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Access to Land: Land Reform and Security of Tenure

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Food sovereignty implies the implementation of radical processes of comprehensive agrarian reform adapted to the conditions of each country and region, which will provide peasant and indigenous farmers--with equal opportunities for women--with equitable access to productive resources, primarily land, water and forests, as well as the means of production, financing, training and capacity building for management and interlocation.

Agrarian reform, above all, should be recognized as an obligation of national governments, as this process is necessary within the framework of human rights and as an efficient public policy to combat poverty. These agrarian reform processes must be controlled by peasant organizations--including land rental markets--and must guarantee both individual and collective rights of producers over shared lands, and be articulated within coherent agricultural and trade policies. We oppose the policies and programs for the commercialization of land promoted by the World Bank instead of true agrarian reforms by governments.

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Introduction

Access to land and security of tenure and access are critical elements in alleviating rural poverty and moving toward a world where food security and the absence of hunger are a reality for all. This was recognized by the governments of the world at the 1996 World Food Summit in Rome. Five years later, the time has come to review the progress that has been made by governments and by civil society actors toward improving access to land for the poor around the world. In this paper we review the original commitments made in 1996, and the overall lack of progress by governments in meeting them. We summarize the 'land problem,' with reference to the different regions of the world, and examine the case for redistributive land reform as a key element in its solution. We draw lessons from on-going land reforms and from historical experience, and conclude with a preliminary set of guidelines for future policy.

The World Food Summit: Commitments and Progress

At the 1996 World Food Summit in Rome, the governments of the world agreed upon a declaration to reduce hunger by one half in the year 2015. While civil society was by and large disappointed by this goal-feeling that the objective should be to eliminate hunger-there were a number of points in the Rome Declaration on World Food Security on which there is broad agreement, especially with regard to the central role of access to, and secure tenure over, land. In point 2 of the Plan of Action (FAO, 1996), for example, most agree that:

Poverty eradication is essential to improve access to food. The vast majority of those who are undernourished, either cannot produce or cannot afford to buy enough food. They have inadequate access to means of production such as land

With regard to Commitment One-concerning the need to create an enabling environment for eliminating poverty and ensuring food security-point 15, objective 1.2b, most also support the commitment to:

(b) Establish legal and other mechanisms, as appropriate, that advance land reform to enhance access for the poor and women to resources

Furthermore, most agree with point 16, objective 1.3b, and point 17, objective 1.4b, emphasizing gender equality in access to productive resources, and the rights of minorities and indigenous peoples, respectively. Commitment Two-concerning the eradication of poverty and inequality, and access to food-point 19, objective 2.1e, restates the agreement that governments, in partnership with civil society actors, will "improve equal access, by men and women, to land and other natural and productive resources, in particular, where necessary, through the effective implementation of land reforms" There is broad support for this commitment.

While these commitments are laudable-in fact they represent the 'rescue' of the land reform issue, which had been 'taboo' in official circles for two decades-the follow-through and progress since 1996 have been disconcerting at best.

Overall, since 1996, States have:

- continued to preside over a set of trade, macroeconomic and sectoral policies which have conspired to undercut the economic viability of peasant, small and family farmers, and cooperative/collective agriculture. These policies have included trade liberalization; cutting of price supports and subsidies for food producers; privatization of credit, commercialization and technical assistance; excessive export promotion; patenting of crop genetic resources; and a bias in agricultural research toward expensive technologies like genetic engineering. Increasingly, smaller and poorer farmers find that credit is inadequate or too expensive to cover rising production costs, buyers are more scarce and monopsonist than ever, and prices are too low to cover credit and production costs (Hellinger et al., 2001; Lappé et al., 1998). Though data is difficult to come by, most observers feel that the net result has been a significant and continued deterioration in the access of the poor to land, as they are forced to sell off land they own, cannot afford land rentals or similar arrangements, or lose land by defaulting on credit (European Commission, 1999).
- dragged their feet in implementing already existing land reform and land re-distribution policies, and have by and large resisted efforts-sometimes using force-by civil society organizations, such as movements of the landless, to push the implementation of these policies (Langevin and Rosset, 1997; Agencia EFE, 2000).
- stood by as land has increasingly been commercialized, and watched passively as business interests-both agricultural (i.e. plantations) and non-agricultural (i.e. petroleum)-have encroached on communal and public lands, and territories of indigenous peoples (Bryant, 1998; European Commission, 1999; etc.).
- done nothing as agricultural commodity chains-on both the input (i.e. seeds) and output (i.e. grain trading) sides-have become increasingly concentrated in the hands of very few transnational corporations, who by virtue of their near-monopoly status are increasingly setting costs and prices unfavorable to farmers, putting all, especially the poorest, in an untenable cost-price squeeze, thus further encouraging the abandonment of agriculture (ETC, 2001; Heffernan, 1999).

