

## **Land reform development challenges of 1963 - 2003 continue into the twenty-first century**

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*This article examines the rural development issues that preoccupied policy-makers and analysts in the 1960s, the concern over which has been renewed in the last decade but within a different context in terms of development thinking and policy choice. Emphasis is placed on the roles of the state and the market in reducing inequality of land distribution and rural poverty in combination with maintaining agricultural growth. For this purpose, the analytical principles behind the shift and empirical evidence over the past 40 years are presented. The discussion concludes by identifying the development challenges ahead and making a plea for complementarity between state intervention and the land market mechanism to enable developing countries to meet the challenges of increasing access to land and reducing poverty to avert the risk of social unrest and political instability. Tackling these challenges will become more difficult if the present trends of rising inequality, landlessness, privatization of traditionally held communal land, governments' limited ability to intervene, and declining aggregate supply of arable land continue into the twenty-first century. The article highlights the dilemmas and difficult choices faced by policy-makers in rural development today.*

## **Les problèmes de développement liés à la réforme agraire de 1963-2003 persistent à l'aube du XXI<sup>e</sup> siècle**

*Cet article examine les problèmes de développement rural qui préoccupaient les responsables politiques et les analystes des années 60, préoccupations ravivées au cours de la dernière décennie, mais dans un contexte différent sur le plan de la réflexion et du choix politique. L'accent est mis sur les rôles respectifs de l'Etat et du marché dans la réduction des inégalités en matière de répartition des terres et la lutte contre la pauvreté rurale, la croissance agricole devant évidemment être maintenue. A cette fin, il présente les principes analytiques qui sous-tendent cette réflexion et les constatations empiriques des 40 dernières années, pour aboutir à l'identification des problèmes de développement qui restent à résoudre et plaider en faveur d'une complémentarité entre l'intervention de l'Etat et les marchés fonciers. Il s'agit en effet pour les pays en développement de faciliter l'accès à la terre et de lutter contre la pauvreté afin d'éviter tout risque d'agitation sociale et d'instabilité politique. Or, il sera de plus en plus difficile de relever ces défis si les tendances actuelles caractérisées par une inégalité croissante, la précarité foncière, la privatisation des terres communales traditionnelles, l'impuissance relative des gouvernements et le déclin de l'offre globale de terres arables se poursuivent au XXI<sup>e</sup> siècle. L'article met en évidence les dilemmes auxquels sont confrontés les responsables politiques d'aujourd'hui en matière de développement rural.*

## **Los desafíos para el desarrollo relacionados con las reformas agrarias de 1963-2003 persisten en el siglo XXI**

*En este artículo se examinan las cuestiones relacionadas con el desarrollo rural que preocuparon a los encargados de la formulación de políticas y a los analistas en los años 1960, cuestiones que en el último decenio han suscitado renovada preocupación, aunque en un contexto diferente por lo que se refiere al pensamiento sobre el desarrollo y las opciones en materia de políticas. Se hace hincapié en la función del Estado y del mercado en la reducción de la desigualdad en la distribución de la tierra y la pobreza rural, en armonía con el mantenimiento del crecimiento agrícola. A este respecto, se exponen los principios analíticos en que se basa el cambio y la experiencia de los últimos cuarenta años. El examen concluye indicando los retos futuros para el desarrollo y exhortando a la complementación de las intervenciones estatales con el mecanismo del mercado de tierras, para poner a los países en desarrollo en condiciones de abordar los retos de un mayor acceso a la tierra y una reducción de la pobreza para prevenir el riesgo de descontento social e inestabilidad política. Abordar estos problemas será más difícil si continúan las tendencias actuales, caracterizadas por la creciente desigualdad, la carencia de tierras, la privatización de las tierras comunales, la limitada capacidad de los gobiernos para intervenir y la disponibilidad global cada vez menor de tierras de cultivo. Este artículo pone de relieve los dilemas y las difíciles decisiones con que se enfrentan hoy en día los encargados de la formulación de políticas en el ámbito del desarrollo rural.*

