

CHAPTER 5

The Underlying Assumptions, Theory, and Practice of Neoliberal Land Policies

Saturnino M. Borras Jr.

In the early 1990s, neoliberal land policies emerged within, and became an important aspect of, mainstream thinking and development policy agendas. These policies have increased in prevalence since their inception at the end of the Cold War. They deal with both public and private lands, and have manifested in four broad policy types: (1) privatization and individualization of public/communal lands, (2) privatization and individualization of property rights in state and collective farms in (ex-)socialist and capitalist settings, (3) promotion of land rental markets, and (4) land sales. These policies have been formulated by broadly promarket scholars and policy makers, and have been aggressively promoted by the World Bank and other international development institutions as the solution to persistent landlessness and poverty in the countryside of most developing countries.

Neoliberal land policies emerge from a promarket critique of conventional (generally state-directed) land policies. To understand better the land reform debate today, we need to understand this critique because it provides the theoretical foundation of neoliberal land policies. Supported by accounts from different countries, it is argued here that the promarket critique of conventional land reforms is theoretically flawed and is unsupported by empirical evidence, and that initial outcomes of promarket land policies show that they do not significantly reform preexisting agrarian structures in favor of the rural poor. While general reference is made to mainstream policies pertaining to public/communal lands and state/collective farms, the bulk of the discussion in this chapter will be on policies concerning private lands. This chapter is organized as follows: it provides an overview of the changing global context for

land reform; it presents the promarket critique of conventional land policies, which is followed by a critical examination of the promarket critique and policy models, both conceptually and empirically; and it provides short concluding remarks.

Changing Global Context for Land Reform

Redistributive land reform was highly popular in official development agendas during the past century, beginning with the 1910 Mexican revolution and ending with the fall of the Berlin Wall. Economically, it was generally accepted that large landed estates were economically inefficient because the land is underused. Two broad paths in land reform emerged out of the common perception that inefficient large farms should be restructured. One course is the advocacy for small family farms. Given the fact that in most developing countries rural labor is abundant amid relatively scarce land resources, it was thought that the creation of small family farms should maximize land use by applying abundant labor to it. This brand of land reform has usually been advocated and implemented in capitalist settings.¹ Other approaches involve either the formation of state farms or the creation of farm collectives. While the former course has been generally advocated and carried out in socialist context, the latter has been implemented in both socialist and capitalist settings. It is the assumption here that restructured large farms can be more efficient and productive than small family farms because they allow for the mechanization of farm technologies, as well as for the attainment of economies of scale in the farm input-output market, and they allow for more integration of development processes between rural and urban environments as well as between agricultural and industrial sectors.² Thus, given these bases, only economically inefficient and underproductive farms are subject to land reform.

Politically, the bases for land reform have been diverse. The decolonization processes occurring after World War II played a critical role in the emergence and implementation of land reform policies as part of the development and political agendas of nationalist governments.³ The Cold War, as well, provided a crucial context for land reform from the 1950s to the early 1980s. The capitalist bloc led by the United States tried to compete with popular socialist land reforms by carrying out preemptive capitalist-oriented land redistribution campaigns, such as those promoted through the Alliance for Progress in Latin America⁴ or the sweeping land reforms after the end of World War II in Japan and South Korea. In addition, land reform was used as a strategy to legitimize

the rule of one political group that assumed state power either through party electoral victories by the left (for example, in Kerala and West Bengal, in India, or in Chile), or through military takeover (for example, in Peru).⁵ Furthermore, land reform was an important item on the political agendas of victorious peasant-based revolutions, such as the ones in Mexico and Bolivia.⁶ Finally, land reform has always been an important component in the continuing state-building processes of nation states: standardized cadastral records, systematization of tax base, and so on. In every case, the motivation for land reform has always been due to some combination of these reasons.

By the 1990s, the global context for land reform had transformed from that which had informed the large-scale state interventions after the Second World War. Economically, the question of large versus small farms has remained relevant, yet two further issues emerged. One was the perceived problem of the inefficiency and underproductivity of state/collective farms in socialist settings, such as in Eastern Europe, Vietnam, and China (Deininger 1995, 2002). The second issue concerned the same problem but in the form of farm collectives/cooperatives in capitalist contexts, such as in Mexico and Peru (World Bank 2003). Moreover, the imperative to create private and individual property rights in public lands to entice investments into the rural economy had become even more urgent for mainstream development circles.⁷

Despite the dominance of economic-related discourse in the neoliberal land policies, the changes in the political context have also significantly influenced the contemporary land policy debate. A number of important political imperatives that helped popularize land reform in official development agendas in the past have, to varying degrees, disappeared in the current context. The struggles for decolonization that underpinned many of the nationalist land reforms in the past are no longer perceived as urgent, on the global stage, despite the persistence of decolonization-related processes and politics in many countries today, such as Zimbabwe. Moreover, most peasant-based national liberation movements were weakened and dissipated by the late 1980s, removing a central source for political pressure for governments to pursue redistributive land reforms. Finally, the end of the Cold War has also taken away one of the most important contexts for past land reform (Herring 2003). Capitalist countries no longer feel threatened by socialist alternatives, and, thus, the past pressure on capitalist countries, which had resulted in their efforts to promote pre-emptive capitalist-oriented land reform, no longer exists. Meanwhile, other political reasons for land reform have remained, for example, the continuing

imperatives to modernize cadastral records, as part of the continuing state-building process.