Governments and multilateral institutions have taken up only one policy initiative on a more or less global scale, which they have presented as a

'positive' step to redress land access issues. This initiative, or series of initiatives, consists of accelerating, building upon, and 'featuring' World Bank-designed and supported policies to title lands, facilitate land markets, and increasingly, promote 'land bank' credit for land purchases by the poor. The latter is so-called 'market-assisted' or 'negotiated' land reform (Deininger, 2001). Unfortunately, as is detailed in a later section of this paper, a broad cross-section of civil society has come to believe that these policies are unlikely to significantly improve access by the poor to land, or give them more secure tenure. In fact there is good reason to believe they will actually worsen the situation in many places.

Thus an objective assessment of the progress to date in meeting the 1996 commitments to redress land issues, as part of the fight against hunger, would have to conclude that rather than having made progress, on the average the situation has in all likelihood worsened. This is of the gravest concern, because access to land is a keystone issue. Without assuring adequate access to this most basic of productive resources, the goals of eradicating poverty, reducing hunger, and promoting more broad-based and inclusive economic development will remain elusive at best (IFAD, 2001).

On the other hand, as shown below, civil society efforts to address land access have demonstrated that it is possible to make some progress, despite of-repeated official claims that political conditions do not permit, for example, the redistribution of land. Based on these experiences, and the analysis of historical cases of land reform, we come up with a set of policy guidelines for the future.

The Land Problem

Around the world, the poorest of the poor are the landless in rural areas, followed closely by the land-poor, those whose poor quality plots are too small to support a family. They make up the majority of the rural poor and hungry, and it is in rural areas where the worst poverty and hunger are found. The expansion of agricultural production for export, controlled by wealthier producers, who own the best lands, continually displaces the poor to ever more marginal areas for farming. They are forced to fell forests located on poor soils, to farm thin, easily eroded soils on steep slopes, and to try to eke out a living on desert margins and in rainforests (Lappé et al., 1998).

But the situation is often worse on the more favorable lands. The better soils have been concentrated into large holdings used for mechanized, pesticide, and chemical fertilizer-intensive monocultural production for export. Many of our planet's best soils-which had earlier been sustainably managed for millennia by pre-colonial traditional agriculturalists-are today being rapidly degraded, and in some cases abandoned completely, in the short term pursuit of export profits and competition. The productive capacity of these soils is dropping rapidly due to soil compaction, erosion,

waterlogging, and fertility loss, together with growing resistance of pests to pesticides and the loss of biodiversity (Lappé et al., 1998; Pingali et al., 1997).

The products harvested from these more fertile lands flow overwhelmingly toward consumers in wealthy countries. Impoverished local majorities cannot afford to buy what is grown, and because they are not a significant market, national elites essentially see local people as a labor source—a cost of production to be minimized by keeping wages down and busting unions. The overall result is a downward spiral of land degradation and deepening poverty in rural areas. Even urban problems have rural origins, as the poor must abandon the countryside in massive numbers, migrating to cities where only a lucky few make a living wage, while the majority languish in slums and shanty towns (Lappé et al., 1998).

If present trends toward greater land concentration and the accompanying industrialization of agriculture continue unabated, it will be impossible to achieve social or ecological sustainability. On the other hand, research shows the potential that could be achieved by redistribution. Small farmers are more productive, more efficient, and contribute more to broad-based regional development than do the larger corporate farmers who hold the best land (Rosset, 1999). Small farmers with secure tenure can also be much better stewards of natural resources, protecting the long term productivity of their soils and conserving functional biodiversity on and around their farms (Altieri et al., 1998).

Only by changing development tracks from the industrialization model of large farms/land concentration/displacement of peoples can we stop the downward spiral of poverty, low wages, rural-urban migration, and environmental degradation. Redistributive land reform holds the promise of change toward a smaller farm, family-based or cooperative model, with the potential to feed the poor, lead to broad-based economic development, and conserve biodiversity and productive resources (Rosset, 1999).

Regional Overview: The Unfinished Business of Land Reform

Latin America

Latin America is the region which, on the average, has the most inequitable distribution of land in the world. The vestiges of the hacienda system have left a pattern of under-utilized large holdings, called *latifundia*, generally occupying the best lands, with small holdings, called *minifundia*, subsisting in the interstices, and on the most marginal soils. While sporadic efforts at land reform since World War II have to some extent altered this overall pattern, excessive inequality continues to be the norm. Thus there is a huge 'unfinished business' for redistributive land reform in the continent (Thiesenhusen, 1995). A second major issue revolves around the urgent need to guarantee the rights of indigenous peoples to their lands. Finally, trade, macroeconomic and sectoral policies must be reformed to guarantee the

viability of national production for national markets.