### **INTRODUCTION**

The 40th anniversary of this journal is of special interest to me for three reasons. First, I was one of its founders and a contributor to its 1963 inaugural issue. Second, during the past four decades, I have been an active participant in policy advice and in the debate about the development links between the reform of rural institutions and the growth of agricultural productivity in general and household food security in particular on the one hand, and the exercise of state authority to redress deficient market mechanisms in order to alleviate rural poverty on the other. Third, I have witnessed an agrarian transformation in several newly independent nations whose government-administered land tenure reforms received overwhelming support from rich countries and international organizations, especially in the 1960s and 1970s. The focus of these reforms was the speedy alleviation of poverty and inequalities in rural areas where low productive human resources, undernutrition and landlessness constitute a *single* problem: rural poverty, rural underdevelopment. It has become evident that the low productivity and malnutrition of the landless and nearly landless agricultural labour force do not stem from the scarcity of agricultural land and credit but from how they are owned and used under prevailing institutional arrangements.

While developing countries were engaged in implementing land reform programmes and major land settlement schemes, they experienced mounting foreign debts and the burden of their servicing costs in the 1980s and 1990s. These hardships resulted from a combination of several factors, including mismanagement of domestic economies dominated by the state and a giant public sector, international trade policies and deteriorating world demand for many agricultural products with no global competitive advantages. The many countries that failed to obtain new loans from commercial banks turned to the World Bank and the International Monetary Fund (IMF) for help, agreeing to take - within a short period of time - a package of severe trade, fiscal and monetary actions.

Known as "Structural Adjustment and Stabilization Programmes", these government actions have had serious impacts on the implementation of land reform and land settlement schemes as major instruments of rural development. The adverse impacts have been manifested in public expenditure cuts (health, education, irrigation, roads, etc.), devaluation of domestic currency affecting food prices, and payments of subsidies to both agricultural production inputs and household basic public services in rural areas. All these unfavourable price-level changes have affected real wage rates, household income distribution and poverty levels. Over the past 40 years, this subject and related rural development concerns have preoccupied several units in both FAO and Member Governments. Throughout this period, *Land Reform, Land Settlement and Cooperatives* has served as a forum for objective argument.

This article examines these rural development issues with a view to understanding the analytical principles underlying both the land tenure problems to be tackled and the policy choices to be assessed. It places special emphasis on the discussion of the roles of the state and the land-credit market. The justification for this special emphasis is the increasing globalization and recent reliance on the market - and not on government intervention - for economic activities, including the sale, lease and purchase of land. The principal aim of this discussion is to enable developing countries to adopt flexible policies, combining state intervention with market transactions in order to face the rural development challenges associated with sustained economic growth and a swift reduction in poverty.

Throughout the article, the discussion on the challenges ahead is broad. This is because of intercountry variations in the place of agriculture in the national economy and in the relative importance of household non-farm income within rural areas, as well as the extent of influences of land tenure arrangements and land-based power on each country's rural economy. It is argued that a relevant land tenure policy must recognize these variegated country-specific characteristics. The discussion concludes with a summary of the challenges ahead based on the lessons learned over the past four decades, and a plea to country planners and international agencies for a country-specific approach. It does not prescribe a standardized single path of land reform policy both because each country has a land tenure system peculiar to itself, and because land reform constitutes an important social change and not merely a legal or administrative measure for agricultural development.

## **ANALYTICAL ISSUES**

In order to understand the issues identified in the introduction, it is necessary to clarify ambiguities and make some distinctions. Much confusion arises from a lack of precise terminology and from the misuse and misinterpretation of the real meaning of the basic terms "land reform", "rural development" and "land market". Until the 1960s, the accepted sense of the term "land reform" meant the redistribution of property and use rights of land for the benefit of landless agricultural workers. With the rise and strength of the land reform movement in Latin America (Dorner, 1992), this narrow English term "land reform" expanded to agrarian reform corresponding to the Spanish term "reforma agraria". This emphasized actions such as land settlement or resettlement programmes on publicly owned land, land registration, consolidation of fragmented holdings, tenancy improvement and land taxation. This expanded term may - but not necessarily - include redistribution of private property rights in land. It has led to confusion in international comparisons, as manifested in the UN reports of 1963 and 1966 on "Progress in land reform". As noted below in the section on countries' experiences, this confusion continues in 2003 when individualization of communally owned or tribally held lands in Africa is treated as land reform. Similarly, the common usage of the terms "rural development" and "integrated rural development" (IRD) is to identify *things* such as schools, clinics, roads and technical advances in agriculture (e.g. fertilizers, improved seeds and irrigation expansion).

