtenibles y alto riesgo en prestaciones de capital a trabajadores sin tierra y campesinos pobres.

En la última sección, se ponen en tela de juicio algunas suposiciones adoptadas por el enfoque centrado en el mercado de tierras, particularmente aquellas que—sin tener en cuenta el contexto socio-cultural—perciben al mercado como un mecanismo económico para equilibrar la oferta y la demanda y no como una institución social. Finalmente, proponemos algunas formas para hacer del mercado de tierras una alternativa viable y socialmente aceptable, teniendo en cuenta tanto el rol crucial que desempeñan los representantes de los trabajadores como las recientes estimaciones del creciente número en la población rural pobre, trabajadores sin tierra y niños desnutridos, especialmente en Medio Oriente y la región del sub-Sahara en Africa.

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◆ Abbreviations and Acronyms

CONTAG	Federation of Agricultural Workers (Brazil)
ECLAC	Economic Commission for Latin America and the Caribbean
FAO	Food and Agriculture Organization of the United Nations
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMF	International Monetary Fund
LMR	land market reform
NGO	non-governmental organization
RLR	redistributive land reform
UNRISD	United Nations Research Institute for Social Development
WCARRD	World Conference on Agrarian Reform and Rural Development

I. INTRODUCTION

Perhaps no other policy issue is more susceptible to shifts in ideology and the balance of political power than the transfer of land property rights. The controversy seems to arise from changing the roles of the state and the market in this transfer and, in turn, the distribution of income and opportunities for progress. This paper examines empirical evidence from developing countries that reveals such ideological shifts—in terms of theoretical construction, development strategies and common-sense beliefs about fairness, caring for the poor, the economics of resource use and the nature of rural people's motives and social values.

Since the end of the Second World War, we have witnessed two contrasting shifts with regard to these roles. The first occurred between the late 1940s and the early 1980s, which I call the decades of the poor peasants and the golden age of genuine land reform. During this period, leaders of most developing countries found it necessary—after gaining independence—to redress past wrong-doings, including colonial land tenure policy. When we look back over that period, it now seems that reforms were evoked out of deep dissatisfaction with the abject poverty, gross inequalities and social instability resulting from colonial policies. Since these countries' economies were fundamentally agrarian and their populations overwhelmingly rural, different types of agrarian reforms (with varied scope and pace of implementation) were instituted. Yet they shared a broad aim: a rapid reduction in poverty and inequalities, combined with emancipation of the peasants from the erstwhile political power of landlords and the monopolies of the latter in land and labour markets.

◆ The Nature of Changing Rural Development Strategy

In 1979 at the World Conference on Agrarian Reform and Rural Development, governments committed themselves to equitable distribution of land through its "redistribution with speed" and to systematic monitoring of progress in poverty reduction. They also undertook "to eliminate severe under-nutrition by the year 2000" (WCARRD, 1979). Alas, this unanimous commitment and enthusiasm was short-lived. Since the early 1980s there has been a sudden shift away from government-implemented redistributive land reform (RLR hereafter) toward reliance on the formal credit market and on landed property transfer, freely negotiated in the open market (referred to as land market reform or LMR hereafter). By that time, most developing countries were heavily indebted to rich industrial countries, which were, themselves, experiencing prolonged economic recession. Western creditors wanted to recover debts and refused to make new loans to the indebted countries unless they signed agreements with the IMF and the World Bank for debt recovery linked with time-limited market liberalization.[1] Known as economic policy reforms or structural adjustment programme packages, their conditionalities require that adjusting governments *not* regulate the working of the market, including the land market. In advocating these policy reforms, rich creditors and aid-giving international organizations (which pretend to be neutral policy advisors and whose influential economists pose as value-free social scientists), state with authority that "the market" is the most effective land distribution mechanism and "vehicle for the reduction of unequal patterns of distribution".[2]

Accordingly, the pro-social transformation and anti-poverty RLR policy has been suddenly eclipsed and condemned for delaying rural betterment. In devising policy prescriptions that are tightly bound up with aid and debt relief, international aid agencies and donor countries have propagated in their policy packages, a technical programme of agricultural credit and legal procedures for land transactions based on the dominance of a private sector free from price control by the state. The prescribers' views about LMR have become so interwoven with the structural adjustment policy package as to be identified with it. Accordingly, poor peasants and landless workers wishing to purchase a piece of land have to search for a willing seller, negotiate the sale price of land, compete with speculators and rich landowners to secure credit, and even bid at land sale auctions. From what we know of countries' limited experience, there is no novelty in the emphasis on market forces. On the contrary, in the implementation of RLR, government-fixed prices have co-existed in varying degrees with market-determined prices of land lease and purchase, as well as the price of money (interest rates) in what is known as the parallel market. Even in socialist economies (such as Tito's Yugoslavia, or China's household responsibilities system since 1979) while means of production were socially owned and major development decisions centrally planned, day-to-day operations were left to individual households and market forces in a system that Oskar Lange called "market socialism". This flexibility refutes fears that RLR is rigid, inhibiting the land market from adjusting to realities.

What is more significant in the propagation of LMR is the shift in development objectives and in the ordering of means and ends. Whereas RLR gives high priority to the rapid reduction of poverty in rural areas, combined with the development of the abilities of beneficiaries, sponsors of LMR accord priority to economic efficiency in the market-determined allocation of resources in order to realize export-led agricultural growth. Toward this end, LMR policy supports the freedom of the producer and of capitalists in the accumulation of land and income, irrespective of adverse distributional consequences and effects on the well-being of the poor. Although the advocates of this approach express concern over increasing poverty, they anticipate its eventual reduction by a sustained all-round rise in average real income per head. Equitable distribution of growth benefits is not a clear development objective. Seeing land-market reform only in narrow economic terms as an end in itself represents a set-back in the progress made since the 1950s both in development thinking and in the realization of equitable rural development.

Being obliged to obey the IMF in implementing currency devaluation and budget cuts, policy makers adopting the *laissez-faire* land policy (LMR) as part of an economic liberalization policy do not seem concerned about the effects of cuts in government spending on health, education, social security or public investment in rural road construction and irrigation expansion. They anticipate that these services will be provided by the private sector. Regardless of the merits of enhancing the role of the private sector, the complementarity in raising the capabilities of the rural poor between securing access to land, on the one hand, and agricultural growth, public investment in improvement in health and education systems, on the other, should be the focus of the liberalization of the rural economy. Poor peasants and landless workers—who account for a large proportion of rural people—cannot afford the market-determined prices of human necessities that result from the conversion of health and education from essential public services to marketable commodities.

◆ Why Focus on Political Economy?

The discipline of political economy as a branch of social science enables us to understand the nature and significance of these interconnected components of rural development. It is based on the premise that the economics of agrarian structures cannot be separated from the politics and social organization of the economy within a historical context. The elements in the social organization determining land property and land use rights include inheritance arrangements, religion, political ideology and bureaucracy, as well as the law, rules and customary arrangements. For example, religion provides the moral foundations that determine whether practices in market transactions are fair or exploitative, as well as God-given inheritance rules, particularly in Islam. Whereas these values and institutional arrangements are considered important in the discipline of political economy, and help us to understand the morality of market reform, they are habitually disregarded by economists, especially the followers of neoclassical economics. By ignoring fairness in wealth distribution and these elements of social organization, conventional economists concentrate on resource efficiency and assert that what a person owns and earns should solely be determined by the market, not by governments or other non-market arrangements.

◆ Some Key Concepts

For the purpose of this study three distinctions are made in the definition of key terms. The first is between market and non-market land transactions. The former comprise land-lease market and land-purchase market transactions, in which the terms of transactions are negotiated and agreed between the two parties, then registered for their enforcement by law. By "non-market land transactions" is meant government-administered land ownership transfers, rental values and sale price of land. It means also the transfer of *private* land ownership and use rights by: the legislative power of the state, inheritance, inter-family marriage, and extortion by virtue of political power and official status, as well as the granting of *public* land under concessional arrangements.

The second distinction is between "redistributive land reform" and "agrarian reform". The former, which has already been briefly described, means the distribution of privately owned land from big landowners to landless workers agricultural and poorer peasants already cultivating the land as tenants or sharecroppers (referred to as beneficiaries hereafter). As a development strategy, RLR is a manifestation of political will and a strong demonstration of commitment by the country's leadership to rapidly reduce rural poverty and the vast inequalities in rural wealth and opportunities. This strategy views the redistribution of land as a redistribution of purchasing power and opportunities for rural peoples' progress. RLR is also viewed as a public action to remedy market failure, by way of breaking monopoly power in land, labour and credit markets. "Agrarian reform", on the other hand, embraces a wider scope of institutional and technical changes associated with access to land, including one or more of the following: distribution of public land for land settlement schemes; registration of land titles; tenancy regulations; consolidation of fragmented holdings; and so forth.

