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**SPRING REVIEW**

**LAND REFORM**

**JUNE 2-4, 1970**

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LAND REFORM?**

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AGENCY FOR INTERNATIONAL DEVELOPMENT  
SPRING REVIEW OF LAND REFORM

WHAT IS LAND REFORM?

by

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PPC/AID/Washington

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## What is Land Reform?

Who can tell what land reform is? Whose cognition is so broad as to understand and judge all its dimensions?

The historian? Rarely does he know enough about agriculture. And his knowledge of the experience of developed countries does not necessarily help us in dealing with less developed ones.

The agronomist? Too often his interest is limited to the physical, to production, to marketing.

The economist? He has generally accepted the institutional framework as given. But his interest in development may indicate the conditions under which land reform can be successful in his terms, i.e., promote economic growth, employment and income.

The demographer? The anthropologist? The political scientist?

None will do by himself. None can claim the entire territory. The subject remains what we call inter-disciplinary, and the English borderline. Perhaps this conference, heavily loaded though it is on the economic side, will shed some new light on the issue. It is, in any event, with considerable humility that I will introduce it. For this purpose I would like to offer a few postulates which, it seems to me, may set the stage for our inquiry.

### Postulates

1. The basic fact is poverty, scarcity of resources, of capital, often of land, but not, in our times, of people.

2. Man's fundamental relationship to land, going back to the origin of the species, operates on several planes: physical and religious: "Mother Earth"; economic: the source of subsistence and security, the object of

exploitation, and a factor of growth; social: a determinant of the basis for organization of communities, and for the role of individuals in the communities; political: a base of power and influence, from hunters to Popes and emperors.

3. This relationship varies in depth and breadth, in intimacy and complexity over time and space. Its evolution may be very slow, but it never strands still. What seemed to be a sacred and seemingly eternal bond yesterday, is questioned today, perhaps broken tomorrow. Sooner or later institutions that embody this bond yield to the pressures of erosion, of population, of technology, of ideology, of poverty.

4. More concretely, under the influence of these factors, the forces of change will be vying with the forces of the status quo -- both rational. The resolution of these rational conflicts of interest may take many forms. Some resolutions will be smooth and gradual, others sudden and violent. Thus, when men living on the land can no longer make a living off the land, whatever the reason, then their dissatisfaction will bring them into conflict with those who benefit from the existing "law and order". As W. I. Ladejinsky once put it: "The wrenching readjustments involved when the landless contend for the landlord's land are as old as recorded history".\* And quoting Balzac, Ladejinsky continued "Whosoever land has, contention has".

5. Such contention arises from three types of ownership characterized by an institutional monopoly. As so well stated by Doreen Warriner,\*\*

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\* Foreign Affairs, Vol. 32, pp. 445, 446 and 447.

\*\*Land Reform and Economic Development by Doreen Warriner, from National Bank of Egypt Fiftieth Anniversary Commemoration Lectures, Cairo, 1955. Reprinted in Agriculture and Economic Development, edited by Eicher and Witt, McGraw-Hill Co., 1964.

"The three types are:

"1. The type of ownership characteristic of Asian countries, in which the land holding is only a property and not a large farm or large producing unit. The property is leased in small units to tenant cultivators, either on the basis of money rent or on a basis of share-cropping rents.

"2. The large estate, characteristic of South European countries and of Latin America, which is both a large property and a large enterprise. This type of estate is managed by salaried officials and worked by labourers and people of indeterminate status, squatters or share-croppers. Estates of this kind are usually extensively cultivated, or used as cattle ranges. We may call them latifundia, since this is the term used in the countries where they prevail; they are the direct descendants of the slavetilled ranches of the Roman Empire.

"3. Plantation estates. These are also both large properties and large enterprises. They are usually owned by a company with foreign capital and foreign management, though estates of a plantation type may also be found in private ownership. The methods of cultivation are usually intensive.

"Many countries have agrarian structures which include estates of two or even three of these types. The land system of Egypt in certain features resembles the Asian form of ownership, while in other features it is a plantation system.

"These forms of ownership and enterprise have very little in common with the types of large-scale farming found in advanced countries, i.e. in countries with an industrialised economy and commercialised agriculture. The Asian system is found principally in subsistence economies, while latifundia and plantations produce mainly for export."