Asia

The heterogeneity of agriculture in Asia makes it difficult to generalize. Although on the average land holding is not as inequitable as in Latin America—there are large exceptions like the Philippines, large parts of South Asia, etc.—and very exploitative tenancy arrangements are common. Thus the unfinished business in Asia includes both redistributive reforms and tenancy reforms (Sobhan, 1993; Lastarria-Cornhiel and Melmed-Sanjak, 1998). As in Latin America, there is also a largely unresolved issue of the rights of indigenous peoples, and a serious problem of conflicts between land titling programs and traditional common property methods of regulating land access (Burns, et al., 1996). Similarly, trade, macroeconomic and sectoral policies must be reformed to guarantee the viability of national production for national markets.

Africa

In much of Africa there are still functioning practices of customary law and tradition that govern community-based land use, but these are under attack from a number of forces. Over the long term there has been a net displacement—by export plantations—of food production and food producers, toward lands with marginal rainfall, and in the short term the encroachment of commercial interests on communal lands is critical. In particular, nomadic pastoral peoples have suffered from enclosures that limit their ability to sustainably utilize their environment (Lastarria-Cornhiel and Melmed-Sanjak, 1998; Bryant, 1998). As in Asia, there is a large potential for conflict when land titling programs are imposed on customary practices. In the former 'European settler' countries like Kenya, South Africa, and Zimbabwe, inequality in land holding mirrors that of Latin America, and in some cases is actually worse (Cousins, 2000). In Africa, then, the unfinished business includes redistributive reforms in some countries, new and real guarantees for customary practices and their mixtures of rights (i.e. grazing rights vs. harvest rights, etc.), and in a real sense the recuperation of quality farmland lost to export plantations. Simultaneously, policies of trade liberalization and the privatization of staple-food marketing must be revised to guarantee the viability of national production for national markets.

Former Socialist Countries

In the former socialist countries of Eastern Europe and the ex-USSR the order of the day is private investment and de-collectivization (Swinnen, 2001). While in some cases the granting of individual, fungible titles to former collective members may respond to their legitimate demands as family farmers, this is occurring in an economic environment stacked against the viability of small farmers and in favor of Western agribusiness and trade interests, leading to land sell-offs, land loss, exploitative contract farming

arrangements, and a generalized rural crisis. In this region one would do well to learn from the far more successful experiences of Vietnam, China and Cuba-while far from perfect-with the controlled introduction of market mechanisms with strong guarantees and favorable policies in place to support emerging family farm sectors (Funes et al., 2001; Tomich et al., 1995; Sobhan, 1993). True land reform is not the granting of titles in an environment where the 'beneficiaries' will have little option but to sell their land. The unfinished business in this region is to take a step back from vulgar, unregulated privatization, and put into place policies that provide for a minimum level of viability for family farm agriculture.

North America and Europe

In both North America and Europe we are witnessing the massive loss of farm families and their farms to bankruptcy, induced by monopoly effects on rising input costs and falling crop prices, combined with trade and subsidy policies that favor large farms and damage smaller ones (Williams-Derry and Cook, 2000; Heffernan, 1999). As literally millions of farm families are forced to abandon agriculture, and the overall farm population ages dramatically, excessive barriers to entry-like land prices inflated by real estate speculation-make it impossible for new generations to access farm land. The unfinished business is to face the challenge of designing farm programs that guarantee the viability of family farm agriculture, and lower the barriers to entry, without subsidizing the overproduction and export dumping that damage farm economies in the rest of the world.

On-Going Land Reforms: The 'Official' Reforms

The World Bank is taking the lead in promoting, and in some cases financing, comprehensive reforms of land tenure, including titling, cadasters and land registries, land market facilitation, market-assisted or negotiated redistributive reforms, and credit, technical assistance and marketing support (Deininger and Binswanger, 2001; Deininger, 2001; Bond, 2000). Here the Bank has followed the lead of its own development economists, who have found that severe inequality in land tenure retards economic growth, poverty alleviation, and efforts to use soils sustainably (Deininger and Binswanger, 2001). In this new policy environment other institutions, including governments, aid agencies, and other development banks, are following the lead of the World Bank and aggressively implementing some, or in some cases, all of these reforms (De Janvry et al., 2001; Burns, et al., 1996). The Bank is actively seeking to extend these changes to additional countries (Franco, 1999; Bond, 2000).