The third distinction is between the two expected beneficiary groups: landless workers and poor peasants. The former are hired agricultural workers, who are not owning, renting or crop-sharing any area of land. They may own a few animals and supplement their agricultural wage earnings by working occasionally in non-farm activities. Poor peasants, on the other hand, own or rent small areas of land and use family labour for farming their landholding and keeping animals. They usually do not hire outside workers, except in peak seasons. These characteristics of traditional peasants were succinctly phrased "efficient and poor" by the winner of the Nobel Prize in economics, Theodore Schultz (1964:38).

◆ The Organization of the Paper

The second section of the paper presents some of the principal relationships influencing secure access to land, indicating that the subject of land reform deserves to be treated seriously and honestly. It also examines some of the elements of land policy choice that determine who benefits. The purpose is to show that policy should emerge from country specific situations and not from an imported ideology serving short-term political motives and prescribing almost identical rural development strategies for poor countries, taking them all along a unique path. The third section reviews empirical experience in the implementation of both RLR and LMR. This empirical approach combines a narrative of institutional arrangements with a quantitative assessment. The fourth section examines the prospects for improving the situation of disadvantaged groups in rural areas, and the fifth section draws some conclusions.

II. BASIC PRINCIPLES: ACCESS TO LAND AND POLICY CHOICE

Apart from ideological and political motives, the general proposition is that greater access to land is positively linked to investment and production incentives. It also expands the employment of family farm labour and provides security against hunger and the risk of poverty. These issues are considered in the following sections.

◆ Access to Land

Throughout the recorded history of the now developing countries, land has been viewed not solely as a factor of production but as a unique social amenity: a secure form of holding wealth and gaining social and political advantages and family food security. Irrespective of their occupations, most people strive to own a piece of (increasingly scarce) cropland or to expand their existing holdings. Unlike other productive assets, land held individually or communally for a long time is almost sacred and, except in distress-sale situations, it is preserved as a family or tribal heritable bond, that is, a non-marketable family asset. It is thus absurd to view land in a narrow economic sense as a commodity or a factor of production, like a sack of fertilizer, and to analyse the land market exactly like fertilizer market. However, this is done in LMR rural development policy prescription and analysis. The absurdity of this view was established nearly half a century ago by Arthur Lewis, the 1979 Nobel Prize Laureate in economics (1963:91). In the rest of this essay, I shall appeal to common sense, arguing that "land" and the "land market" have special socio-political aspects that require a different mode of analysis.

With increasing *direct* demand for access to land and a *derivative* demand for food, in addition to a growing agricultural population, including rising numbers of landless workers, land policy debate has gained importance. Prominent among the debatable issues are farm size and the intensification of land and labour use; environmental considerations of the conservation of soil fertility and grazing areas for the benefit of future generations; the individualization or the preservation of customary-based communal ownership and land use practices; and the costs of borrowing money for the purchase of land and complementary productive inputs. Because of space limitations, some of these issues are only briefly examined.

Productivity

There has been concern that production would be disrupted by the division of large farms into small family farms through RLR. The arguments are about the economics of the break-up of large privately owned estates for redistribution as small family holdings. Ideology apart, and despite the controversy over the Western criteria used in judging the productivity of agricultural land in developing countries, the results of rigorous field studies tell us that the productivity of land and labour decline as farm size increases. Inefficiency of resource use in large farms is particularly manifested in sparsely populated countries by widespread absenteeism, underemployment of farm resources and increasing costs of hiring and supervising labour. Efficient utilization of labour per unit of land (measured in terms of person-days per year and the number of working people per unit of output) tends to be lower in large estates than in small holdings.

Cost of borrowing

Because they are central elements of LMR, access to and the cost of formal (institutional) credit are linked to property rights in land and to land productivity. According to empirical evidence and common sense, the rate of interest (the cost of borrowing) is negatively related to both the size of landholding and its productive capacity. The larger the size of landholding and the higher its profitability, the lower is the rate of interest and vice versa.

Because loans entail risks to the lender, landless workers and small tenants face serious barriers to entering the credit market. Moneylenders and formal credit institutions consider it highly risky to lend to these asset-poor people. (In a private property market economy, creditors require collateral, the value of which could be claimed in the event of default.) Such potential borrowers are further disadvantaged by being charged higher rates of interest and by bearing high transaction costs (transportation costs, bribing clerks in the credit bank, etc.) relative to the small size of the loans they seek. Except in group lending for production support, a large section of the rural population is denied the opportunity to purchase land and, in turn, to invest. This also deprives the economy of higher potential output. In addition, small tenants face other transaction costs in leasing through the auctioning of land. In the auction, a rich middleman can meet the financial requirements to outbid poorer competitors for leasing a large area of land, and subleasing it in small units to small tenants at rates higher than those he paid to the landlord or his agent.

Evidence suggests that, for these reasons, transaction costs are disproportionately high for small farmers compared to larger farmers. There is also evidence that the market-lending probability is extremely low, approaching a zero chance of securing credit for landless workers who wish to climb the land tenure ladder (i.e., from hired worker to tenant to owner). Furthermore, Muslim farming people are constrained by their belief in the immorality of mortgage arrangements. The Koran says that those who live on usury shall rise up before Allah (God) like men whom Satan has made evil by his touch, for they claim that usury is like trade. But Allah permitted trading and prohibited usury (*riba*).[3] In the moral dictates of Islam, while there is a consensus on the prohibition of usury, *riba* considered as a fundamental sin, there are diverse interpretations concerning morality and immorality of borrowing terms (for example, the payment at a later date of pre-fixed interest on a loan for the purchase of land).[4]

◆ Policy Choice and the Balance of Political Power

Whether by parliamentary majority or by oligarchy, the choice of land property transfer policy is a product of a number of elements: (i) the initial situation of the rural economy, particularly the extent of landlessness, poverty and inequality; (ii) the lobbying strength of interest groups and the configuration of the political power structure; (iii) the commitment of policy makers to speedy poverty reduction; (iv) the form of government (parliamentary majority or oligarchy) in which the balance between class interests and the regime's interests are weighted; (v) the resources available for policy implementation, including budgetary allocations, administrative capabilities and technical skills of civil servants; and (vi) the extent of influence and pressure exerted by foreign agents with disguised ideological motives as regards land tenure and equity issues. Examples of this last factor include the perennial influence of the multinational enterprises in the Philippines, and the post-1980 alliance of Western rich donors and the World Bank/IMF in their policy prescriptions to the heavily indebted adjusting countries.

As citizens, poor landless and near-landless rural workers are entitled by international conventions to participation—through their *own* representatives—in the processes of policy making and negotiating actions that directly influence their well-being. Examples are ILO Conventions 87, 95 and 141. Yet the influence of rural workers and poor peasants is usually minimal or non-existent. They are scattered in the countryside, unemployed for a substantial period of time during the year, and highly dependent for survival on their many employers and the moneylenders who exercise monopoly power in their localities. In rural localities, big landowners perform multiple functions: influential politician and probably member of parliament, mayor of the village, trader, owner of water pumps for irrigation where water is scarce and, perhaps, moneylender.

These forms of political and economic control are practised—in most cases—within the legal system. Conventional economists view these monopoly powers as a normal feature of a market economy. According to this school of thought, it is inappropriate to describe resulting distributional relations as exploitative, exclusionary or unfair: the market decides what poor peasants and landless workers deserve, as they lack the entrepreneurial abilities and working skills demanded by the market. It is paradoxical that the words "fair" and "unfair", "fairness" and "unjust inequality", which are frequently used to describe transactions and market behaviour, are ignored in the analysis of land market outcomes and the construction of its textbook models.

III. EMPIRICAL EVIDENCE

In this brief review of historical experience, the sequence of presentation of the two main policy approaches, RLR and LMR, neither implies causality nor means the singularity of each approach's occurrence in a given period of time. In many cases they overlap and in some, the adoption of one approach is justified as a reform of the defects of the other, such as the performance or failure of government intervention or the market. Historical experience suggests a sequencing: the promulgation of a radical redistributive reform combined with tenancy regulation was found necessary to amend the cumulative failings of the market (such as land concentration in a few hands, exorbitant rental values, eviction of tenants without compensation and heavy indebtedness of peasants).

◆ Redistributive Land Reform (RLR)

Prior to the promotion of LMR policy in the 1980s within the context of macro-economic policy reforms, nearly 30 developing countries (in addition to the former Soviet Union and the Eastern European countries) had already implemented different types of RLR, with a wide range in the scope of their land redistribution. Data on the experience of 22 countries appear in table 1. The scope is measured in terms of the ratio of beneficiaries (land-recipient households) to total agricultural households, and the area of redistributed *private* land to total area of agricultural landholdings, calculated for each country at the time of completion of redistribution (1996 in the case of the Philippines). My measurements of the scope vary widely according to (i) the land ownership ceiling (the maximum private ownership) fixed by each country's legislation; and (ii) the average size of farm unit allotted to beneficiaries (family or sub-family size). Both ratios suggest that the lower the ceiling and the smaller the unit allotted, the higher the proportion of new land recipients. Although these data and their ratios are rough estimates and not perfectly comparable, we should keep in mind that no ceiling was fixed in China and Morocco, and the Mexican RLR possesses the unique feature of being a continual process since 1915 (the first law on agrarian reform, issued in 1915, was confirmed by the 1917 Constitution). No date was fixed for completion of redistribution, as long as there is a demand for land by the large indigenous population.