6. Land reform is designed to resolve the contentions due to the types of ownership just described.

#### Definitions

Above postulates tend to set the broad framework within which we may attempt to define this strange animal called land reform. It is an animal that changes its colors, its appearance, its anatomy and its physiology almost as often and as much as other strange animals called democracy, freedom, and capitalism (for which one economist collected some 500 different definitions). Virtually every author of our analytical papers apparently

felt he had to define the term. Definitions vary according to whether you favor or oppose land reform; whether you treat it as an ideological symbol, or as an achievable goal, or look at actual results. Definitions depend not only on the aims of reform, but also on the means envisaged to reach the chosen objective. Nevertheless, most authors would agree, I think, that land reform is supposed to redistribute rights and hence powers.

Normally, the state, the government assumes new or more power: the power to modify land tenure. At the same time the government may acquire new rights to land, for example, when private holdings are transformed and consolidated into state farms. Or else the government may give up certain rights to land, e.g., when it cedes state property to private individuals, as in the case of colonization (characterized by the absence of much social infrastructure). Normally again, land reform reduces the power of some private holders of land, in that they have to give up part of their rights to their land, while other individuals acquire new power because they obtain additional rights to land. This bundle of rights includes, as most important, the right to use, the right to lease, and the right to transfer land. Rights to the land may be contracted by the owner and/or shared with a tenant or others.

So let us call land reform or land tenure reform: (1) land ownership redistribution; and/or (2) granting land users secure, long-term tenancy at "fair" rents; both in areas where at least modest amounts of social infrastructure already exist.

It has been pointed out that this definition is rather narrow, for:

"The land tenure system defines social class relations more fully than does any other institution in most of the world's agrarian countries; it controls or at least limits the power of choice and action of individuals and families; it is the chief means of rationing economic opportunity; and it determines the interpersonal distribution of production and income, and the extent to which general economic incentives become meaningful to the farm people".\*

These considerations suggest that "land reform" might be considered in the context of a broader approach, suggested by the term agrarian reform. However, the latter designates not only land tenure changes but also those measures designed to develop the agricultural system of a particular region. They include information flows (research and extension), credit flows (capital and operational), technical inputs (fertilizers, pesticides, etc.) as well as access to output marketing outlets. It could be said that the only basic difference between "agrarian reform" and "agricultural development" programs consists of the land ownership redistributive nature of the former.

But it is a basic difference, and it will be the focus of this conference. Nevertheless, I must recognize that often -- especially in Latin America -- "agrarian reform" and "agricultural or rural development" are used interchangeably. This, I submit, is not only confusing; it is frequently deliberately so. Thus, some politicians have found it convenient to promise "agrarian reform", and to let their audience believe whatever it desires: rural development programs with or without tenurial changes. At this review we do not wish to blur the real issue: we want to distinguish between land reform per se and all other activities involved in agricultural development.

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\* United States Department of Agriculture, "Changes in Agriculture in the Developing Countries".

Wunderlich, in his paper on Indian land reforms, has said that:

"Land reform is a redistributive measure. Its effects on productivity, production or economic growth are indirect". Indeed, land reform usually carries with it major equity considerations, while agrarian reform tends to emphasize growth rather than distribution. The proposition that equity and productivity tend to be mutually supporting objectives of land reform, rather than in conflict, is convincingly presented in the paper of Professors Dorner and Kanel. Redistributive measures in communist reforms have been essentially land-rights collective, while non-communist reforms have been essentially land-rights distributive. However, several non-communist reforms have evolved group-use solutions to problems of small holdings (asentamientos - Chile, land blocks - Egypt, farm corporations - Iran), while several communist reforms have fallen short of or reverted from pure collectivization, to allow family-size farms in some degree (Yugoslavia, Poland, Cuba).

Also disclosed in the Review is the existence of numerous land reform movements in which neither land distribution nor land collectivization has occurred in significant degree. These cases present instructive studies of what may be accomplished for the improvement of land use problem conditions by measures short of a drastic reordering of established land ownership and use rights. By the same token, they show what may not be accomplished by these measures.

Contrary to what too many people imagine, land reform is almost never just a single or simple "measure", a one-shot proposition to rob Peter to pay Paul. It is almost always a process -- complex and time-consuming.

Indeed, time may be the critical dimension. Land reform can often be set in an evolutionary context. The easiest shift from an original share tenure system is to one of lease tenure which gives perhaps most incentive to utilize current inputs. The next step, land redistribution, will be called for ~~to unshackle~~ managerial capability. Thus, transformations that are now taking place in South-East Asian countries occurred in Japan at the turn of the century.

The land reform appraisal undertaken in this Spring Review covers a wide range of degrees and directions of changes, from a wide variety of pre-reform conditions. In one or more of its attributes, each reform is found to be unique. Yet there are some features by which one may try to categorize the reforms into groupings having significant similarities. We have attempted to show for each of the countries covered the main effects of reform on land ownership and use-rights. The attached tabulation indicates that in all countries other than the communist nations and Japan, Korea, and Taiwan, large estates were distributed in family units. Public land distribution and title improvement are also widespread phenomena. The picture is more diverse with respect to land use. Abolished in all communist nations and in Taiwan, tenancy is regulated in most of Asia, but not in Latin America where most State supervised settlements have been established.