While we applaud the fact that it is no longer taboo to propose land reform as a key element in sustainable development (de Janvry et al., 2001), we have serious concerns about specific elements in the dominant reform packages being implemented today. We fear that reliance on land privatization and market forces may undercut the potential of land redistribution to contribute

to poverty reduction and ecological sustainability (Schwartzman, 2000; Bond, 2000; Inspection Panel, 1999).

Some specific concerns are the following:

* When communal lands are privatized, as in Mexico and many places in Africa and Asia, increased individual competition may cause the breakdown of communal resource management systems like terraces and small-scale irrigation, leading to accelerated land degradation. The introduction of the individual profit motive-in many cases linked with outside business interests-can produce a new short-term emphasis on extraction-like profit taking, to the exclusion of other concerns. Individualism can also come into sharp conflict with indigenous communal land use systems, and new problems may arise with the land claims of indigenous communities. Women and indigenous peoples are often left out of the titling process, heightening inequality (Deere and Leon, in press; Hall, 1998; Hayes, 1997; Cousins, 1999).

* While programs of land titling, cadasters and the facilitation of land markets can in one sense meet the demands of farmers for secure titles, on the other hand-in the wrong macroeconomic policy environments, those which undercut the economic viability of small farmers, and which are by far the most common today-can induce mass sell-offs of land, causing increased landlessness, land concentration and rural-urban migration. This "re-concentration" of land is occurring rapidly today in many parts of the world (see for example, Conroy et al., 1997). It is unlikely indeed that that the poorest will come out ahead in land markets (Carter and Olinto, 1998).

* Market-assisted or 'negotiated' land reforms-the current favorite policy at the World Bank-seek to overcome elite resistance to land reforms by offering credit to landless or land poor farmers to buy lands at market rates from wealthy landowners, with greater or lesser participation by states in mediation and credit programs. This is fraught with risks: landowners may choose to sell only the most marginal, most remote, and most ecologically fragile plots that they own (steep slopes, rainforests, desert margins, etc.), many of which may not presently be in production. Such programs can set families up for failure, as they are usually saddled with heavy debts at high interest rates from the land purchase itself, while finding themselves on poor soils with little access to markets. This can actually perpetuate poverty and land degradation, much like failed reforms of earlier decades. Another problem is the very real likelihood that some of the lands sold will be those which are in dispute, most likely from indigenous peoples' land claims which have yet to be legally accepted (Schwartzman, 2000; Bond, 2000; Inspection Panel, 1999).

* The Bank usually accompanies these reforms with packages for the beneficiaries that include production credit, technical assistance for new, marketable crops, and sometimes assistance in marketing. While support

services are indeed essential to successful reforms, the technological packages promoted by the Bank are often based on pesticides, chemical fertilizers, and non-traditional export crops. One study of the promotion of similar packages by USAID in Central America during the 1980s and early 90s, found these programs to leave poor farmers in risky enterprises with high failure rates, and intensify land degradation and ecological problems (Conroy et al., 1997).

On-Going Land Reforms: Land Reform from Below

The 1990s saw the appearance, and in some cases, the coming of age, of a new generation of well-organized movements of landless peasants and rural workers. While the landless have always engaged in takeovers or 'recuperations' of idle lands, there has been a qualitative change in the organization and political savvy of contemporary groups. Landless movements are bringing land reform to national and international policy debates-even as they seize, occupy, and plant idle lands-often at a tremendous cost of lives lost and arbitrary arrests. These movements are growing rapidly around the world, from Honduras and Nicaragua to South Africa and Indonesia, and countless other countries. Indeed, across most of the Third World, we are seeing the emergence of a new source of hope, of new dreams-those of the largely non-violent poor people's movements who sidestep government inaction and take matters firmly into their own hands (Rosset, 2001).

Brazil and the very successful Landless Workers' Movement (MST) are a case in point. While large landowners in Brazil on the average leave more than half of their land idle, 25 million peasants struggle to survive in temporary agricultural jobs. Founded in 1985, the MST organizes landless workers to occupy idle lands, using a clause in the Brazil constitution to legalize their claims, though they must defend themselves against the hired guards of the landowners and government security forces. Today more than 250,000 families have won title to over 15 million acres of land seized through MST-led takeovers, a veritable reform from below (Langevin and Rosset, 1997; Mançano Fernandes, 2001; Wolford, 2001). At a time when governments fail to live up to their commitments, these grassroots movements are showing the way toward an alternative future.

The Case for Re-Distributive Land Reform

The redistribution of land can fulfil a number of functions in more sustainable development. Dozens of land reform programs were carried out after WW II. In looking back at the successes and failures, we can distinguish between what might be called 'genuine' land reforms, and the more 'window dressing' or even 'fake' reforms (Lappé et al., 1998).