The confusion arising from divergent usages and politically motivated misinterpretation calls for a distinction to be made between means and ends. Like the spread of schools and irrigation expansion, land

titling and secure access to land are *means* to an end, i.e. raising human capabilities in terms of literacy, nutrition, life expectancy and self-respect (see Sen, 1987; Sen and Anand, 2000). The realization of this end is likely to be accelerated when and where these human capabilities are associated with the beneficiaries' command over their food-intake. I have argued elsewhere that effective, secure access to productive land and rural development coalesce in the speedy reduction of malnutrition and absolute poverty (El-Ghonemy, 1990, p. 91 - 112). The substance of my argument is that agricultural landless workers are net food buyers. They rely on the uncertain labour and grain markets in order to purchase household food requirements. Lipton (1985, p. 1 - 4) adds that secure access to land turns out to be much more of a life-cycle asset than income, and that, with better access to health, services and education are converted into human capital accumulation, constituting a strong connection with economic growth and rural development.

The understanding of these links permits us to understand the priorities in policies and the meaning of what is to be sustained in "sustainable rural development" and integrated in IRD. We should recall that the assault on malnutrition as an essential requirement for the realization of rural welfare was the central message of, and justification for, the establishment of FAO in 1945, when its prudent founders recognized that food is more than a trade commodity market.

Another clarification to be made concerns the institution of property rights in land, which is the heart of any country's economic system and political philosophy. In the 1960s and much earlier in the recorded history of the now developing countries, land was viewed *not* solely as a factor of production. It was considered a unique social amenity, i.e. a secure form of holding wealth, and of gaining social security and political advantages. This meant that land was a non-marketable family asset. This distinction between land as a marketable commodity, like a sack of fertilizer, and land as a social institution was made clear when this journal was inaugurated in 1963 by Lewis, the Nobel Prize laureate in economics. In 2003, it is absurd to see the promoters of the land market approach to rural development assume the predominance of both the land market and the marketability of land in all developing countries, and to view land in a narrow economic sense and analyse its market just like the market for fertilizers.

In my study of the Egyptian land market (El-Ghonemy, 1992), I found it necessary to make a distinction between market and non-market land transactions. I found the latter to be the dominant way to land ownership, comprising inheritance, interfamily marriage, the land reform laws of 1952 and 1961, land extortion by virtue of official status and the granting of land under concessional arrangements. An empirical study on the origin of land ownership in Egypt showed that only 14 percent of all households had ever purchased agricultural land in their lifetime and that they were larger landowners. On the other hand, the sellers were largely very small landowners in the farm-size group of less than 0.4 ha who sold their land in distress and became landless workers (Radwan and Lee, 1986). Similarly, I found inheritance and interfamily marriage to be the main mode of securing property rights in arable land in Yemen and Malawi, respectively (El-Ghonemy, 2001, p. 105 - 133).

### **The origin of development policy issues about property rights in land under different land reforms**

My understanding of the fundamental policy issues in the current development debate is that they originate in the system of thought developed by the founders of social science (Smith, Malthus, Ricardo, Mill and Marx). As I understand their writings, they abstracted their principles from a number of agrarian events that they witnessed in the eighteenth and nineteenth centuries. They all condemned the evils of the feudal land tenure relationships, particularly absentee proprietors, the eviction of tenants without compensation and the resulting poverty. However, they reached different conclusions with regard to the functions of private property and the role of the state in adjusting deficient agrarian systems.