While old forces have dissipated, new forces, and issues, have emerged. One of these issues is the distinct rights of indigenous peoples;⁸ another is gender land rights.⁹ Moreover, greater concern about the environment is also part of the context of land reform today (see Richards 2002). Meanwhile, post-conflict democratic reconstruction and consolidation, such as in postapartheid South Africa and post-civil war El Salvador,¹⁰ as well as the persistence and resurgence of violence,¹¹ have also provided significant bases, and imperatives, for land reform in these settings. The end of many centralized authoritarian dictatorships and the subsequent regime transitions have also added to the context of land reform in several countries.¹² Finally, the emergence of (human) rights-based approaches to development and the proliferation of civil society organizations during the past few decades have also broadened the discourse. Many old imperatives coexist with these new issues; a summary of these can be found in table 5.1¹³ (see pages 104–105). It is within this context that the broadly promarket camp has systematized and advanced its critique of conventional approaches to land reform, a critique that has become the basis for today's neoliberal land policies.

The Promarket Critique of Conventional Land Policies

The promarket critique of conventional land policies relating to public/communal lands and state/collective farms can be summarized in two broad points. On the one hand, the rural poor remain poor either because most of them live and work on lands that do not have clear property rights, or because these poor households do not have sufficiently secure private property claims over these lands. From a purely fiscal standpoint these conditions are considered insecure, and they discourage banks and other financial institutions from investing in the rural economy. On the other hand, there is a perceived widespread economic inefficiency in many state and collective farms, both in socialist and capitalist settings, supposedly because (private/individual) property rights are unclear, which, once again, discourages both domestic and international investment.

The fundamental promarket critique points to the issue of economic underuse of land resources. The main policy reform called for by mainstream thinkers and policy practitioners is the privatization and individualization of property rights in the remaining public/communal lands, and in state and col-

lective farms. In some cases, where mainstream development policy practitioners allow the existence of (formal) communal/community property rights, the basic approach is to privatize and individualize some bundles of property rights within these communal/community lands (for example, creating private individual land use rights), which can be traded in the open land market.

Meanwhile, the promarket critique of conventional land reform policies is founded on the assumption that state-led agrarian reform (SLAR) has failed to redistribute land to the landless poor. Deininger and Binswanger conclude that "most land reforms have relied on expropriation and have been more successful in creating bureaucratic behemoths and in colonizing frontiers than in redistributing land from large to small farmers" (1999, 267). The promarket critique then proceeds to explain the reasons for such failure.

The promarket critique is particularly hostile to the state-led approach's concept of a "land-size ceiling" that limits landownership to a specific maximum farm size. Deininger and Binswanger argue that "ceiling laws have been expensive to enforce, have imposed costs on landowners who took measures to avoid them, and have generated corruption, tenure insecurity, and red tape" (1999, 263). The same scholars explain that the usual payment to landlords, which is often below the market price and is made through staggered part-cash payments and part-government bonds, allows time to erode the real value of the landowners' money. It is this reason that landlords resist reform (Binswanger and Deininger 1996, 71). In turn, this conservative reaction has led landlords to subvert the policy, evade coverage by subdividing their farms, or retain the best parts of the land. Protracted legal battles launched by landlords have slowed, if not prevented, reform implementation.

Moreover, according to this critique, the state-led approach has been "supply-driven": it starts either by first identifying lands for expropriation and then looks for possible peasant beneficiaries, or by first identifying potential peasant beneficiaries and then seeking lands to be expropriated. This leads to heightened economic inefficiency, when (1) productive farms are expropriated and subdivided into smaller, less productive farm units, or when environmentally fragile (usually public) lands are distributed by the state; or (2) when peasant households considered unfit to become beneficiaries are given lands to farm (World Bank, n.d., 2). The critique continues, arguing that the state-led approach relies heavily on the central state and its huge bureaucracy for implementation through top-down methods that fail to capture the diversity between and within local communities and are unable to respond quickly to the actual needs at the local villages (Gordillo 1997, 12). Binswanger (1996,

TABLE 5.1. Economic and sociopolitical bases of and imperatives for land reform

<i>Pre-1980s period</i>	<i>1990s onward</i>
ECONOMIC	
Existing large landed estates are economically inefficient; must be restructured via land reform	Continuing relevance/currency
Creation of privatized & individualized landed property rights to boost investments in rural economy	Continuing—and has seen greater expansion in coverage
	Issues related to inefficiency (& accountability) in (former) socialist state farms and cooperatives, e.g., Eastern Europe, central Asia, Vietnam, China
	Issues related to efficiency in farm collectives brought about by past land reforms, e.g., Mexico and Peru
SOCIO POLITICAL	
Decolonization	While to a large extent it is not a burning issue with the same intensity as decades ago, decolonization process-related issues have persisted in many countries, such as Zimbabwe
Cold War	Not anymore
Central state's "management" of rural unrest usually instigated by liberation movements for revolutionary societal/state transformation	Diminished substantially as liberation movements waned. But rural unrest persisted usually not in the context of armed groups wanting to seize state power but to push for radical reforms, e.g., Chiapas

As a strategy to legitimize and/or consolidate one elite faction's hold on to state power against another, e.g., Left electoral victories, military coup d'état.