When a significant proportion of quality land was really distributed to a majority of the rural poor, with trade, macroeconomic and sectoral policies favorable to successful family farming in place, and when the power of rural elites to distort and 'capture' policies was broken, the results have

invariably been real, measurable poverty reduction and improvement in human welfare (Sobhan, 1993). The economic successes of Japan, South Korea, Taiwan, China and Cuba resulted from such reforms (Sachs, 1987). In contrast, when 'reforms' gave only poor quality land to poor families and failed to support them with favorable policies, credits, prices and access to markets, or failed to alter the rural power structures that work against the poor, land reform failed to affect broad-based changes (Sobhan, 1993; Lappé et al., 1998).

The more successful reforms triggered relatively broad-based economic development. By including the poor in economic development, they built domestic markets to support national economic activity (Sachs, 1987). The often tragic outcome of failed reforms was to condemn the 'beneficiaries' to marginalization from national economic life, as they frequently assumed heavy debts to pay for the poor quality land they received in remote locations without credit or access to markets and in policy environments hostile to small farmers (Sobhan, 1993, Thiesenhusen, 1995).

Today we have a new opportunity to learn the lessons of past reforms and apply them to the practical goals of development. Land reform is no longer a taboo subject in the discourse on development, thanks in part to the 1996 World Food Summit, and to the somewhat unfortunate initiatives of the World Bank. We are witnessing a worldwide upsurge in people taking matters into their own hands via land occupations, both spontaneous and organized, on both small and large scales. From the land crisis in Zimbabwe (Mamdani, 2000), to the massive land takeovers in Chiapas in the wake of the Zapatista rebellion (Rosset, 1995), and the MST in Brazil (Langevin and Rosset, 1999; Wolford, 2001), "land reform from below" is increasingly a reality even as policy makers dither. These grassroots movements, together with a wide array of civil society organizations, are increasingly challenging national governments and World Bank land reform policies, and putting forth alternatives.

Here we look at the important roles redistributive land reform can play in the move toward more sustainable development.

Land reform and poverty

History shows that the re-distribution of land to landless and land-poor rural families can be a very effective way to improve rural welfare. Sobhan (1993) examined the outcome of virtually every land reform program carried out in the Third World since World War II. He is careful to distinguish between what he calls 'radical' re-distribution (called 'genuine land reform' by Lappé et al., 1998), and 'non-egalitarian' reforms (or 'fake land reform' in the Lappé et al.'s terminology). When quality land was really distributed to the poor, and the power of the rural oligarchy to distort and 'capture' policies broken, real, measurable poverty reduction and improvement in human welfare has invariably been the result. Japan, South Korean, Taiwan, Cuba and China are all good examples. In contrast, countries with reforms that

gave only poor quality land to beneficiaries, and/or failed to alter the rural power structures that work against the poor, have failed to make a major dent in rural poverty (Sobhan, 1993; Lappé et al., 1998).

While Sobhan looked at national-level statistics to derive his conclusions, Besley and Burgess (1998) recently looked at the history of land reform in 16 individual Indian states from 1958 to 1992. While these were by and large not radical reforms in Sobhan's sense, many did abolish tenancy and reduce the importance of intermediaries. The authors found a strong relationship between land reform and the reduction of poverty. Similarly in Brazil, land reform beneficiaries and members of MST-settlements have a higher standard of living than those families who remain landless (Stédile, 1998). In fact land reform holds promise as a means to stem the rural-urban migration that is causing Third World cities to grow beyond the capacity of urban economies to provide enough jobs. Even in Zimbabwe, where land reform was ended prematurely and is very incomplete, the evidence shows that beneficiaries are quite substantially better off than others (Deininger et al., 2000).

In Brazil, IBASE, a social and economic research center, studied the impact on government coffers of legalizing MST-style land occupations-cum-settlements versus the services used by equal numbers of people migrating to urban areas. When the landless poor occupy land and force the government to legalize their holdings, it implies costs: compensation of the former landowner, legal expenses, credit for the new farmers, etc. Nevertheless the total cost to the state to maintain the same number of people in an urban shanty town -- including the services and infrastructure they use -- exceeds in just one month, the yearly cost of legalizing land occupations (Candido Gryzbowski, IBASE, personal communication).

Another way of looking at it is in terms of the cost of creating a new job. Estimates of the cost of creating a job in the commercial sector of Brazil range from 2 to 20 times more than the cost of establishing an unemployed head of household on farm land, through agrarian reform. Land reform beneficiaries in Brazil have an annual income equivalent to 3.7 minimum wages, while still landless laborers average only 0.7 of the minimum. Infant mortality among families of beneficiaries has dropped to only half of the national average (Stédile, 1998).