For example, private property as the central bond of capitalism was conceived by Smith, the founder of economics, in the context of his principle "the invisible hand" that coordinates economic activities and leads to the maximization of private gains. In his view, the function of the state is "to protect members of the

society from injustice" (Smith, 1776, Book IV, Chapters II and IX). However, in 1831 - 1860, Walras and his followers took this prudence to an extreme limit of treating economics as a universe of commodity relations and not of human behaviour and institutions. In their principles of rarity (scarcity) of land and capital, general equilibrium in the land market, other factor markets and prices of their products are determined simultaneously under strict and unrealistic assumptions. These assumptions, which are simply taken for granted, are primarily: the absence of state intervention, or the political neutrality of the state; universal perfect competition based on perfect information; absence of transaction costs; and rationality in decision-making. Their analysis relied on mathematical models that brought the analysis nearer to the physical science of Newton. (Myrdal [1968], Coase [1992], North [1990] and Stiglitz [1997] challenged the above assumptions and neo-classical principles on the grounds that they neglected institutions and information in the analysis of economic change and development issues.) These principles were developed later in neo-classical economics, and revived in the 1980s and 1990s as neo-liberalism. This approach has been adopted by advocates of the market approach to land reform called "negotiated" or "market-assisted" land reform. Despite its limitations, the new approach shares, with the old government-redistributive reforms, the objective of increasing secure access to productive land, and the concern over increasing inequalities and poverty in rural areas. Time will show whether this approach can hold in the reality of an imperfect market (Carter, 2000).

This account of the analytical principles that underlie a land reform policy choice would be incomplete and misleading without a brief reference to the contrasting socialist principles of Marx and his followers that have been adopted by several countries since the Russian peasants' revolution (1905 - 1917) and China's agrarian transformation (1948 - 1978). In 1840, Marx made an assault on private property and called for collective property to serve the interests of the agrarian masses of landless workers and small peasants (called the exploited proletariat by Marx). From his study of the capitalist mode of production in the British, French and Irish land tenure systems, Marx condemned the capitalist system in which the government was "an executive committee" for serving the interests of the property owners, land grabbers, bailiffs and capital lending agents (identified as exploiters). In his view, this agrarian capitalism situation of monopoly powers and exploitation led to the Irish Famine (1845 - 1851) and the unprecedented land wars in Ireland (1879 - 1892).

Neither of these contrasting sets of principles was considered to be relevant to an adequate analysis of rural underdevelopment problems or adequate for making public decisions and policy choice in the newly independent poor nations following the Second World War. From the sufficient evidence accumulated in the 1950s and 1960s by experts from FAO, the International Labour Organization and the World Bank, as well as several analysts in academic institutions, principles of development economics emerged. These assigned an active role to the state in introducing pro-poor institutional reforms that bring about the redistribution of assets (land and education) with economic growth under a planning mechanism. However, the dominance of these paradigms of development economics was short-lived. In the 1980s and 1990s, neo-liberal principles prevailed in the context of structural adjustment and foreign debt recovery conditionalities.

## **COUNTRIES' EXPERIENCES**

As a close observer of land reform policy choice during the past four decades, I may make a few remarks. First, countries' different programmes on land/agrarian reform came out of the ideas and paradigms outlined above that have been reflected in each country's operational social philosophy. They range from ideas on the sacredness of private property and freedom of entrepreneurs in agriculture to expropriation and rent control. Countries' experiences show a variation in how far the state would intervene to restrain economic freedoms if, for example, landowners and moneylenders abused such freedom or the social function of land property, and violated the country's established rules on social justice and public welfare.

Second, the intensity of land reform programmes (i.e. the number of countries and scope of agrarian change) was highest in a historically short period of three decades, the 1950s, 1960s and 1970s. This was a period that corresponded to the time when most developing countries gained independence following a long period of colonial rule. These historical events suggest that national leaderships decided to reform land tenure systems strategically in order to condition social and economic progress at an early stage of national reconstruction. Despite some weakness in implementation, I consider this period the golden age for the emancipation of poor peasants.