A comparison of South Korea and Egypt illustrates the importance of the variation in the maximum level of private land ownership for determining the proportion of beneficiaries. In South Korea between 1945 and 1953 a series of land reforms fixed the ceiling at the low level of 2.9 hectares, which made it possible for the government to redistribute nearly 65 per cent of total agricultural land area in plots of 0.9 hectare, on average. This low ceiling enabled nearly 76 per cent of total agricultural households (tenants and hired workers) to own land for the first time. Accordingly, inequality in landholding in terms of the Gini index was substantially reduced from 0.729 in 1945 to 0.303 in 1980.[5]

In contrast, Egypt's RLR, which was intended to correct the wrong-doings of the pre-1952 *laissez-faire* functioning of the land market,[6] fixed a ceiling at the high level of 84 hectares (lowered in 1961 to 42 hectares). The average area of redistributed family farm units was nearly one hectare, allotted to small tenants and a few landless workers. This Egyptian ratio of nearly 40:1 made it possible to redistribute only 10 per cent of total agricultural land among 14 per cent of the total agricultural households. The Gini index of inequality of landholding distribution was reduced from 0.740 in 1951 to 0.384 in 1965 when the programme was completed.

Table 1: Estimated ratios of redistributed area and land recipient households in 22 developing countries (excluding settlement schemes), 1915–1990

Countries in descending order of beneficiaries' scale and years of reform acts	Beneficiary households as % of total agricultural households	Redistributed land as % of total agricultural land	Size ratio of ceiling to beneficiaries' units
China (1949–1956)	90 circ.	80[a]	no ceiling
South Korea (1945, 1950)	75–7	65	3 ha. 1–2 ha. (3:1)
Cuba (1959–1965)	60	60	67 ha./30 ha. (2.2:1)
Ethiopia (1975, 1979)	57	76[b]	10 ha./3 ha. (3.3:1)
Iraq (1958, 1971)	56	60	varies according to land quality
Mexico (1915, 1934, 1940, 1971)	55 circ.	42	100 ha. irrigated and 300 ha. rainfed ceiling and 2–5 ha. irrig. units (28:1)
Tunisia (1956, 1957, 1958, 1964)	49	57[c]	mostly recovered French-owned farms
Iran (1962, 1967, 1989)	45	34[d]	
Peru (1969, 1970)	40	38	ceiling, irrig. 150 ha. in coast and 55 ha. in Sierra.
Algeria (1962, 1971)	37	50[e]	circ. 40 ha./15 ha. (3:1)
Yemen, South (1969, 1970)	25	47	8 ha./ 2 ha. irrigated (4:1)
Nicaragua (1979, 1984, 1986)	23	28	Ceiling 350 ha. in Pacific Zone and 4 ha. (87:1)
Sri Lanka (1972, 1973)	23	12	25 ha./3 ha. irrig. (8:1)
El Salvador (1980)	23	22	120 ha./ 5 ha. (24:1)
Syria (1958, 1963, 1980)	16	10[f]	rainfed (7:1) irrigated (4:1)
Egypt (1952, 1961)	14	10	40:1 irrigated
Libya (1970–75)	12	13	recovered former Italian farms
Chile (1967–73)	12	13[g]	80 standardized ha. and around 5 ha. irrigated (16:1)
Philippines (1972, 1988, 1994)	8	10[h]	5 ha./1 ha. corn and rice (3:1)
India (all, 1953–1979)	4	3	differs by states
Pakistan (1959, 1972)	3	4	65 ha./ 4 ha.
Morocco (1956, 1963, 1973)	2	4	no ceiling, only recovered French-owned lands

Notes: [a] After deducting areas of state farms, and non-crop lands.
[b] Area of Peasant Associations and including producers' co-operatives.
[c] Includes the individualized *habous* on private *Waqf* land.
[d] Includes the area reallocated by the Council of Determination in March 1989, which was occupied by peasants after the owners fled the country.
[e] Includes 2.6 million hectares of recovered French-owned farms (*auto-gestion* socialist sector).
[f] The area does not include 911,201 hectares expropriated but not redistributed up to 1990.
[g] These estimated percentages of beneficiaries and land rise to 18 and 36 respectively when all *asentados* (potential beneficiaries) were included (see Barraclough and Affonso, 1972:16).
[h] After the deferment of the distribution of 0.3 million ha. to the year 2005, the restitution of nearly 80,000 ha. to original owners and the exemptions made in President Ramos's Decree RA7881 of 1994.
Sources: China, South Korea, Cuba, Iraq, Mexico, Egypt, Sri Lanka, India and Pakistan: El-Ghonemy (1990a:chapters 6 and 7 and table 7.1). Ethiopia: Abate and Kiros (1983:160–76). Chile: Castillo and Lehman (1983:249–68). Nicaragua: Baumeister (1994:223). Peru: Kay (1983:206–17). Ethiopia, Chile and Peru are in Ghose (ed.) (1983). El Salvador: El-Ghonemy (ed.) (1984a:20–21). Algeria, Tunisia and Libya: El-Ghonemy (1993a). Iran: El-Ghonemy (1998:157–9). Yemen, South: calculated from FAO (1984). Syria: estimated from FAO (1984 and 1991). Philippines: El-Ghonemy (1990c:269–72), Government of the Philippines (1990:18) and Sentra (1997:15–31).

RLR in both countries was accompanied by two main welfare measures. One consisted of outright transfer of income in real terms from landlords to tenants through a substantial reduction of rent, accompanied by the provision of a high degree of tenure security to tenants. The other comprised government programmes providing highly subsidized complementary production inputs and a rapid expansion of free public health and education, together with the provision of non-land income sources (non-farm jobs in rural areas and increase in livestock assets). Consequently, productivity increased and rural poverty declined substantially. Reliable estimates of absolute poverty reduction show that poverty incidence in rural areas diminished rapidly in South Korea—a private property market economy—from 60 per cent before RLR to 9.8 per cent after the reform.[7] In Egypt, it fell from my estimated level of 56.1 per cent of total agricultural households in 1951 (one year before the introduction of RLR, when *laissez-faire* market forces and landlords political power were dominant) to 23.8 per cent in 1965 when redistribution was completed. RLR was of strategic importance in the early stages of economic development and social transformation in both countries.

From my reading of the history of agrarian systems and the emancipation of the poor classes working on the land, I would argue that two critical development issues spring from land reforms. One is the speedy reduction in land concentration and the incidence of rural poverty; the other is the effect on agricultural growth in general and food production in particular. While we are now able to judge these relationships by employing high-tech statistical analysis, the results do not fundamentally differ from the conclusion reached over 200 years ago by Adam Smith, the fountainhead of economic thought.[8] At present, we are fortunate to have abundant theoretical and empirical information on these issues, though we may disagree about the methodology used in measurements. Contributors to the debate include Barraclough (1973), Berry and Cline (1979), Cornia (1985), de Janvry (1981), Dorner and Kanel (1971), El-Ghonemy (1990a, 1993a, 1993b), El-Ghonemyet al. (1993), Ghai and Radwan (1983), Lipton (1985) and Parsons (1984), to mention only a few.

My own cross-country analysis of the results of case studies conducted in a sample of 20 developing countries suggests the following: (i) a strong and statistically significant (95 per cent probability) positive correlation between variation in land concentration and rural poverty levels (in most cases, the high incidence of rural poverty is accompanied by a high degree of inequality of land ownership distribution and vice versa); (ii) with a reduction in the degree of inequality (Gini index) by one third (from an average of 0.66 to 0.44) and a sustained annual average growth of 3 per cent, the average poverty level is likely to be reduced by one half; and (iii) without interventionist policy (RLR), this reduction in poverty level by one half is likely to be attained in approximately 60 years.[9] Prices (including wages) were not included in the analysis because such data were not available on a comparable basis across the sample of countries.

With regard to food production, a country-by-country review shows, with a few short-term exceptions, that RLR has increased food production.[10] Land recipients have produced more food for themselves and, in many cases, were able to produce more for sale in the urban market. This increase was primarily realized through mixing the hitherto under-utilized family labour with legally secured access to productive land, combined with technological advance. Thus RLR programmes have at least provided their beneficiaries with food command in place of the otherwise landless workers' uncertainty in acquiring food through dependence on an unreliable labour market, the power of grain traders and the inefficient distribution of food aid by class-biased bureaucracies.