As an integral component of the central state's "modernization", i.e., standardized cadastral maps, etc. for taxation purposes, etc.

Continuing, e.g., Zimbabwe, tenancy reform by the Left Front in West Bengal

Continuing, and has seen unprecedented degree of technological sophistication (e.g., satellite/digital mapping, computerized data-banking)

- a. Post-conflict democratic construction and consolidation, e.g., postapartheid South Africa, post-civil war El Salvador (Pearce 1998; Foley 1997), Colombia (Ross 2003)
- b. Advancement of knowledge about the distinct rights of indigenous peoples (e.g., Yashar 1999; Korovkin 2000)
- c. Advancement of knowledge about gender-land rights issues (see, e.g., Razavi 2003b; Agarwal 1994; Kabeer 1995; Deere 1985; and Deere and León 2001)
- d. Greater concern about the environment (see, e.g., Herring 2002)
- e. Persistence and resurgence of violence related to drugs and ethnic issues (see, e.g., Pons-Vignon and Lecomte 2004)
- f. Emerging "[human] rights-based approaches" to development
- g. The phenomenal rise of NGOs as important actor in development question at the local, national, and international levels

141–42) explains that “public sector bureaucracies develop their own set of interests that are in conflict with the rapid redistribution of land [. . . and] expropriation at below market prices requires that the state purchase the land rather than the beneficiaries. While not inevitable, this is likely to lead to the emergence of a land reform agency whose personnel will eventually engage in rent-seeking behavior of its own.”

A further disadvantage of SLAR is the distortion of the land market. This distortion prevents more efficient producers from acquiring or accumulating lands and forestalls the exit of inefficient farmers. According to Deininger and Binswanger (1999, 262–63), most developing countries are plagued with distorted land markets, primarily due to prohibitions on land sales and rentals by land reform beneficiaries or to land being already marked for expropriation by landlords (see de Janvry et al. 2001). Such action is thought to have prevented more efficient producers from acquiring or accumulating lands, blocked the entry of potential external investors, and prevented inefficient and bankrupt beneficiaries from quitting production (de Janvry, Sadoulet, and Wolford 2001). Further, these prohibitions have led to informal land market transactions that, in turn, breed corruption within state agencies and drive land prices upward, bringing further distortion of land markets.¹⁵ Furthermore, the pro-market critique laments that SLAR has been implemented usually without prior or accompanying progressive land taxation and without a systematic land titling program, the absence of which contributes to land price increases beyond their “proper” levels, encourages landlords toward “land banking” or speculation, and leads to complex competing claims over land that, again, result in land market distortions (Bryant 1996).

The promarket critique complains that the implementation sequence within state-led agrarian reforms, i.e., “land redistribution *before* farm development projects,” has led to an essentially “land redistribution–centered” program because in most cases the state has failed to deliver support services to beneficiaries (Deininger 1999). On most occasions, support services are delivered mainly via production and trade subsidies that are universal in nature; in reality, the politically influential sector of large farmers and landlords benefited more than the small farmers. In addition, Deininger and Binswanger conclude that, “[c]entralized government bureaucracies—charged with providing technical assistance and other support services to beneficiaries—proved to be corrupt, expensive, and ineffective in responding to beneficiary demands” (1999, 266–67). Post-land redistribution development has therefore been uncertain and less than dynamic, without important effi-

ency gains, and has “resulted in widespread default (in repayments) and non-recoverable loans” to beneficiaries (*ibid.*, 267). Furthermore, it is argued that the state-led approach has driven away credit sources because expropriation pushes landlords (a traditional source of capital) away from farming, while formal credit institutions do not honor land-award certificates from beneficiaries due to land sales and rental prohibitions (Deininger 1999). For the same reasons, potential external investors are discouraged from entering the agricultural sector (Gordillo 1997, 13).

Finally, according to the promarket critique, the fiscal requirement of the state-led approach is too costly to the state. Landlords are paid whether or not the beneficiaries pay anything for the land. This is the same concept of “sovereign guarantee” that has been applied in government-sponsored credit programs that have failed in general. Moreover, the production- and trade-related “universal” subsidies are too costly and wasteful, while the huge land reform bureaucracy eats up much of the program budget (Binswanger and Deininger 1997).

The promarket critique is the most unsympathetic but, arguably, the most systematic critique of state-led approaches to agrarian reform from a strictly economic perspective. The neoliberal land policies, including the market-led agrarian reform (MLAR) model for private lands, have been constructed out of this promarket critique of SLAR. Deininger (1999, 651) explains that the new land policies are a “mechanism to provide an efficiency- and equity-enhancing redistribution of assets.” Deininger and Binswanger (1999, 249) explain that these new land policies can help overcome longstanding problems of asset distribution and social exclusion. Based on the promarket critique, the MLAR model has developed strategies that are exactly the opposite of those of the state-led approach. Table 5.2 summarizes the promarket view of these different approaches.