This provides a powerful argument that land reform to create a small farm economy is not only good for local economic development, but is also more effective social policy than allowing business-as-usual to keep driving the poor out of rural areas and into burgeoning cities.

Sobhan (1993) argues that only land reform holds the potential to address chronic underemployment in most Third World countries. Because small farms use more labor -- and often less capital -- to farm a given unit of area, a small farm model can absorb far more people into gainful activity and reverse the stream of out-migration from rural areas.

Land reform and productivity

In the past there was a longstanding debate concerning the likely impacts of the redistribution of farm land to the poor, which almost inevitably leads on the average to smaller production units. One concern was that that, when freed from exploitative share-cropping, rental or labor relationships, the poor would retain a greater proportion of their own production for their own consumption (not necessarily a bad thing), thus leading to a net decrease in food availability for other consumers. However, this argument has been put to rest by the evidence (Sobhan, 1993), and by the productivity gains that can be achieved by sifting to smaller-scale, more intensive styles of production.

In fact, data shows that small farms almost always produce far more agricultural output per unit area than larger farms, and do so more efficiently (Rosset, 1999). This holds true whether we are talking about industrial countries or any country in the Third World. This is widely recognized by agricultural economists as the "inverse relationship between farm size and output" (Tomich et al., 1995; Rosset, 1999; etc.). A recent report (Rosset, 1999) examined the relationship between farm size and total output for fifteen countries in the Third World. In all cases relatively smaller farm sizes were much more productive per unit area-2 to 10 times more productive-than larger ones. Thus re-distributive land reform is not likely to run at cross-purposes with productivity issues.

Land reform and economic development

Surely more tons of grain is not the only goal of farm production; farm resources must also generate wealth for the overall improvement of rural life-including better housing, education, health services, transportation, local economic diversification, and more recreational and cultural opportunities.

In the United States, the question was asked more than a half-century ago: what does the growth of large-scale, industrial agriculture mean for rural towns and communities? Walter Goldschmidt's classic 1940's study of California's San Joaquin Valley compared areas dominated by large corporate farms with those still characterized by smaller, family farms (see Goldschmidt, 1978).

In farming communities dominated by large corporate farms, nearby towns died off. Mechanization meant that fewer local people were employed, and absentee ownership meant that farm families themselves were no longer to be found. In these corporate-farm towns, the income earned in agriculture was drained off into larger cities to support distant enterprises, while in towns surrounded by family farms, the income circulated among local business establishments,

generating jobs and community prosperity. Where family farms predominated, there were more local businesses, paved streets and sidewalks, schools, parks, churches, clubs, and newspapers, better services, higher employment, and more civic participation. Studies conducted since Goldschmidt's original work confirm that his findings remain true today (see Fujimoto, 1977; MacCannell, 1988; Durrenberger and Thu, 1996).

The Amish and Mennonite farm communities found in the eastern United States provide a strong contrast to the virtual devastation described by Goldschmidt in corporate farm communities. Lancaster County in Pennsylvania, which is dominated by these small farmers who eschew much modern technology and often even bank credit, is the most productive farm county east of the Mississippi River. It has annual gross sales of agricultural products of \$700 million, and receives an additional \$250 million from tourists who appreciate the beauty of traditional small farm landscapes (D'Souza and Ikerd, 1996). Ludwig and Anderson (1992) argue that Amish farm communities provide a North American model for what they call "indigenous development," essentially an emphasis on building a strong local economy as the basis for participating in the larger world:

The vision of indigenous development is one of global inter-dependence through the intra-dependence of semiautonomous regions. Instead of placing emphasis on the highest or global level of competitive interaction, it starts at the bottom and places emphasis on the development of strong, independent, semiautonomous regions with unique identities. Many of the Amish communities, separated by self-defined boundaries, are self-reliant. These [are] interesting examples because their economies are market oriented and highly successful; they do substantial trade with the outside; they are great husbands of the natural environment; and their members find a great deal of meaning and centeredness in their work. While their economies are market based, they are highly diverse and integrated rather than fragmented, cooperative rather than competitive, based on value added rather than on commodity products, and dedicated to reciprocity more than dominance (p.35).