Table 1  
MAIN EFFECTS OF LAND REFORM ON LAND OWNERSHIP

Country	All Ownerships Nationalized	Selective Ownerships Nationalized	Large Estates Distributed In Family Units	Public Lands* Distributed In Family Units	All Cultivated Lands Distributed In Family Units	Title Basis Improved
<u>Europe</u>						
Hungary	Hungary					
Italy			Italy	Italy		
Yugoslavia	Yugoslavia			Yugoslavia <sup>a/</sup>		
<u>Near East</u>						
Iran		<u>b/</u>	Iran	Iran		
Iraq			Iraq	Iraq		
Turkey				Turkey		
<u>North Africa</u>						
Algeria		Algeria				
Tunisia		<u>c/</u>	Tunisia	Tunisia		
U.A.R.			U.A.R.	U.A.R.		
<u>Black Africa</u>						
Kenya			Kenya			Kenya
Nigeria		- No	measurable	effects	as yet -	
<u>South Asia</u>						
India			India			
Indonesia			Indonesia			
Pakistan			Pakistan	Pakistan		
Philippines			Philippines	Philippines		Philippines
N. Vietnam	N. Vietnam					
S. Vietnam			S. Vietnam	S. Vietnam		
<u>East Asia</u>						
Japan					Japan	Japan
S. Korea					S. Korea	S. Korea
Taiwan					Taiwan	Taiwan
<u>Latin America</u>						
Bolivia			Bolivia	Bolivia		
Brazil, NE			<sup>d/</sup>			
Chile			Chile			Chile
Colombia			Colombia	Colombia		
Cuba		Cuba				
Ecuador			Ecuador	Ecuador		
Guatemala			Guatemala	Guatemala		
Mexico			Mexico	Mexico		Mexico
Peru			Peru			Peru
Venezuela			Venezuela	Venezuela		

\*Including religious endowments where present.

<sup>a/</sup> Some family farms recreated after collectivization.

<sup>b/</sup> Farm corporations now being established have some collective aspects.

<sup>c/</sup> Some lands collectivized but later redistributed.

<sup>d/</sup> Proposed, but not yet carried out.

Table 2

MAIN EFFECTS OF LAND REFORM ON LAND USE RIGHTS

Country	Tenancy Abolished	Tenancy Regulated, Including Rent Control	Group Farming Imposed	Private Operating Initiative Kept	Open Tribal Lands Enclosed	Scattered or Small Holdings Consolidated	State Farms Established	State Supervised Settlements Established
<u>Europe</u>								
Hungary	Hungary		Hungary					
Italy				Italy			Italy	Italy
Yugoslavia	Yugoslavia		Yugo.	a/			Yugo.	
<u>Near East</u>								
Iran		Iran	b/	Iran		b/		
Iraq		Iraq		Iraq				
Turkey				Turkey				
<u>North Africa</u>								
Algeria		Algeria		Algeria			Algeria	
Tunisia				Tunisia		Tunisia	Tunisia	
U.A.R.		U.A.R.	c/	on most farms		c/		
<u>Black Africa</u>								
Kenya				Kenya	Kenya	Kenya		
Nigeria		- No	effective	change	to	date	-	
<u>South Asia</u>								
India		India		India				
Indonesia		Indonesia		Indonesia				
Pakistan		Pakistan		Pakistan				
Philippines		Philippines		Philippines				
N. Vietnam	N.Vietnam		N.Vietnam					
S. Vietnam		S.Vietnam		S.Vietnam				S.Vietnam
<u>East Asia</u>								
Japan		Japan		Japan		Japan		
S.Korea		S.Korea		S.Korea		S.Korea		
Taiwan	Taiwan			Taiwan		Taiwan		
<u>Latin America</u>								
Bolivia	Bolivia			Bolivia				Bolivia
Brazil,NE		Proposed		Brazil,NE				
Chile				Chile				Chile
Colombia				Colombia				Colombia
Cuba	Cuba		Cuba	on medium farms				
Ecuador				Ecuador				Ecuador
Guatemala				Guatemala				Guatemala
Mexico				Mexico				Mexico
Peru		Peru		Peru		Peru		
Venezuela				Venezuela				Venezuela

a/ Some family farm operations recreated after collectivization.

b/ Farm corporations consolidate holdings for group operation.

c/ Reform cooperatives are group farms.