The neoliberal land policies on public/communal lands and state and collective farms (in both socialist and capitalist settings) have been carried out through different land policy instruments, resulting in variegated and uneven outcomes among and within countries over time—not always in favor of the poor. For mainstream perspectives, see Deininger (1995, 2002), Deininger and Binswanger (1999), and the World Bank (2003). A more critical examination, however, exists outside the knowledge funded by the World Bank itself—see Spoor (1997, 2003); Spoor and Visser (2004); Akram Lodhi (2004, 2005); and Borras, Kay, and Akram Lodhi (2005).

The MLAR model has, to varying extents, been implemented on private

TABLE 5.2 Key features of state- and market-led approaches based on the pro-market explanations of how to carry out land reform in private lands

<i>Issues</i>	<i>State-Led</i>	<i>Market-Led</i>
	GETTING ACCESS TO LAND	
Acquisition method	Coercive; cash-bonds payments at below market price, and so is opposed by landlords leading to policy “failures”	Voluntary; 100% cash payment based on 100% market value of land, and so will not be opposed by landlords thereby increasing chances of policy success
Beneficiaries	Supply-driven; beneficiaries state-selected therefore “unfit” beneficiaries have usually been included	Demand-driven; self-selected, therefore only “fit” beneficiaries will be included in the program
Implementation method	Statist-centralized; transparency and accountability = low degree	Privatized-decentralized; transparency & accountability = high degree
Pace & nature	Protracted; politically & legally contentious	Quick; politically & legally noncontentious
Land prices	Higher	Lower
Land markets	Land reform: cause of/aggravates land market distortions; progressive land tax & land titling program not required—all resulting in the inefficient allocation and use of land resources	Land reform: cause & effect of land market stimulation; progressive land tax & titling program required, and so will result in the efficient allocation and use of land

POST-LAND TRANSFER FARM & BENEFICIARY DEVELOPMENT		
Program sequence; pace of development & extension service	Farm development plans <i>after</i> land redistribution: protracted, uncertain & anemic post-land transfer development; extension service state-centralized = inefficient	Farm development plans <i>before</i> redistribution: quick, certain, & dynamic post-land transfer development. extension service privatized-decentralized = efficient
Credit & investments	Low credit supply & low investments, resulting in economic stagnation and poverty	Increased credit & investments, and will result in economic growth & therefore poverty eradication
Exit options	None	Ample
FINANCING		
Mechanism	State “universal” subsidies; sovereign guarantee; beneficiaries pay subsidized land price; “dole-out” mentality among beneficiaries = resulting in the waste of public funds and persistence of inefficient land users/producers	Flexible loan-grant mechanism; co-sharing of risks; beneficiaries shoulder full cost of land; farm development cost given via grant, and so will result in greater economic/fiscal efficiency
Cost of reform	High	Low

Source: Borras 2003a.

lands in Brazil from 1998 to 2001 through the *Projeto Cédula da Terra* (PCT) (Sauer 2003), which has been renewed and expanded during the Lula administration (Deere and Medeiros 2005); in Colombia from 1995 to 2003 through the Agrarian Law 160 of 1994 (Mondragón 2003); and in South Africa since 1995 through the Reconstruction and Development Program (RDP). A small pilot project was also carried out in the Philippines, although a much larger MLAR-like voluntary land transfer (VLT) scheme has also been implemented there (Borras 2005). While MLAR proponents have claimed impressive successes in these countries (Deininger 1999; Buainain et al. 1999; World Bank 2003), such claims are now seriously questioned by a range of scholars.¹⁶ Most civil society organizations oppose these land policies and have launched coordinated local, national, and international campaigns to stop them. Such an initiative is currently being coordinated internationally by La Via Campesina, the FoodFirst Information and Action Network (FIAN), and the Land Research and Action Network (LRAN).¹⁷

Problems with the Promarket Critique and Mainstream Policy Model

A critical examination of the promarket critique of conventional land policies can be made from two interlinked areas, namely, public and private lands. Although in reality these types of property rights regimes are interlinked, it is useful to approach the question as separate analytic categories.

Public/State Lands

By public/state lands, it is meant here the remaining public and communal lands in most developing countries today, as well as state and collective farms both in (ex-) socialist and capitalist settings. The main promarket critique holds that due to conventional land policies, many of the public/state lands have remained economically underused. The key of promarket thinking and advocacy is the promotion of privatized and individualized property rights in these lands.

It is, however, crucial to underscore what Anna Tsing (2002) has argued in the context of her analysis of Indonesian landed property rights and agrarian relations. Tsing states that property rights are not things; they are social relationships. It is these social relationships that land reform in its conventional sense is supposed to reform. Moreover, land-based social relationships have multiple dimensions and expressions. Social relationships are not confined to

economic relationships; social and political relationships between different classes and groups in society are inherently part of the agrarian structure. Therefore, any land policies that concern public/state lands under different forms of production organization (collective or individual farms) in different development and political regimes (capitalist, socialist, or transition economies) should reform the preexisting multidimensional social relationships in an explicitly “pro-poor” manner, meaning that the transfer of wealth and power must flow from the landed classes (or from the state) to the landless or near-landless groups in society.