If we turn toward the Third World we find similar a similar situation. On the one hand there is the devastation caused by land concentration and the industrialization of agriculture, while on the other we find local benefits to be derived from a small farm economy-in one case, created by 'land reform from below.' For example, in Brazil in the 1960s and 70s, almost 30 million people abandoned farming during the green revolution process. Today some 200.000 families lose their lands each year. Moreover, this year's credit allocation for 4.3 million family farmers is approximately 4 billion reais, while just 400.000 large and medium size holdings received 14 billion reais. The latter had credit available in June, whereas the family farmers did not begin to receive their disbursements until September/October. To complete the picture, the banks are compelling family farmers to buy costly inputs and refusing to give them credit for agroecological alternatives (Jean Marc von

der Weid, AS-PTA, personal communication). Clearly, business-as-usual is inimical to family farmers. Yet despite these biases, the MST has been able to demonstrate the potential of land reform.

When the MST began in the mid-1980s, the mostly conservative mayors of rural towns were violently opposed to MST land occupations in surrounding areas. In recent times, however, their attitude has changed. Most of their towns are very depressed economically, and occupations can give local economies a much needed boost. Typical occupations consist of hundreds or thousands of families, who turn idle land into productive farms. They sell some of their produce in the marketplaces of the local towns and buy some of their supplies from local merchants. Not surprisingly those towns with nearby MST settlements are now better off economically than other similar towns, and many mayors now actually petition the MST to carry out occupations near their towns (Candido Gryzbowski, IBASE, personal communication). A study of one such municipality, Julho de Castilhos, found that while the MST settlement possessed only 0.7% of the land, its members paid 5% of the taxes, making the settlement into the municipality's second largest rural tax payer (MST, 2001).

It is clear that local and regional economic development can benefit from a small farm economy, as can the life and prosperity of rural towns. But what of national economic development?

History has shown us that a relatively equitable, small farmer-based rural economy provides the basis for strong national economic development. This "farmer road to development" is part of the reason why, for example, the United States early on in its history developed more rapidly and evenly than did Latin America, with its inequitable land distribution characterized by huge haciendas and plantations interspersed with poverty-stricken subsistence farmers (de Janvry, 1981). In the early decades of the United States, independent "yeoman" farmers formed a vibrant domestic market for manufactured products from urban areas, including farm implements, clothing and other necessities. This domestic demand fueled economic growth in the urban areas, and the combination gave rise to broad-based growth (Sachs, 1987).

The post-war experiences of Japan, South Korea and Taiwan in the capitalist world, and China, Cuba and more recently, Vietnam, in the socialist world, also demonstrate how equitable land distribution fuels economic development. At the end of the Second World War, circumstances, including devastation and foreign occupation, conspired to create the conditions for 'radical' land reforms in the former countries-while revolutions did the same in the latter-breaking the economic stranglehold of the landholding class over rural economic life. Combined with trade protection to keep farm prices high, and targeted investment in rural areas, farm families rapidly achieved a high level of purchasing power, which guaranteed domestic markets for fledging industries (Rosset, 1999; Lappé et al., 1998; Sachs, 1987).

The post-war economic 'miracles' of the three capitalist countries were each fueled at the start by internal markets centered in rural areas, long before the advent of the much heralded 'export orientation' policies which much later on pushed those industries to compete in the global economy. This was a real triumph for 'bubble-up' economics, in which re-distribution of productive assets to the poorest strata of society created the economic basis for rapid, relatively inclusive development. While this analysis in no way is meant to suggest that all policies pursued by these countries were positive, or should be blindly replicated, their experience does stand in stark contrast to the failure of 'trickle down' economics to achieve much of anything in the same time period in areas of U.S. dominance, such as much of Latin America (Sachs, 1987). More generally, there is now a growing consensus among mainstream development economists, long called for by many in civil society, that inequality in asset distribution impedes economic growth (Solimano, 1999).

A key distinction that Sobhan (1993) makes is between 'transformative' agrarian reforms and others. In most redistributive reforms those who actually receive land are at least nominally better off than those who remain landless (unless and until policies inimical to small farm agriculture lead them to lose their land once again). However, certain agrarian reforms have been the key step in allowing entire nations to change development tracks. In these cases countries have 'jumped' from the excluding, downward spiral into poverty and environmental degradation, to the upward spiral of broad-based improvements in living standards producing strong internal markets, which in turn lead to more dynamic and inclusive economic development-the Japans, South Koreas, Chinas, Taiwans, and others. Sobhan shows by comparative analysis what the transformative reforms, those that led to real social transitions, had in common. In brief, the majority of the landless and land poor benefited, the majority of the arable land was affected, the stranglehold of entrenched power structures over rural life and economy was broken, and favorable, enabling economic policies were in place. A key feature of the more successful reforms is that farm families were seen as key actors to be mobilized in national economic development-whereas in failed reforms they have typical been seen as indigents in need of charitable assistance.