The intensity of agrarian transformation peaked at the time of the inauguration of this journal and the holding of five relevant world conferences: the International Conference on Land Tenure, Madison, the United States of America (1951); the 1951 Special Session of the FAO Conference that decided "the reform of the agrarian structure must be part and parcel of the general programme of economic development" starting with the UN First Development Decade in the 1960s; the UN/FAO World Conference on Land Reform, Rome (1966); the World Food Conference, Rome (1974), which examined food security in relation to land tenure security; the 17th International Conference of Agricultural Economists on Agrarian Reform, Banff, Canada (1979); and the World Conference on Agrarian Reform and Rural Development, Rome (1979), which mandated FAO to assume the leading role within the UN system in assisting countries in monitoring progress in the alleviation of land concentration and rural poverty incidence. Unfortunately, this periodical monitoring mechanism was discontinued in 1995.

My third remark concerns the peculiarity of each country's land tenure system, requiring the type of reform that is relevant to each country's land tenure system. For example, the Mexican reform was not a once-and-for-all reform. Since 1911, it has established the permanent rights of the peasants to the restitution of their communal land system (*ejido*). The Italian land reform is another example of the peculiarity of each programme and its relevance not only to the national conditions but to each region of the same country: two land reforms for the Sila, a third for the Maremma, and a fourth for the delta of the Po River. This peculiarity of each country's agrarian system is an essential consideration that continues in the twenty-first century. In the past decade, promoters of the market approach to rural development have prescribed a standardized land reform policy for the voluntary purchase/sale of land at the market price, facilitated by the provision of generous credit supply at concessional terms and implemented uniformly.

Fourth, the limited experience of implementing this market-assisted land reform suggests an ambiguity with regard to both the assumed political neutrality or the politics-free land market and the boundaries between the market and the role of the state. My 1999 study for the United Nations Research Institute for Social Development (UNRISD) on the working of this approach in six countries (Brazil, Colombia, Kenya, Malawi, the Philippines and South Africa) and the sequence of events in past experience suggest the fallacy of such a neutrality assumption (El-Ghonemy, 1999). It also suggests the importance of the complementarity between the market and the state, whereby the latter: (i) removes the institutional barriers in the banking system, especially credit supply and mortgage obstacles; (ii) reduces transaction costs in the leasing and registration of land; (iii) provides information on land quality and rental values and about the availability of land for sale; and (iv) provides technical assistance to new owners.

The historical experience of a capitalist economy such as the United States tells us that state initiative enabled the land market to function and expand the American rural economy. This was rooted in the pioneering state promotion of family farms by the Lincoln Homestead Act of 1862. Supported by anti-trust (monopoly) laws and substantial public investment in necessary infrastructure, it opened up rural America to private investment and competitive market forces. Similarly, in the capitalist economy of Great Britain, the institutional monopoly of landlords was checked and prices of land and rents were long regulated by the laws of 1875 and 1890 initiated by the President of the British Land Tenure Association, the well-known political economist, Mill. These laws were enforced in order to make farm tenancy and land tenure secure, this being the foundation of an egalitarian and efficient rural market economy (see El-Ghonemy, 1990, Chapter 5). Without reforming the institutional monopoly, the lauded British tenancy system did not work in

several countries (e.g. the Zamindari system in India, and Egypt's auctioning of rented land). Tenants cannot afford to pay the market price of land without the help of special credit facilities, such as those provided by international financing agencies to governments adopting market-assisted land reform at a time when they are already suffering from heavy foreign debts. Moreover, empirical evidence and common sense tell us that, in a market economy, the probability of obtaining a commercial loan is close to zero for landless wage workers who wish to own a piece of land in their lifetime.

Last, when government-administered agrarian transformation peaked in the 1970s, and with the exception of a few socialist/Marxist economies, most land reform programmes were in private property-market economies that established ceilings on private landownership, redistributing the rest among the peasants who were mostly farming the land as tenants and sharecroppers. Their experience suggests that the proportion of beneficiaries and agricultural land redistributed to total agricultural households and agricultural land, respectively, are major determinants of the reduction in poverty and inequality of land distribution.