Based on the brief explanation above, the fundamental problem with mainstream thinking about land policy concerning public/state lands and collective farms lies in its purely economic consideration of relationships. The social relationships underlying the process and outcome of such private property rights generation are accorded secondary relevance, if not completely ignored. Gone too are questions of equity or justice. It is not surprising, therefore, that the processes and outcomes of privatization and individualization of property rights in transitional economies has resulted in the emergence of new monopolies in landownership and control, as well as in other land-related resources, and in the rising inequality among rural households.¹⁸ Preliminary evidence suggests that the campaign for massive privatization of public lands has also undermined the land claims of landless and near-landless households in the Philippines.¹⁹ Finally, the prediction that the privatization of farm collectives would result in vibrant (pro-poor) land markets favoring the poor seem also not to have been realized.²⁰

Private Lands

The promarket claim that SLAR has failed in terms of redistributing land has little empirical basis. The land reform literature, both traditional and pro-market, has employed a rather crude, dichotomous framework in assessing outcomes of land redistribution. Either land reforms succeed under this rubric, or they do not. This is analytically problematic. Most, if not all, land reform policies that have been implemented in most countries, regardless of their orientation (revolutionary, conservative, or liberal), have resulted in varying degrees of success or failure. Land redistribution outcome is always a matter of degree.²¹ Indeed, many SLARs have been able to achieve varying degrees of success in redistributing lands to millions of landless peasant households—and many of these cases involved the redistribution of privately

controlled lands.²² Table 5.3 shows the land redistribution outcomes in a number of countries.

In some countries, higher degrees of land redistribution through SLAR has been achieved, but subsequent market-friendly or market-inspired policies reversed some reform accomplishments to some extent. Such are the cases of Chile after Pinochet forcibly took power in 1973 (Kay and Silva 1992), Nicaragua after the Sandinistas were voted out of power in the early 1990s (Thiesenhusen 1995), and Guatemala (Handy 1994). In instances in which a significant portion of productive farmlands have been excluded from land reform, it has been due to promarket considerations and the failure of the state to carry out SLAR, and not due to any inherent characteristic of SLAR per se. This has been the case with the exclusion of the following: productive lands in Brazil (Hall 1990, 221), commercial plantations in Kerala (Herring 1990, 199), and white commercial farms in Zimbabwe from 1980 until the second half of the 1990s.²³

The reported and claimed land redistribution accomplishments by MLAR (in Brazil, a few thousand households [see Sauer 2003; Deere and Medeiros 2005]; Colombia, a few hundred households in five *municipios* [see Forero 1999]; South Africa, a few hundred thousand households [see Lahiff 2003; South Africa Department of Land Affairs 2000; Greenberg 2004]; and the MLAR pilot in the Philippines, not more than a thousand households [Borras, Reyes, and Carranza 2005]) is miniscule in comparison to SLAR achievements over time. In contrast to the overwhelming track record of success of SLAR, the jury is, at best, still out over MLAR accomplishments (Borras 2003b, 2005).

Arguments for MLAR look better when the case for SLAR is weak. Yet the assertion that SLAR has failed to effect rural development and poverty eradication is analytically and empirically problematic. On the one hand, most, if not all, advocates of SLAR, past and present, have explicitly maintained no illusion that land redistribution is a magic panacea to rural poverty and underdevelopment. What has been asserted has been the notion that land redistribution is a necessary but insufficient condition of rural development and poverty eradication.²⁴ To assess SLAR using a metric of unequivocal, positive transformation, despite the insistence by its advocates that it is no guarantee of anything of the kind, is to deliberately muddle the terms and mislead the direction of the debate. Empirical evidence shows that countries (or subnational regions therein) that have carried out a higher degree of land redistribution in the past have tended to have achieved a better level of national devel-

TABLE 5.3 Land redistribution outcomes in selected countries

<i>Country</i>	<i>Period</i>	<i>Total lands redistributed^a</i>	<i>Total number of beneficiaries^b</i>
Cuba (1)	since 1959	80	75
Bolivia (2)	1952–77	74.5	83.4
South Korea (13)	since 1945	65	77
Chile (3)	1964–73	nearly 50	20
Taiwan (11)	1949–53	48	48
Peru (4)	1963–76	42.4	32
Mexico (5)	1970 data	42.9	43.4
Philippines (14)	1972/1988–2004	half	two-fifths
Japan (12)	1945–	one-third	70
Syria (12)	—	one-third	—
Ecuador (6)	1964–85	34.2	no data
El Salvador (7)	From 1980 thru 1990s	20	12
Venezuela (8)	Up to 1979	19.3	24.4
Egypt (12)	1952–61	10	9
Costa Rica (9)	1961–1979	7.1	13.5
South Africa (10)	1995–2000	1.65	2.0

Sources: (1) Kay 1998; (2) Thiesenhusen 1989: 10–11; (3) Kay 1998; (4) de Janvry 1981: 206; (5) Thiesenhusen 1989: 10–11; (6) Zevallos 1989: 52; (7) Paige 1996: 136; (8) Paige 1996: 136, Dorner 1992: 48; (9) Paige 1996: 136; (10) South Africa Department of Land Affairs 2000; (11) Griffin, Kahn, and Ickowitz 2002: 304–305; (12) King 1977 (Taiwan, 192; Egypt, 329; Syria, 390); (13) El-Ghonemy 1990: 283; (14) Borras 2004a.