In many countries, RLR programmes included the conversion of expropriated or nationalized large farms into government-managed state farms whose main objective was the production of food in order to feed armed forces, and to meet the growing demand for food caused chiefly by high population growth, combined with rapid urbanization. This idea was borrowed from socialist countries—especially the former Soviet Union, which had initiated state farms in the 1920s and where these accounted for nearly 67 per cent of total agricultural land in 1980. In developing countries, the proportion of land in state farms to total agricultural land ranged in the early 1980s from 85 per cent in Cuba to 12 per cent in Nicaragua and 5–9 per cent in Egypt, Ethiopia and Mozambique.[11]

◆ Land Market Reform (LMR)

It was these giant state farms that were the first public enterprises to be dismantled in the early stage of post-1980 market liberalization. For this purpose special laws were passed. They include, for example, Syria's Law No. 10 of 1986, which provided for a joint venture of 25 per cent share by the state and 75 per cent by the private sector, as well as Algeria's Law No. 19 of 1987, and the sale of most of state farms in Ethiopia and in Egypt in the 1990s. Those who were able to purchase these farms had the financial capability and political influence which are obviously unavailable to poor peasants and landless workers, resulting in the rise in concentration of land ownership. Because of being heavily indebted and starved of foreign private capital, governments have tended to provide multinational enterprises with generous incentives in anticipation of advances in technology and world market links that will enable these countries to realize the economic policy reform's principal aim of private sector-based, export-led growth.

Some country experiences

Together with the privatization of state farms, the market orientation of land tenure arrangements includes the freezing or slowing down of RLR; and the promotion of land property transfer between willing buyers and willing sellers at market prices, with or without direct financial support from governments and foreign donors. Frequently cited LMR took place in Brazil, Colombia, Kenya, the Philippines and South Africa. In these countries, differing terminology is used to refer to LMR: market-friendly or negotiated land reform, market-assisted land reform and civil society demand-driven land reform. We may be able to understand this diversity in practical terms after briefly considering each country's programme. First, a summary indication of their main agrarian characteristics is presented in table 2.

Table 2: Selected agrarian indicators of five countries implementing land market reform

	Brazil	Colombia	Kenya	Philippines	South Africa
Agricultural population, as % of total population (1995) *	19	24	78	42	13
% of rural people in poverty	73	45	55	64	60.6 **
Land concentration Gini index ***	0.86	0.86	0.77	0.53	n.a.
Landless farmers as % of total agricultural households	39		13	34	n.a.
The distribution of income					
share of lowest 20%	2.1	3.6	3.4	6.5	3.3
share of highest 20%	67.5	55.8	62.1	47.8	63.3
Gini index ***	0.63	0.51	0.57	0.41	0.58

Notes: * Agricultural population is defined as all persons depending for their livelihood on agriculture.
** Black Africans.
*** See definition in note 5. The index is calculated from the results of agricultural censuses. Landless and poverty estimates are for years around 1990 and the distribution of income/consumption is between 1990 and 1993. Income distribution is at national level.
Sources: Agricultural population, FAO (1996). Rural poverty and landless estimates except South Africa (see text), IFAD (1992:appendix tables 2 and 6). Rural population and the distribution of income, World Bank (1997:table 5). Land concentration Gini index, FAO (1988:table 3).

Brazil: Since 1985, this country's land policy has been an excellent example of a lack of political will. Its programme was proclaimed to pacify the millions of discontented poor peasants and landless workers and, at the same time, to serve the interests of influential landlords and multinationals. An October 1985 law typifies this strategy. Article II (section 1.5) was intended to provide 1.4 million rural workers with land ownership between 1985 and 1990 through the distribution of 40 million hectares of cultivable but unutilized land, in units of 20 hectares on average. The affected farms were those which did not serve "the social function of land". While the government was busy defining "social function", conducting cadastral surveys and studying the legal procedures, however, there was no actual redistribution. Supported by NGOs, rural workers occupied the land in anticipation of ownership, as promised by the politicians. Violent confrontation between the occupants, on the one hand, and the police and landlords' paramilitary organizations, on the other, resulted in hundreds of deaths. Eventually, only a fraction (less than 6 per cent) of a total of 1.4 million landless workers received land.

More recently, a programme of "negotiated land reform" has been in progress. It consists of two main schemes. One involves the transfer to rural workers of property titles to land purchased by the government, supported by the Federation of Agricultural Workers (CONTAG). The other, financed by IFAD and the World Bank, provides credit services to beneficiaries. The programme is monitored and evaluated by a national committee comprised of representatives of universities and the government agencies concerned. Available information suggests that landlords sell low-quality land, and that the complex administrative and legal procedures are very slow and costly. It remains to be seen how this programme might resolve the four critical problems characterized in table 2: high land concentration (0.86 Gini index); high landlessness (39 per cent of total agricultural households); high incidence of rural poverty (73 per cent of total rural population); and highly skewed income distribution, in which the share of the richest 20 per cent of households is over 30 times that of the poorest 20 per cent.

Colombia: As in Brazil, Colombia's Law No. 160 of 1994 provides a mechanism for market-based land transfers to reduce the very high inequality of land and income distribution and the persistently high poverty level (45 per cent) in rural areas. The mechanism grants potential buyers of land 70 per cent of the sale price and are grouped in project-like activities supported by the World Bank. According to an ECLAC study, the programme has had very limited success owing to high prices imposed by violent coercion from landlords and narcotics dealers, the refusal of willing buyers to purchase land in any locality, and cumbersome bureaucracy. The study found also that most of the land buyers are urban, that transaction costs are prohibitive for small peasants, and that "transfers of property rights through the existing market mechanisms have failed to shift land from one [rich] group to another group [of poor peasants]".[12]

Kenya: The irony of this poor and overwhelmingly rural country's post-1980 land policy is that it has resulted in the very problems that it intended to redress: the vast inequality in the distribution of land and income, and persistent poverty in rural areas (see table 2). The privatization of customary land tenure, the consolidation of fragmented holdings and the promotion of land-title transfers through the market mechanism, combined with the deterioration of living conditions among low-income groups after the introduction of economic reforms, have exacerbated land concentration (a 0.77 Gini index), rural poverty incidence (55 per cent) and rising landlessness.[13] With the agricultural population growing 3.2 per cent per annum, the increasing concentration of land in the hands of a few large landowners and multinationals has increased their power in the land market structure, and the number of landless workers has increased.

Empirical studies show that in Nyanza province, for example, only 3 per cent of all land owned in 1990 was purchased in the open market by large farmers and government officials, while the rest was inherited. Collateral (in the form of land) has been the main obstacle facing small farmers, landless workers and poor peasants seeking loans from both commercial banks and agricultural co-operatives for the purchase of land in the open market. Moreover, a recent study indicates that Kenya's individualization of customary tenure on economic efficiency grounds "has resulted in landlessness and loss of food security, particularly by women" (Adams, 1997:6).

The Philippines: Perhaps in no other country have land reform policy issues engaged the interests of both government and rural people for so long as in the Philippines. It is difficult to assess this country's policy, which has been expressed in a myriad of nearly 15 land reform programmes since 1954. The policy choice—of a combination of half-hearted government-implemented and market-based redistribution—has induced lively debate. During my field visit in 1993, it appeared that official statistics were exaggerated; senior officials tended to discredit previous governments' land reform achievements, giving inflated figures that were, and still are, challenged by the many active NGOs. There also appeared to be a gap between the sophistication of land reform laws, which are ridden with loopholes, and the political will of both the government and the parliament. Yet the end result of the numerous programmes was that, in 1996, nearly 8 per cent of total agricultural households were able to own land under these programmes and about half of all agricultural workers were landless.[14]

In addition to the slowly implemented 1972 laws of President Marcos and those of the Aquino administration (Republican Act 6657, and Comprehensive Agrarian Reform Law, 1988), President Ramos initiated a market-oriented policy in 1996 as part of his Economic Recovery Programme. This policy reinforced the already existing legislative provisions for tenants to purchase the land they till. But a combination of the erstwhile clumsy bureaucracy, the overvaluation of land prices and the local monopoly power of landlords has frustrated the efforts of the government, NGOs and university academics to accelerate the private land title transfers in favour of poor peasants and landless workers. International donors, such as the World Bank and the Ford Foundation, are supporting this market-based land reform, which is being implemented in small pilot project areas. A field study by the International Network on Land Market Reform (consisting of representatives of IFAD, the FAO, the World Bank and some NGOs) reports "the view expressed by both the government and NGOs was that the scope of such a network must go beyond the confines of market-assisted land reforms, which is not the case of the Philippines' experience. It should focus on civil society-driven land reforms" (IFAD/World Bank/FAO, 1997:32).