Two examples of private property-market economies (Egypt and the Republic of Korea) illustrate the influence of the important size ratio of land ownership ceiling to beneficiaries' units. Egypt's land reforms of 1952, 1961 and 1964 established a high ceiling of 40 ha and an average size of redistributed irrigated units of 1 ha. This ratio of 40:1 enabled the redistribution of only 10 percent of total arable land among 14 percent of all agricultural households. The 1945 and 1950 reforms in the Republic of Korea established a low ceiling of 3 ha and an average of 1 ha of beneficiaries' unit size. This ratio of 3:1 enabled the redistribution of 65 percent of all arable land among 76 percent of all agricultural households. Accordingly, the degree of land concentration measured in terms of the Gini index (0 = absolute equality; 1 = absolute inequality) declined from 0.611 to 0.456 in Egypt in 1975 and from 0.729 percent to 0.303 percent in the Republic of Korea in 1970, suggesting a faster reduction in inequality in the Republic of Korea than in Egypt (see El-Ghonemy, 1990, Chapters 5 and 6). In both countries, household income distribution was also improved by land redistribution associated with intensive labour employment and wider access to education being seen as an important asset (human capital). A combination of greater access to land and education opportunities has reduced the incidence of poverty among the rural population substantially: in Egypt from 56.1 percent in 1951 to 23.8 percent in 1965; and in the Republic of Korea from 60 to 11 percent (El-Ghonemy, 1990, Table 6.11 and p. 209).

In contrast, Brazil, Colombia and South Africa, having had no redistributive agrarian reform, instituted large land settlement schemes in public land. In the 1990s, they adopted the neo-liberal, market-based land title transfer between willing sellers and willing buyers with direct financial support. According to data, the Gini index of land concentration was very high at 0.86 in Brazil and Colombia, but not available for South Africa. The level of rural poverty (estimated as the proportion of poor households to total rural population) was 73 percent in Brazil, 45 percent in Colombia, and 60.6 percent South Africa. In South Africa, the poor are mostly native Africans, including 31 percent of all rural households who were landless and without grazing rights (IFAD, 1992, Appendix Tables 2 and 6; Government of South Africa, 1995).

At the conference on agrarian reform organized by the German Foundation for International Development in Bonn in March 2001, non-governmental organizations from different countries implementing the land market approach expressed their views on the slowness of this market approach. In particular, the World Federation of Small Landholders (La Via Campesina) demanded a revision in this approach which "operates on the principle of 'land for those who can afford it'". This organization and the Food Information and Action Network expressed the fear that the market-assisted approach to land reform "is leading more to a reconcentration rather than redistribution of land and the reduction of its inequality" (DSE, 2001, p. 26; see also IFAD/World Bank/FAO, 1997; Vogelgesang, 1996). A relapse in Egypt's land reform gains has taken place since the adoption of neo-liberal paradigms contained in the 1991 economic reforms agreed with the IMF and the World Bank. Land tenancy arrangements have been deregulated, resulting in the eviction of

tenants and a sharp rise in rental values determined by the market. The consequences have been increased rural poverty, landlessness and inequality (El-Ghonemy, 2003, Chapter 4 and Table 2.11).

## THE CHALLENGES AHEAD

The reduction of poverty and inequality of land distribution, associated with sustained agricultural output growth, have been the common concern of the international community since the 1960s. Given this, what are the prospects for meeting current rural development challenges in the context of changing policy choices and redefining the role of the state? Before addressing this question, we need to understand the order of magnitude of these challenges. A 1993 study (El-Ghonemy, Tyler and Couvreur, 1993) conducted a statistical analysis of comparable data from 21 developing countries. It used a cross-sectional (intercountry) multiple regression method. The dependent variable was the proportion of poor people to total rural population for each country, and the explanatory (independent) variables were the Gini index of the inequality of land distribution and real agricultural output growth. Given the data limitations, the results show a highly significant and positive relationship between poverty and the inequality index, compared with an insignificant and negative relationship between poverty and agricultural growth. Similar results were obtained by other researchers, using different samples of developing countries (Bardhan, 1985; Griffin and Ghose, 1979). In simple terms, my statistical analysis shows that a decrease of one-third in the land distribution inequality index results in a reduction in the poverty level of onehalf in about 12 - 14 years. The same level of poverty reduction may be obtained in 60 years by agricultural growth sustained at an annual average of 3 percent and *without* changing land distribution inequality.