^aPercentage of total agricultural land

^bPercentage of agricultural HHs

opment, or have at least performed better in poverty eradication, than those countries (or subnational regions) that have had a lower or negligible degree of land redistribution. This is demonstrated, for example, in the cases of Japan, South Korea, and China, where national development achievements have been phenomenal after land reforms (Stiglitz 2002, 81; Griffin, Khan, and Ickowitz 2002); Kerala and Cuba, where the degree of poverty eradication and broad-based human development has been exceptionally high (Herring 1983; Deere 2000); and Chile, where the contemporary vibrant fruit-exporting sector traces its foundations, in part, to earlier land reforms (Kay 2002a).

Finally, most of the relatively successful national agricultural and rural

development initiatives that have been undertaken post-land reform have tended to be ones that were carried out within inward-looking, state-led development policies, especially during the import-substitution industrialization era. Japan, South Korea, Taiwan, China, Kerala, Vietnam, and Cuba are a few examples (Kay 2002b).²⁵ Yet, despite these cases, the MLAR critique continues to attract attention and to command the heart of the debate. It is therefore worth looking specifically at the MLAR claims against SLAR, in order to question the integrity of these claims. The following section will discuss in depth ten MLAR objections to SLAR.

1. One of the main causes of SLAR failure is its land acquisition method: it is expropriative and coercive. Given this, compensation to landlords via cash and bonds payments for land expropriated at below market price level is a veneer for confiscation that provokes and promotes landlord opposition to reform.

It is true that most SLARs have, to varying degrees, been coercive and have usually paid landlords below-market rates for their land. These policy features have direct influence on the chances of success or failure of a land redistribution campaign, but not in the way the promarket critique would suggest. Most land reform policies have had varying degrees of expropriative powers, but even revolutionary policies have made selective compromises, for example, in Nicaragua in the 1980s. Conservative policies have themselves possessed some elements of expropriation, even when selective and limited; the Marcos land reform in the Philippines in the 1970s is one such example (see Kerkvliet 1979; Wurfel 1988).

This conceptual clarification is crucial in understanding the flaw of the pro-market argument: empirical evidence in many countries shows that land reform policies with fewer expropriative and coercive powers have delivered lower degrees of land redistribution outcomes. In other words, administrations that have opted for more expropriative powers have tended to accomplish greater degree of land redistribution than administrations that have opted to minimize use of state coercion.

This equation can be seen in the varying land redistribution outcomes among and within countries. There is, for example, a lower degree of land redistribution in contemporary South Africa (Lahiff 2003) than in contemporary Brazil (Guanzirole 2000); a lower degree in contemporary Brazil than in the current Philippine experience (Borras 2001, 2004a.); a lower degree in revolutionary Nicaragua (Thiesenhusen 1995) than in revolutionary China (Griffin, Khan, and Ickowitz 2002); a higher degree during the 1930s in

Mexico under Lazaro Cardenas than accomplished under subsequent administrations since the 1940s (Sanderson 1984); a lower degree during the Frei era than in the Allende period in Chile (Kay and Silva 1992; Thome 1989, 159); and a lower degree during the Macapagal-Arroyo presidency (2000–2004) than during the Ramos administration (1992–1998) in the Philippines (Franco and Borrás 2005).

The presence of evasive and subversive actions of landlords against a land reform policy is a good indicator of the degree of real redistributive reform character of the policy. Redistributive reforms “change the relative shares between groups” (Fox 1993, 10). As Diskin, speaking of El Salvador, explained: “. . . it would be naive to assume that those who monopolize power and land will simply step aside and divest themselves of their wealth and social position. The Salvadoran rural oligarchy regularly advocates a ‘trickle-down’ argument while lobbying for less ‘statism,’ that is, less reform” (1989, 431). Thus, landlord resistance is not unexpected. The cases of SLAR with higher degrees of success have demonstrated that the key challenge is not to look for reform models that will be unopposed by landlords—but rather to find ways to defeat landlord opposition.

The promarket model assumes that a land acquisition method that is voluntary and that provides a 100 percent cash payment to landlords for 100 percent market value of their land will lead to successful land reform. But when understood as power redistribution, “land redistribution” and “voluntary policy” become inherently contradictory terms. Landlords are unlikely to voluntarily cede power in favor of traditionally powerless peasants, despite attractive monetary valuation of their estate. Continued control of their farms not only means material wealth for landlords, it also provides political power, captive votes during elections, access to broader political networks, and social prestige, among other benefits. In the Philippines, cases of “voluntary” land transfer (VLT) transactions have demonstrated faked land redistribution involving “on-paper sales,” “on-paper beneficiaries,” and peasants who were coerced to “voluntarily” agree to a landlord’s evasive scheme (Borrás 2005; Franco 2005). In fact, the biggest landlords in that country are now using VLT as a way to effectively evade the land reform law in a larger scale.²⁶