South Africa: Unlike the other four countries, the historical experience of South Africa makes it a special case indeed.[15] Both the agrarian structure and the entire social order were a striking manifestation of absolute injustice. They were shaped on racial grounds, beginning with the long colonial rule of the Dutch and the British, and formalized by apartheid in 1948. When constitutional reforms were instituted in 1995, the minority white population—representing nearly one tenth of the total—owned most of the agricultural land (83 per cent). In contrast, native Africans, representing 77 per cent of the country's population of 41 million, accounted for 61 per cent of all the poor, including 31 per cent of rural households who were landless and with no grazing rights (Government of South Africa, 1995:81 and tables 1 and 2). Vast inequalities of income and opportunities are evident from the 1993 data on the distribution of family consumption, which show that the share of the lowest one fifth of all families in terms of income was only 3.3 per cent of total consumption, while that of the top one tenth in terms of income was almost half the total consumption (World Bank, 1997:table 5)

It is in this context that the present land policy has been pursued as part of the 1995 Reconstruction and Development Programme. Its three components reflect the main land tenure defects to be redressed and the course of action adopted. These components are:

i. land redistribution by way of market-based property title transfers between willing buyers and willing sellers, with government financial support; the potential beneficiaries are estimated at nearly one million landless workers and 200,000 tenants;
ii. land restitution for the black Africans who were dispossessed after 1910–13 without compensation, and who were moved out by whites and concentrated in designated "homelands"; and
iii. land tenure security for strengthening tenants' lease rights and the protection of customary land tenure arrangements, with emphasis on the rights of women.

The programme has been implemented with a strong political commitment and partnership between the Ministry of Land Affairs and NGOs. However, implementation has been slow, owing partly to still-rigid racial structures and partly to exorbitant land prices, which are negotiated from very unequal bargaining positions in face-to-face encounters between the many poor peasants willing to buy and the few powerful landowners. These and other obstacles are reflected in the fact that merely 7.5 per cent of all potential land buyers had completed transactions in the pilot area by July 1997. The slow progress is also manifested in the fact that only one fifth of the beneficiaries are provided with basic services, and that support for production following land transfers is still lacking.

Although it seems easy to criticize this comprehensive programme, several factors are assuredly hopeful: government commitment; support from international aid agencies; and transparency in the management and work of the Monitoring and Evaluation Unit of the Ministry of Land Affairs. Yet there are signs of dissatisfaction with the path chosen. For example, 73 South African NGOs declared in their Charter on Land and Food Security that "if land reform was left entirely to the market, little if any reform would take place", and "land reform policy must be driven by the principles of social justice and basic needs as opposed to market forces". And the National Land Committee has stated that "the market is not a solution for a fair land redistribution after the apartheid. . . . markets are never truly free". The Committee proposed "a more interventionist role for the government to achieve a thorough and speedy redistribution of land" (IFAD/World Bank/FAO, 1997:43).[16]

Privatization of customary land tenure in Africa: Côte d'Ivoire, Malawi and Uganda

Linked with the structural adjustment policy package for market-induced efficiency in resource use is the privatization of customary land tenure, the traditional form of land rights in most of rural Africa. The reform is by way of individual titling of land that for centuries has been communally owned by indigenous groups. These groups (tribes, families and communities) devised sets of rules for land rights (use and occupancy) and subsisted by grazing and cultivating food crops when rain permitted. As recognized by anthropologists and geographers, this customary land tenure system has been the suitable socio-ecological system for land use and livestock husbandry in a semi-arid climate. It has been the cornerstone of food security for millions of indigenous people and, in turn, their social security. Likewise, its contribution to economic growth cannot be underestimated. This contribution includes employment of the pastoralists' family members within a rational division of labour of women and children, the production of a considerable part of the countries' total meat, milk, wool and hides, and the conservation of natural resources.

It is ridiculous that some foreign professionals still see this system as nothing but backward or primitive and in need of being privatized according to the conventional Anglo-Saxon conception of efficiency in agricultural production by way of individual private ownership of land linked to the capital market.[17] Despite existing strong arguments for maintaining customary land tenure, including those of the World Bank itself,[18] and in spite of a lack of empirical evidence on the production superiority of individual private land ownership over communal ownership within customary tenure arrangements, privatization policy is pursued with vigour in most African countries. It is also enforced in spite of empirical evidence that customary tenure is compatible with the production of export crops and with food production. The experience of several privatizing countries suggests that (i) the vulnerability of individual owners to the loss of land to urban land speculators as well as to mortgage and heavy indebtedness; (ii) the weakening of women's customary rights in land and command over food; (iii) the shift away from food crops toward cash/export crops. Moreover, because of high transaction costs, the land buyers are businessmen, politicians, senior civil servants, members of the armed forces and larger land owners. These non-agriculturist land speculators know the law and registration procedures, and they have contacts with credit institutions and land surveyors. Financially, they can afford the costs of surveying, registration and issuing private title deeds.

Because of space limitations, a few aspects of the experiences of Côte d'Ivoire, Malawi and Uganda are presented to illustrate what is happening in Africa. The primary effect of privatization on rural well-being is increasing insecurity, in terms of both the loss of command over food and the loss of customary rights to land. Before the so-called economic boom of Côte d'Ivoire, the land of the Akan tribes in the south was held communally and, for centuries, produced the yams, cassava, millet and sorghum that provide two thirds of rural people's calorie supply. With the adoption of an export-led growth strategy, resources have been reallocated in favour of the cultivation of cocoa and coffee, customarily held communal land has been gradually privatized and labour shifted to the production of cash/export crops, especially coffee, the area of which has expanded eight times between 1979–81 and 1989–91. The net result has been a sharp fall in both food productivity and average per capita daily calorie intake during the same period (FAO, 1985, 1986a and 1996)

In Malawi, between 1986 and 1990 the area of customary land that was privatized doubled. Land buyers converted the production of food crops into Burley tobacco, and former landholders became wage workers and net buyers of food. With population growing fast, at 3.7 per cent per year, food production per person fell rapidly. In contrast, tobacco production increased from 70,000 tonnes in 1986 to 110,000 tonnes in 1991 (FAO, 1993a). In Uganda, the economic policy reform toward export-led growth has facilitated shifting land use from grazing and growing food (cassava and millet) to commercial ranching managed by urban land buyers who have kinship relations with influential policy makers. For example, by 1991 in Masaka and Masindi districts, nearly half the buyers of 108,500 hectares of land were members of parliament, government officials and senior police officers (FAO, 1993a and Nsabagasani, 1997:33–6 and table 3). The buyers erected fences around their ranches, depriving pastoral households in the surrounding areas of traditional corridors used for their own passage and the grazing of their animals (and necessary due to the area's highly unpredictable rainfall). Similar problems were identified by Abdalla (1993) in his field study of two Sudanese provinces, Darfur and Kardofan.

No matter how good the economic principles of privatization, falling food productivity associated with market orientation should be of serious concern to governments, international organizations and development analysts. FAO data show a post-1980 downward trend in food production per person in sub-Saharan Africa compared to other regions; the index for 1990–95 is below the average for 1979–81, and the rates of growth in average daily calorie intake per person have also declined in most countries. These trends are very worrying indeed with regard to food insecurity of rural households and their increasing dependence on the imperfect market for food acquisition and the increasing incidence of chronic undernutrition, particularly among young children.

IV. PROSPECTS FOR DISADVANTAGED GROUPS

If the present trends in market-based access to land, coupled with rapid growth of agricultural population and budgetary cuts in public expenditure, were to continue into the twenty-first century what would be the prospects for the hundreds of millions of landless and near-landless rural poor? The post-1980 experiences of the countries implementing LMR examined in this paper are not only unsatisfactory but alarming, both in terms of worsening food insecurity and inequality and in the very slow progress in land property transfers to poor farming people. The estimates of the International Conference on Nutrition (FAO and WHO, 1992) of the present and projected increase in numbers of seriously undernourished people by the year 2005, and those of the World Bank (1992:table 1.1) on poverty incidence in 1985–2000 (especially the substantial rise in sub-Saharan Africa and the Middle East) show a general deterioration. They sound a warning that policy makers and international agencies should take this very seriously.

◆ Growing Demand for, and Declining Supply of, Land

This section examines what happened to the supply of land relative to the growing numbers of people working in agriculture between 1970 and 1996 (with a projection for the year 2010) in the 13 countries whose experiences have been briefly discussed in this paper. Because comparable data on land prices are lacking, the ratio of land (in hectares) per working person is used as an approximation of the supply of and the demand for land. In this context it is worth reiterating that land is not merely a commodity or factor of production; it has significant cultural value and is insurance against poverty and household food insecurity. It is recognized that the aggregation of land conceals wide variations in quality, cropping intensity and capitalized value between and within countries. In addition, the use of averages obscures two aspects in the land market: rapid urbanization, which takes scarce cropland out of agriculture for non-agricultural purposes, and the increasing costs of land reclamation for new irrigated land settlement schemes, which are particularly costly in North Africa and the Middle East because of aridity, soil texture and water scarcity.[19]

With this in mind, let us have a closer look at the data in table 3. With the exception of land-abundant Brazil, Colombia and Sudan, and mineral-rich Algeria and South Africa, there is a very low ratio of actually used cropland to agricultural workforce, particularly in Egypt, Kenya and Malawi. There is also a general downward trend in this ratio, notably between 1980 and 1996. One possible explanation for this decline is the slow growth or stagnation in cropland expansion in many countries while the population/agricultural workforce is growing at fast rates. Moreover, post-1980 fiscal reforms have required heavy cuts in public investment in land-augmenting technologies, especially irrigation and for the expansion of land settlement schemes. In my examination of FAO data on irrigation expansion, I found that of the total 87 developing countries for which data are available, nearly two thirds (63 per cent) manifested an alarming decline in irrigation expansion, especially in North Africa and the Middle East. I found also that about 53 per cent of the Middle Eastern population lives in areas with less than the acceptable minimum level of 1,000 cubic metres of water availability per person per year, and if present rates of use continue, the average is expected to decline by half by the year 2025.