Land reform and the environment

The benefits of small farm economies extend beyond the merely economic sphere. Whereas large, industrial-style farms impose a scorched-earth mentality on resource management -- no trees, no wildlife, endless monocultures -- small farmers can be very effective stewards of natural resources and the soil. To begin with, small farmers utilize a broad array of resources and have a vested interest in their sustainability. At the same time, their farming systems are diverse, incorporating and preserving significant functional biodiversity within the farm. By preserving biodiversity, open space and trees, and by reducing land degradation, small farms provide valuable ecosystem services to the larger society.

In the United States, small farmers devote 17% of their area to woodlands, compared to only 5% on large farms. Small farms maintain nearly twice as much of their land in "soil improving uses," including cover crops and green manures (D'Souza and Ikerd, 1996). In the Third World, peasant farmers show a tremendous ability to prevent and even reverse land degradation, including soil erosion (Templeton and Scherr, 1999). They can and/or do provide important services to society at-large, including sustainable management of critical watersheds, thus preserving hydrological resources, and the in situ conservation and dynamic development and management of the basic crop and livestock genetic resources upon which the future food security of humanity depends.

Compared to the ecological wasteland of a modern export plantation, the small farm landscape contains a myriad of biodiversity. The forested areas from which wild foods, and leaf litter are extracted, the wood lot, the farm itself with intercropping, agroforestry, and large and small livestock, the fish pond, the backyard garden, allow for the preservation of hundreds if not thousands of wild and cultivated species. Simultaneously, the commitment of family members to maintaining soil fertility on the family farm means an active interest in long-term sustainability not found on large farms owned by absentee investors. If we are truly concerned about rural ecosystems, then the preservation and promotion of small, family farm agriculture is a crucial step we must take.

Policy Guidelines

Rather than following the World Bank's market-based approach, policy makers should learn from the successes and failures of the post-WW II period and from on-going reforms. A set of useful guidelines should include the following:

- * Severe inequality in landholdings-like the latifundia/minifundia pattern in some parts of Latin America-is inefficient, environmentally and socially destructive, immoral, and impedes broad-based development. A range of perspectives and concerns-all the way from economic and social human rights, to economic growth-all lead to the conclusion that we must once and for all eliminate the latifundia (Rosset, 2001; Repartir a Terra, 2001).

- * When families receive land they must not be saddled with heavy debt burdens. This can be accomplished by government expropriation of idle lands, with or without compensation for former owners (Sobhan, 1993).

- * Secure tenure and/or access rights are critical to ensuring long term food security for families and communities. Without such security and/or rights it is also difficult for families and communities to invest in land

improvement, means of production, and/or conservation measures (Lastarria-Cornhiel et al., 1998).

* Women must have the right to hold title to land. When titles are vested exclusively in male heads-of-household, domestic disputes or the premature death of a spouse inevitably lead to the destitution of women and children (Deere and Leon, in press).

* The land distributed must be of good quality, rather than ecologically fragile soils which should never be farmed, and it must be free of disputed claims by other poor people (Rosset, 2001).

* The rights of indigenous and other peoples to land, forests, water and other common property resources must be guaranteed and protected, as must their right to manage them using customary law and tradition. Provision must be made for individual and/or collective rights, depending on each socio-cultural situation. No one recipe can be applied everywhere (Hall, 1998).

* People need more than land if they are to be successful. There must also be a supportive policy environment and essential services like credit on reasonable terms, infrastructure, support for ecologically sound technologies, and access to markets and fair prices (Sobhan, 1993; Sachs, 1987; Adams, 2000). Perhaps most critical is a step back from damaging free trade policies and dumping-which drive down farm prices and undercut the economic viability of farming-to be replaced by a food sovereignty perspective which places the highest priority on national production for national markets (World Forum on Food Sovereignty, 2001).

* Truly transformative reforms will also require investment in rural areas to assure such basic services as schools, health clinics, potable water, and basic infrastructure (Sobhan, 1993).

* The power of rural elites to distort and capture policies, subsidies, and windfall profits in their favor must be effectively broken by the reforms (Sobhan, 1993).

* The vast majority of the rural poor must be beneficiaries of the reform process (Sobhan, 1993).

* Successful reforms are distinguished from failed ones by a motivation and perception that the new small family farms which are created are to be the centerpiece of economic development, as was the case in Japan, Taiwan, China, and Cuba. When land reform is seen as 'welfare' or as a charitable policy for the indigent, failure has been the inevitable result (Sobhan, 1993; Sachs, 1987; Rosset, 2001).

* In today's conservative, neoliberal political environment, strong grassroots poor people's movements are critical to pushing the reform

process, stopping government foot-dragging and, when necessary, taking matters into their own hands (Wolford, 2001; Langevin and Rosset, 1997).

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