Pro-MLAR scholars may argue that the problem with the Philippine VLT lies with the ongoing, parallel state-led expropriation and not with VLT itself. Yet elsewhere antireform maneuvers made by landlords through market-based land transfer schemes have occurred both in settings with ongoing, parallel state-led expropriation programs, for example, in Brazil; and where there are

none, for example, in Colombia and South Africa. Landlords in Brazil, Colombia, and South Africa have warmly received MLAR (Navarro 1998; Deininger 1999), just as VLT was welcomed by Philippine landlords. In Brazil, Colombia, and South Africa, the main antireform maneuver employed by landlords within the context of market-led approach was to overprice excess marginal lands and sell them to the program.²⁷

2. *SLAR's so-called supply-driven approach is responsible for bringing in unsuitable beneficiaries and land into the reform, leading to greater inefficiency in land use and a "dole-out" mentality among beneficiaries.*

This assertion is theoretically problematic and empirically unsound. It is analytically in conflict with the political-economic and "social justice" conception of redistributive land reform as the redistribution of land from landowning to landless and near-landless people. A policy does not constitute real redistributive reform when the change in ownership and control over land resources occurs within elite classes (landowning or not). Meanwhile, the notion of demand, or articulated or effective demand, among landless peasants has to be perceived as problematic. Effective articulation of demand for land by landless peasants is mediated by a range of factors within the rural political economy (see Fox 1994, 1995; Platteau 1995). It is certainly shaped by existing power relations between different classes in the countryside. On many occasions, landless peasants are coerced, repressed, or tricked by the landowning classes into not articulating their demand for land.²⁸ Historically, articulated demands for land have either been made by autonomous peasants and peasant movements and their allies (political parties, working classes, middle classes, the church), or, in a different context, by landlords and their co-opted peasants and peasant groups to stage-manage partial or even fake reforms (Borras 2005).

The promarket notion of taking in only the fittest beneficiaries—i.e., the most economically efficient and financially competitive peasants—is diametrically opposed to the fundamental notion of redistributive land reform, which has been conceptualized precisely because of the need to create a class of efficient and competitive peasants (and/or rural proletariat), one requirement of which is the control over land resources by the actual tillers and workers, facilitated through land reform (see Lipton 1974; Byres 1974). But landless and near-landless rural poor are, compared with their richer, better resourced, and more experienced counterparts, inefficient and uncompetitive precisely because they have no control over land. Such property-based deprivation breeds greater disadvantages, such as social exclusion, political disem-

powerment, and a lack of formal education, all of which contribute to and perpetuate economic inefficiency and financial noncompetitiveness.

Consider, for example, the South African context: how can the black landless rural poor be more economically efficient and competitive than the white commercial farmers when the former, reduced to the status of destitute (semi-) proletarians, have been denied, by decades of apartheid and centuries of colonialism, the right to farm their own land with proper support services? (See Bernstein 1998; Levin and Weiner 1997.) Or, to take another example, how can the landless semi-proletariat Muslims in the island of Basilan (Philippines) be more efficient and competitive in running rubber plantations than the settler-Christian farmworkers, when the former have generally never worked in such plantations, and have been evicted from their homelands by agribusiness corporations to clear the area for plantation development?²⁹ In short, the idea of “fittest beneficiaries who are economically efficient and competitive” in the promarket critique exposes the latter’s non-redistributive character.

On the issue of unfit lands being redistributed, two interrelated points need clarification. First, numerous SLARs have redistributed productive farmlands under the control of big landlords precisely because it is in these big estates where injustice and exploitation— notions that mainstream economists tend to downplay—were prevalent. Redistribution of these big landholdings to landless peasants has not always resulted in economic inefficiency; in fact, on many occasions, quite the contrary has been the case.³⁰ Second, many SLARs have redistributed unproductive and environmentally fragile lands such as those, on some occasions, in Brazil and Colombia (Thiesenhusen 1989, 1995; Feder 1970). When these did occur, it was precisely and usually in settings where redistribution of privately controlled productive lands was not being carried out by the state, making the chances of land claims by landless people on ecologically fragile public lands more likely to succeed, and prompting governments to formalize such peasant land claims in some cases (see Dorner 1992, 2001). In short, it is the failure of states to implement SLAR of productive farmlands in some countries, and not SLAR per se, that has caused ecologically fragile lands to be redistributed to poor peasants.

The promarket model assumes that demand-driven self-selection will ensure proper “beneficiary” targeting. This self-selection principle fits well with that of the voluntary land transfer (VLT) scheme in the Philippines; that is, total acceptability of the set of beneficiaries by the landlords who are supposedly volunteering their land for land reform. The net result produces types

of beneficiaries such as those described earlier: fake beneficiaries or peasants coerced to become beneficiaries in landlord schemes to evade land reform (Borras 2005). Thus, on many occasions, it is possible that demand from the side of the rural poor is staged, instigated, distorted, coerced, or concocted by antireform actors.

In many agrarian societies, the effective articulation of demands by poor, landless peasants is constrained or facilitated by contending class forces in perpetual political conflict (see Fox 1994). Moreover, some demands articulated by autonomous peasant groups might be hidden or excluded from the mainstream policy discourse. This happened in the case of permanent and seasonal farmworkers on big plantations in the Philippines, where farmworkers who asserted their right to autonomous organization were purged by the landlord or company from the land reform scheme (Borras and Franco 2005; Franco 2005). Such problems have likewise plagued the MLAR program in Colombia, as admitted by Deininger (1999).³¹ This occurred to a significant extent in Brazil (Navarro 1998) and South Africa (Deininger and May 2000).