Table 3: Changes in arable land and pressure of agricultural workforce on land in 13 countries 1970–96, and projection for 2010

Countries in alphabetical order*	Arable land									
	% annual growth of actually used arable land			Area of balance for future crop production as % of total land with crop production potential	% annual growth of agricultural workforce			Ratio of actually used land area to agricultural workforce (hectares/person)		
	1970–80	1981–90 (1)	1991–96	(2)	1980–90	1990–2000 (3)	2000–10	1970	1980 (4)	1996
Algeria	1.2	0.3	1.2	25	0.9	1.2	0.5	4.9	5.9	3.9
Brazil	3.7	1.7	3.0	85	-0.3	-0.7	-1.1	2.4	3.5	3.7
Colombia	0.3	0.4	0.3	88	0.6	-0.2	-0.9	2.1	1.9	1.5
Egypt	0.6	0.0	4.0	3	0.9	1.2	0.5	0.6	0.5	0.4
Ethiopia	0.3	0.0	-0.2	57	1.2	1.0	1.2	1.1	1.0	0.7
Kenya	1.1	0.8	0.0	50	2.7	2.8	2.6	0.5	0.4	0.4
Malawi	0.8	0.3	0.2	59	1.6	1.4	1.2	0.6	0.6	0.4
Mauritania	-3.9	0.5	0.2	65	1.8	2.0	2.3	0.8	0.6	0.4
Morocco	2.5	1.6	0.5	50	0.9	0.5	0.1	3.2	3.1	2.2
Philippines	0.9	0.2	0.1	42	1.5	1.4	1.1	0.9	0.8	0.8
South Africa	1.0	0.8	0.7	-	0.8	-0.6	-0.9	4.8	8.1	7.1
Sudan	0.7	0.4	0.1	82	1.3	0.6	0.9	3.2	2.9	1.8
Uganda	1.5	2.1	0.2	58	2.2	2.3	2.2	1.2	1.1	0.8

Notes: * Countries whose experiences have been briefly discussed in the text.
"Arable" or cultivable is land cultivated with temporary and permanent crops, and land under temporary fallow; it does not include forest and permanent pasture lands.
Potential land or "balance" is land of varying quality with potential for growing crops; it is a rough estimate and comprises land in actual crop production use (rainfed and irrigated) and land that could be cultivated in future.
Sources: Column (1) calculated from FAO (1996 and 1993a); column (2) based on FAO (1993b:table A.5); column (3) from FAO (1993b:table A.1); column (4) calculated from same sources as column (1). In these sources the agricultural workforce is termed "the economically active population in agriculture".

What is of great concern is the fact that in poor countries whose financial capacity to invest in land supply expansion is very limited (Ethiopia, Kenya, Malawi, Mauritania, Sudan and Uganda)—relatively large, currently uncropped areas are potentially suitable for crop production (column 2 of table 3). The large potential area in Colombia and Brazil is a manifestation of the widespread practice of absentee land ownership, with severely under-utilized large estates. According to the results of the 1990 Agricultural Census of Colombia, the number of landholdings in the category of over 200 hectares accounts for only 5 per cent of the total, but their area represents 54 per cent of the total. The possibility of transferring land property rights of this large potential area to the present generation of poor peasants and landless workers is extremely low, as suggested by the limited results of the land market reform referred to earlier.

◆ The Likelihood of Wage-Dependent Workers Purchasing Land

Can a wage-dependent landless worker purchase land in his or her lifetime? How long would the worker have to save all or a fraction of his or her accumulated daily wage in order to purchase land?

The results of available poverty studies show that most of the rural poor are undernourished landless wage-workers. Before they can save to purchase land, their productivity and earnings from agricultural and non-farm jobs must increase and be sustained in order to raise their purchasing power high enough to enable them to cross their countries' established poverty lines. They are unable to borrow in the open credit market to fulfil this aim. Advocates of market supremacy in the rural economy believe that the private sector's increased investment and production of tradables, linked to the world market, will be the new engine of sustained growth of total and per person output (and income). This, in turn, will raise the purchasing power of wage workers.

My investigation of the experiences of eight countries[20] in North Africa and the Middle East that have implemented World Bank and IMF market-oriented reforms reveals three disappointing results. First, between 1983 and 1993 only one country, Turkey, had both economic (total GDP) growth and export growth. Second, inflation has soared in all countries, as a result of the IMF's conditionality of devaluation and fiscal reforms, sharply raising the overall cost of living. And third, employment opportunities for the growing numbers of agricultural labourers have narrowed, primarily owing to rising unemployment in urban areas and the use of labour-displacing technology in agriculture, which has been facilitated by trade liberalization. With continuing rapid growth of the mostly landless agricultural workforce, post-1980 market supremacy does not permit following the prudent Chinese path of mobilizing excess rural labour for labour-intensive manufacturing in rural areas and for rapid expansion of irrigated areas. The unfortunate result is a rapid increase in poverty incidence (the proportion and numbers of the poor) in six countries and inequality in income distribution in all eight countries, except Tunisia. My findings do not fundamentally differ from the accounts of adjusting countries in Latin America and Asia documented by Stewart (1995) and Berry (1998).

Empirical evidence also shows that it is difficult to find other means to increase earnings enough to purchase a piece of land. Intra-family marriage between a poor landless male and a rich bride is a very remote possibility, for reasons of custom and the values inherent in social stratification. These cultural factors usually give preference to the number of acres owned by the groom or his father. Even landowners would likely lower their status if their daughters were to marry the sons of smaller landowners. Likewise, there is low probability of land property transfer through inheritance arrangements within the poor class of landless workers whose families have very limited landed assets, if any at all.[21]

Moreover, there has been a downward trend in remittances from rural migrants who could afford to travel to seek unskilled jobs abroad in the oil-rich Arab states. During the oil boom in the 1970s and early 1980s, this was a good way of increasing earnings in order to be able to purchase land for cultivation and house building. This practice has declined as a result of the slump in oil revenues and the Gulf War (1990–91). The tendency of migrant workers to purchase land with their savings has contributed to land price inflation in labour exporting countries. The Egyptian experience illustrates this situation; the data are given in table 4. The unprecedented rise in land prices between 1975 and 1980 was fuelled by urban land speculators' bidding up land prices, not to get an economic return on their investment but rather for non-monetary gains (such as family security in times of high inflation and political advantages). Such practices may incite small landowners to sell parcels of their land at very high prices, leading to loss of land by peasants who then join the misfortune of their landless fellows (as documented by Radwan and Lee, 1986).

To understand the dynamics of land prices over the period 1935–98, I have calculated them and daily wage rates from several sources and from my interviews in villages.[22] The data are divided into three periods: (i) the sub-periods in which market forces were dominant, 1935–40 and 1945–51; (ii) the period of intensive government intervention, including the implementation of redistributive land reform (1952–56); and (iii) the *Infitah* or abrupt start of economic liberalization combined with the oil-boom period (1975–80). The prices during the implementation of redistributive land reform (1952–56) are the land tax-based official average prices used by the government to establish the sale price to new owners and compensate the affected landlords. (The sale price is 70 times the land tax, and the rental value is seven times the land tax.) Beyond this formal use, land sale price was never enforced, while fixed rent seemed to be enforced only in areas administered by land reform co-operatives and public farming corporations. These arrangements may explain the sharp rise in average land prices by 17 times in 1975–80 relative to that in 1952–56, while rent increased by 1.7 times and wages rose by nearly three times as much. These changes in nominal values should be seen in real terms, i.e., relative to the rise in the cost of living index for rural areas, 1966–67 = 100 (the deflator rose from 69 to 270, or a rise of 301).