Two leading economists of the World Bank have recently examined these important quantified rural development issues of inequality, poverty and growth, and their relationships to one another (Deininger and Squire, 1998). They used good quality data on inequality of landholding distribution between the 1960s and 1990s for 66 developing countries. Their aim was to explore why several countries have failed both to increase economic growth rate (or realized only slow growth), and to reduce poverty after their implementation of economic reform programmes (i.e. after adopting neo-liberal paradigms). Their analysis used the results of FAO World Agricultural Censuses for 1960, 1970, 1980 and the 1990s. Their results indicate a negative effect of land inequality on subsequent income growth. The inequality hurts the rural poor through two channels: inability to provide collateral for borrowing agricultural credit, and low schooling attainment resulting in high illiteracy. Empirical evidence also suggests that land distribution inequality increased: in the 1980s and 1990s in sub-Saharan Africa (SSA); in East European countries where land reforms were dismantled after the collapse of the Soviet Union; and in the 1970s and 1980s in South Asia (compared with the 1960s). The increased inequality has affected growth negatively. Alesina and Rodrik (1994) obtained similar results. The conclusion of these studies is that a combination of increased aggregate investment and land redistribution for the benefit of the poor raises their incomes significantly, and is an effective way of reducing poverty and increasing economic growth.

Disaggregating the poor farming population by tenure status and holding size helps to understand the magnitude of the challenges ahead. FAO Agricultural Censuses since 1960 have indicated increases in the numbers of smallholdings, while the share of their access has not increased. This suggests a continued fragmentation of these small units, where most of the foodgrain (rice, wheat and maize) is produced by women, especially in Africa. These female farmers have been disadvantaged in two ways by the marketbased land property transfer, particularly the individualization of the centuries-held communal (customary) land. One is the loss of traditional equal rights in land because bureaucracies usually consider men as the head of the household; this despite the fact that in most SSA countries nearly 40 - 50 percent of all rural households are headed by women (IFAD, 1992, Table 6). The other is the loss of women's traditional entitlement for self-produced food crops. My 1999 study for the UNRISD shows that the individualization of

customary communal tenure in Malawi resulted in the purchase of land by non-agriculturalist land speculators, who switched production away from food crops into tobacco (El-Ghonemy, 1999). Many former landholders became wage-workers and lost their household food security. This market-oriented land tenure and such use shifts are worrying indeed with regard to rural households' likelihood of food insecurity, and the loss of women's customary entitlements.

The great challenge is to cope with the rising demand for access to land as represented by the increasing numbers of landless wage-dependent workers, in particular, and the agricultural workforce, in general. This trend is compounded by another alarming trend of increasing concentration of land. At the same time, the aggregate supply of cultivable land is diminishing. To examine this downward trend, I used the ratio of area to workers in agriculture as a proxy for the supply of and demand for cultivable land, calculated from FAO data for 87 developing countries, including the projected growth of agricultural workforce for the period 2000 - 2010 (FAO, 1986, and various FAO production yearbooks). I found that 63 percent of the 87 countries showed an alarming decline in this ratio. One possible explanation is government budgetary cuts imposed by the conditions of IMF-fiscal reform implemented by countries according to their priorities, including that for land development (e.g. irrigation, drainage and soil conservation). Moreover, employment opportunities for the growing numbers of agricultural workers have narrowed. This is primarily as a result of rising unemployment in urban areas combined with the replacement of unskilled rural workers by more skilled and educated job-seekers competing for low-paid jobs, in addition to labour-displacing technology induced by free-trade globalization.

In conclusion, one could ask how developing countries' governments can meet these challenges if the present trends continue into the twenty-first century, as their ability to address them directly has been restricted and their role in development redefined by neoliberalism (reflected in conditionalities of price stabilization and foreign debt recovery agreements). Their response is made more difficult by the fear of being disadvantaged in terms of world trade competitiveness, including in their efforts to attract much needed foreign capital. The next two decades will be a testing time for governments seeking to address this dilemma. A failure to do so will increase the risk of social unrest and political instability. In the meantime, the debate in *Land Reform, Land Settlement and Cooperatives* will continue to enlighten us about how to face these challenges and about the difficult choices that present policy-makers with dilemmas in rural development.

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