Assuming 210 working days per annum, the data given in table 4 suggest that a landless worker has virtually zero opportunity to buy one feddan (0.42 hectare) during his or her lifetime through the land market, since the average sale price of land in market-based transactions periods (1935–51, 1975–80 and 1997–98) was equivalent to between 19 and 39 years' average daily wage of an adult male. The landless worker would need to accumulate *all* his earnings, *without* spending *anything* on living costs, for these years in order to purchase one feddan. If the worker spent half his or her total wage earnings, and assuming a constant wage-land price ratio, the period would double, that is, it would extend beyond a worker's life expectancy of 55 years, so that he or she would go to the grave without being able to realize the dream of purchasing one feddan of land. During the period of strong government intervention (1952–56) the waiting period was reduced to between one fourth and one fifth of that for the period of domination by market forces. The chance of a landless worker becoming a tenant (leasing-in one feddan under fixed cash rent using accumulated wages) is also better during the period of government intervention than that of reliance on the market. Moreover, during the period of dominant market forces, mortgages have been unobtainable, as tenants and landless workers had (and still have) no access to institutional credit which required land as collateral (in addition to the Islamic condemnation of mortgages).

Table 4: Average land values and daily wages in Egyptian agriculture, 1930–97

Values in Egyptian Pounds and current prices	Market-forces period		Land reform period	Liberalization policy and market-forces period	
	1935–40	1945–51	1952–56	1975–80	1997–98
Market sale price (P)	119	415	180	3,000	35,000
Annual rental value (R)	7.1	22.7	17.5	29.5	1300
Adult male wage (W)	0.029	0.102	0.110	0.365	8.000
Deflator (1966–67 = 100)	25	56	69	270	2,540
R as percentage of P	6.0	5.4	9.7	1	3.7
P in year's rent	16.7	18.5	11.1	101.7	26.9
P in year W*	19.5	19.4	7.8	39.1	21.0

Notes: One Egyptian pound equalled US$ 4.13 up to September 1949 and was devalued to US$ 2.87 until 1977. Between 1982 and 1986 it equalled US$ 1.22, in 1997 and 1998 it equalled US$ 0.34. The sale price and rental value are for one feddan of land (0.42 hectare or nearly one acre).

*Assuming 210 working days per year. The deflator is the cost of living index for rural areas established by the Institute of National Planning, statistically linked with 1966/67 = 100.

Sources: Rental values are from El-Ghonemy (1953:tables 10 and 37) for 1929–51. The rest are from the Egyptian Ministry of Agriculture's Bulletin of Agricultural Economics, several issues (in Arabic). Adult male wages for 1937–51 are average rates collected by the writer from 98 villages in Lower Egypt and 83 in Upper Egypt during his work in the Fellah Department. The rest are from Radwan (1977:table 3.2) and the Ministry of Agriculture. 1997–98 are from Department of Agricultural Economics, Ein Shams University, Cairo. The deflator is from the CAPMAS Statistical Yearbook, Cairo.

Land prices and wage rates in Morocco in 1998 and Kenya in 1986 reveal a situation similar to that in Egypt. For example, in Kenya in 1984–86 a landless farmer's hope for purchasing one acre of land at the average price of 10,000–15,000 shillings per acre was an unrealizable dream. The annual income of a poor Kenyan rural household was about 1,700 shillings.[23] These figures mean that the entire household has to accumulate earnings, *without any* expenditure, for eight to nine years to purchase one acre (0.4 hectare) of land in the open market!

◆ Rural Women's Access to Land

Three issues have emerged during the post-1980 market-orientation policy. First, in the process of individualization of communally held land and collective farming, land has been allocated to households. In practice, men are the household heads who pool and manage labour use and income. The second issue concerns the (consequential) adverse effects of the tendency toward cash crop production resulting from the privatization of communally held land, particularly in Africa. Not only have women tended to lose their long-established (under customary tenure arrangements) equal rights in land use and inheritance, but they have also been deprived of customary entitlement for self-produced food crops. In these situations, and depending on the male/female division of labour, the opportunity cost is likely to be high for women in terms of the loss of secure tenure, diminishing family food security and displacement of their labour. Cash/export and food crops as substitutes grown in individualized communal holdings tend to reallocate labour to the disadvantage of women. When husbands migrate, women assume all the farming responsibilities as household heads, in addition to the year-round domestic workload and livestock husbandry. In short, these institutional changes, combined with commercialization of agriculture, increase the uncertainty of women's individual access to land and often threaten household food security.

Finally, women's share in the total number of landholdings (owned and rented) is proportionately very small compared to their share in the total agricultural labour force. With the exception of the South African 1994 land policy, in which women are guaranteed equal rights with men in landholding, there is injustice and male bias in most of the countries' programmes. This judgement is based on the results of the 1980 and 1990 agriculture censuses and of recent labour surveys and population censuses. Needy female wage workers with no access to land and few or no non-land assets are most likely to be at a high risk of under-nutrition and represent a proportionately high number of their respective countries' rural poor.

V. CONCLUDING REMARKS

The following remarks suggest themselves following the discussion. It is my hope that the reader will see in them an appeal to common sense. I begin by suggesting some ways to improve LMR. But I have serious doubts with regard to a short-term land policy shift, because market-based reforms of land tenure arrangements are held in bondage by the present economic reforms and foreign debt crisis, and because countries are busy privatizing all economic activities.

First, in view of increasing poverty levels and numbers of landless workers and minute landholdings,[24] any private or public action that would secure access to land for these disadvantaged people is welcome. The recently propagated LMR is an example. Its presentation as a new policy instrument is misleading because market-based land transactions and state-assisted functioning of private enterprises in agriculture existed long before the introduction of government-administered RLR, to which LMR is portrayed as the alternative. What is new is the treatment of the land market just like any other commodity market (e.g. fertilizer) and the prescription of LMR as an internationally standardized land policy reflecting a single ideology. It prescribes to developing countries not a set of policy options, but a unique path intimately linked to World Bank/IMF-induced economic reform packages. Common sense and countries' experiences teach us that (i) the land market is a social institution, not just a mechanism to equilibrate supply and demand; and (ii) we should not jump from broad theoretical concepts constructed under restrictive assumptions to a single path of concrete policy advice that is not culturally determined.

Second, the experience of the countries examined in this paper suggests that, in many ways, the implementation of LMR, within the context of economic reforms, offers few prospects for disadvantaged rural groups to secure access to land. It curbs public investment in expanding cropland and enhancing human capabilities among the poor, and reduces the funds needed for government purchase of private land for sale to poor peasants. These budget cuts have resulted from the obsession with fiscal reform—that is, to achieve a zero budget deficit at any social cost. Moreover, LMR has made land purchase dependent on the formal credit market and the temporary financial support of foreign donors, *without* (i) a parallel reform of land-title registration or cadastral surveys; and (ii) the provision of (a) land laws and land market information required to allocate resources efficiently, (b) competitive and efficient agricultural credit institutions, and (c) post-land purchase production support. To be socially acceptable, LMR should also provide for land tenure security, particularly the protection of tenants from unlawful eviction, and for collective negotiations between sellers and representatives of tenants (e.g., old land reform co-operatives and trade unions of rural workers). Empirical evidence suggests that the survival of LMR depends on what governments do in these areas. Of equal importance is the retreat from privatizing customary land tenure systems, especially in Africa, which has led to the loss of household food security as a safety net against poverty and to greater land concentration among buyers who are mostly urban land speculators.

Third, progressive land taxation as a component of land market reform has, for political motives, been frustrated. Levying higher tax rates as size of land ownership increases might induce large landowners to sell part of their land (to the state) and so increase public revenue, which could be used to activate the land market in favour of land purchase by poor peasants. The apparent success of landlords, in alliance with bureaucracies, in frustrating this policy is likely to make peasants lose faith in governments that evade crucial issues. Research is needed on this hitherto neglected policy issue.

Fourth, the results of countries' experiences and the empirical evidence indicate the fallacy of some assumptions behind post-1980 remedies, including LMR. Among these faulty assumptions are (i) privatization of communal lands and changes in customary tenure arrangements, operating within a competitive market mechanism, are good for the rural economy and indigenous people because they facilitate the mobility of resources from non-tradables (e.g., self-produced food and non-cash services) to tradables (cash/export crops). Past experience suggests that customary land tenure arrangements are compatible with the production of both and are flexible enough to accommodate the modernization of agriculture; (ii) economic growth is accelerated by market-determined land property transfer and large private farms are productively superior to small family farms (i.e., the higher the land concentration, the higher the rates of agricultural growth); (iii) RLR programmes inhibit the adjustment of national economies to crises and external shocks; and (iv) liberalization of the agrarian system, in particular formal credit and the market-determined distribution of land ownership, is a basic policy instrument for improving the access of landless peasants to land and for poverty alleviation in rural areas.

Fifth, the responses of NGOs to market-based land policies pursued by national governments and international agencies are critical to poverty alleviation, and should be taken seriously. Depending on the nature of the political system, historical experience shows us that people gain more benefits as groups than as individuals and that government tends to respond more to group demands than to those of individuals. We have noted from countries' responses to LMR that the voice of reason and prudence has come from coalitions of NGOs and university academics in Brazil, the Philippines and South Africa. The FAO, IFAD and the World Bank are governmental organizations, and the FAO has abdicated its leading role in RLR (entrusted to it in 1979). The work of UNRISD on equity issues could be strengthened by closer links with the ILO, whose tripartite structure gives rural workers, including agricultural trade unions, equal status to that of governments. In addition, the ILO monitors government ratification and enforcement of international conventions on minimum wage fixing, rural workers' freedom of association and rights to organize.

Finally, some of the biggest problems in assessing the two contrasting land distribution policies, RLR and LMR, seem to arise from the avoidance of issues of fairness and moral perception (in which equal weight is given to the sufferings of the losers and the benefits to those who gain) and the neglect of the policies' social impact on the sum of well-being. It is true that RLR focuses on rapid poverty reduction, but it permits affected landlords to retain the best land while that of lower quality is allocated to new owners. It also tends to disregard the fair compensation payments to the losers and the impact on trade. LMR, on the other hand, concentrates on economic efficiency of resource-use relationships and export-led economic growth, because it is intimately bound up with the structural adjustment programmes of the World Bank and the IMF. With this narrow economic focus and the post-1980 muddle over means and ends in development strategy, LMR disregards the distributional consequences of market transactions and the social importance of enhancing human capabilities. It justifies such socially undesirable outcomes as increasing inequality and unemployment, destitution of the landless poor, the loss to the indigenous people of Africa of their traditional command over the food they produce. This tolerance or justification of the policy's undesirable social impact is grounded in a belief in the narrow economic principle that one's well-being or otherwise is decided by the market. This fetishism makes LMR neither culture-dependent nor concerned with total well-being.

Throughout this paper, I have tried to suggest what the main features of a socially acceptable LMR might be. They are tentative but may help us to see that a land market with morality is possible.

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◆ Endnotes

[1] This contractual obligation, in effect, means that the World Bank and the IMF have become key policy makers in these adjusting countries, contradicting the aims of their establishment at Bretton Woods in 1944. The programmes of economic liberalization and policy reform contain both short-term "stabilization", or the reform of fiscal and monetary policies, involving cuts in government spending, devaluation and interest rate liberalization, and long-term "structural adjustment" programmes designed to improve resource use efficiency, including privatization of the public sector and promotion of the production and export of tradable goods. The short-term measures are the responsibility of the IMF; long-term programmes fall into the domain of the World Bank. The two are connected with each other: indebted countries' acceptance of IMF terms is a pre-condition for the World Bank's financial support and for the rich donor countries' provision of new loans.

[2] For example, see the section on "Land: The shift to the market" in FAO, 1995a.

[3] In modern times, the view of a large section of Muslim society of Western-style interest-bearing credit as a form of usury has been gradually replaced with a partnership between the lending institution and the borrower. The bank charges administrative fees for transactions and both parties share in the profit and loss of the credit-financed activity (*musharakah*). For an understanding of the practical aspects of Islam-based credit transactions in the land market, see a careful study of the situation in Sudan by Abdalla (1993).

[4] See a thorough review of these interpretations in the work of the present Sheikh of al-Azhar, Mohammad Tantawy (1992).

[5] The Gini index, or coefficient, is a statistical summary of the degree of inequality. It ranges from a minimum of zero (absolute equality) to a maximum of one (absolute inequality), i.e., the larger the index, the greater the inequality or degree of concentration. The South Korean Gini index is taken from El-Ghonemy (1990a:table 6.4).

[6] For understanding the pre-1952 land market situation, see El-Ghonemy (1953:40–59 and 1993a:83–86).

[7] Poverty estimates in South Korea are those of Keidel (1981), and Dong Wan and Yang Boo (1984).

[8] Under the heading "Great proprietors are seldom great improvers" Adam Smith explains how the British absentee landlords neglected the improvement of production, compared to small proprietors (**The Wealth of Nations**, Book III, Chapter II), especially page 364.

[9] These estimates are only an indication of the probable order of magnitude to reduce rural poverty by one half. See the results of my estimate of poverty in Egypt (El-Ghonemy, 1990a:247) and for 1965 by Adams (1985). These relationships are presented for 20 countries in El-Ghonemy (1990a:figure 5.3 and 1993b:11–13) and for 21 countries in El Ghonemy et al. (1993:359–64). Poverty estimates were based on head-count ratio of total rural population. Size distribution of land relates to holdings/ownership per household. For agricultural growth, two measurements were used in two separate analyses: agricultural GDP per head of agricultural population, using the official exchange rate, and agricultural GDP per head using purchasing power parity (PPP) exchange rates, i.e., expressed in constant international comparable purchasing power (ICP) dollars. In the regression analysis, poverty is the dependent variable and both agricultural growth per head and the Gini index of inequality in land distribution are the independent variables. The estimates of proportionate changes in the text are based on an elasticity (the slope of the curve) of poverty level with respect to the Gini index for the concentration of land of (positive) 1.65, which is substantial.

[10] The short-term exceptions were Bolivia, China, Cuba, Iraq, Nicaragua and Tunisia, which experienced falls in production during their early years of land reform implementation. In Bolivia the reason was the hasty implementation of the programme without providing the beneficiaries with credit and marketing services. In China, it was the disagreement among the leaders within the Communist Party with regard to the institutional organization of agricultural production, including the mobilization of rural labour. Unfavourable weather and mismanagement of state

farms were behind the fall in sugar production in Cuba (1959–65). In Nicaragua, social unrest, civil war and US trade sanctions following the 1979 Sandinista revolution contributed to falling food production in 1980–89. A combination of institutional organizational uncertainty and unfavourable weather resulted in a production decline in Tunisia: the droughts of 1961–62 and 1967 and the government experimentation with collective co-operatives, which was resisted by farmers. In Iraq, it was the soil salination in the south and political instability manifested in three coups d'état in the 1960s (see El-Ghonemy, 1990a:211–15).

[11] See Baumeister (1994:table 8.3) for Nicaragua and El-Ghonemy (1990a:123–27) for the rest of the countries.

[12] The study was prepared by Frank Vogelgesang, **CEPAL Review**, 58, April 1996:108–9 Santiago, Chile. (CEPAL is the Spanish equivalent of ECLAC.)

[13] Kenya did not participate in the 1990 World Census of Agriculture. The latest published data, from 1981, show that land concentration increased between 1971 and 1981. Of the total number of 2,112,000 holdings in the small farm sector, 83 per cent are less than two hectares. At the other extreme, the large farm sector comprises 2,192 farms (landholdings) with a total area of 2.6 million hectares; 81 per cent of the farms are over 200 hectares, 930 of which are each 500 hectares and over.

[14] See the sources on the Philippines in table 1.

[15] I am grateful to Professor Alex Duncan of Oxford Policy Management for providing useful information on current land policy in South Africa.

[16] The National Land Committee consists of 10 NGOs.

[17] Other foreign professionals, however, do not share this view. Robert Chambers has remarked: "One first step is for outside professionals, the bearers of modern scientific knowledge, to step down off their pedestals, and sit down, listen and learn" (1985:101). For a comprehensive discussion of the theoretical and empirical justification of indigenous customary tenure, see Bromley (1989) and Platteau (1995).

[18] See the World Bank Research Observer, Vol. 2, No. 2, July 1987:153–69; World Bank, 1992:142–43; and Adams, 1997:6–7.

[19] FAO Investment Centre Study (1986:40–41) and Carruthers and Clark (1981:table 5.11). Estimates of the costs of new irrigation schemes per hectare at 1985 prices show that the average capital cost was US$ 4,196 in North Africa and the Middle East, compared to US$ 2,366 in South Asia and the Far East, and US$ 2,420 in Latin America. On scarcity of water in the Middle East and the projected rates in 2025, see El-Ghonemy (1998:55).

[20] These adjusting countries are Algeria, Egypt, Jordan, Mauritania, Morocco, the Sudan, Tunisia and Turkey. See the results of the study in El-Ghonemy (1998:appendix tables 10.10, 10.11 and 10.12). See also a recent study on Latin America edited by Albert Berry (1998)

[21] My studies in Gabaris, Bohera Province, Egypt (El-Ghonemy 1990a:chapter 5 and note 17), the study in Yemen (El-Ghonemy et al., 1986), and ESCWA and FAO (1986b).

[22] These data were first collected in 1950 for my Ph.D. Thesis (El-Ghonemy, 1953) and then extended to 1986 and analysed in El-Ghonemy (1992 and 1993a:chapter 6).

[23] On Kenya see Livingstone (1986:11–15) and Collier and Lal (1986:129).

[24] "Minute" refers to landholdings of less than one hectare. The results of the world agricultural censuses of 1970, 1980 and 1990 show an increase in these holdings in developing countries. The increase is faster in those holdings below half a hectare, accounting for an average of nearly 30–45 per cent of the total number. Many of these very small holdings are fragmented into four to nine plots, constraining production and incomes in this peasant sector. It is in the interest of the large farms sector to keep the peasant sector as a reservoir of cheap labour.