3. *SLAR has been state-centralized, and so has been slow, if not totally flawed, in implementation.*

To a large extent, it is true that many of the SLARs that have actually existed have been state-centralized—but with a contrary outcome: land reform campaigns that have had higher degree of land redistribution have tended to be the ones in which the central state played an active role in vastly centralized manner (Barracrough 2001; El-Ghonemy 2001), cognizant of the fact that to decentralize responsibility for land reform would be to put the land reform agenda into the hands of those who are most opposed to it, as landlords tend to dominate the local state apparatus.³² This recognition is not the monopoly of socialist regimes. Many of the most enduringly successful land reforms have been state centered, for example, those in Japan, South Korea, Taiwan (Tai 1974; Griffin, Khan, and Ickowitz 2002; King 1977); in Peru in late 1960s and early 1970s (Kay 1983); and in Egypt in the 1950s and early 1960s (Migdal 1988). In contrast, SLARs with a lower degree of success in land redistribution have been ones in which the state has had a low degree of political autonomy and a smaller capacity to carry out a truly sweeping redistributive land reform.

Many SLAR policies when implemented have taken a more dynamic view of state-society interaction. These interactions have been relatively less state-centered and centralized, and more dynamic and polycentric—as the pro-reform forces within the state and in society asserted and assumed greater roles

in actually interpreting and implementing the land reform law (Houtzager and Franco 2003; Franco 2005). Some examples of this are Mexico during the Cardenas period,³³ Niger (Lund 1998), and contemporary Philippines between 1992 and 2000 (Borras 2001). Even those regimes generally perceived to be highly centralized have in fact depended upon their coalition with pro-reform societal forces, such as in revolutionary China (Shillinglaw 1974).

It is the assumption of the neoliberal land policy model that a privatized-decentralized implementation approach to land reform will lead to a greater degree of accountability and transparency in policy implementation. While this may be correct at the most abstract level, the idea ignores empirical and political realities. Evidence in the Philippines, for example, shows that some local government officials have indeed provided information for the land reform process, but in favor of landlords and other elite players rather than the poor, landless peasants. In some cases local officials have either coached landlords on ways to use the voluntary land transfer (VLT) scheme to evade expropriation, or have assisted in forging partnerships, between landowners and multinational companies, that involved market-friendly land transfer schemes that have essentially undermined land reform. In return, these officials have gained favor, either becoming listed as beneficiaries in the land transfer fraud or collecting finder's fees from companies, or both.

Moreover, the voluntary land transfer scheme has been carried out most extensively by government officials in provinces where the presence of autonomous NGOs and peasant organizations is thin and weak. As such, corrupt practices are unlikely to be closely checked (Borras 2005). In Brazil and Colombia, local government officials have also taken control of various aspects of MLAR programs in ways not always beneficial to poor peasants, from information manipulation and the selection of buyers, to land pricing (Navarro 1998; Buainain et al., 1999). These outcomes run counter to MLAR's theoretical predictions.

4. SLAR implementation has been protracted and legally contentious.

SLAR is concerned with redistributing property rights and political power in society, and, therefore, it changes the relative shares between groups (Fox 1993, 10). It is to be expected that this process will be legally and politically contentious. Land reform policies that have not been not legally and politically contentious have tended to be nonredistributive, conservative, or less redistributive. SLAR has not, however, necessarily been protracted in its implementation. In fact, the more successful land reforms have been done swiftly (Prosterman and Riedinger 1987), as in Japan, South Korea, and Taiwan

(Griffin, Khan, and Ickowitz 2002), Kerala (Herring 1983), and China (Shillinglaw 1974). Putzel (2002) and Bernstein (2002) remind us, however, that such land redistribution campaigns must be viewed from a perspective of “episodes” within a more strategic, longer continuum of policy implementation. This is partly illustrated in Mexico during the sweeping implementation in the 1930s under the Cardenas period, and again in the 1960s in the northern part of Mexico (Sanderson 1984; but see Harvey 1998, 131).

Furthermore, SLARs that have been slower and narrower in implementation are ones that have provided significant roles to nonstate market mechanisms. An example of this is the commercial reselling of “friar lands” in the early twentieth century Philippines (Corpuz 1997, 266–70; also Kerkvliet 1977, 198–99), and even in the contemporary Philippines, where built-in market-friendly mechanisms such as the voluntary land transfer and stock distribution schemes have opened up highways through which landlords have launched antireform maneuvers (Putzel 1992; Borras, Reyes, and Carranza, 2005). This is also true of the Alessandri and Frei periods in the 1960s Chile (Thome 1989); in Zimbabwe between 1980 and the early 1990s (Moyo 2000, Bratton 1990; see Worby 2001); of the coffee sector in the El Salvadoran land reform (Paige 1996); and in Chiapas, through the agrarian rehabilitation program (PRA) that was started in the early 1980s (Harvey 1998, 153–54; see also Bobrow-Strain 2004).

5. Prices of land redistributed under SLAR are high and are more expensive than if transacted in the open market.

This argument contradicts the first promarket critique about expropriation and is a “thin veil” for confiscation. Some land reforms have confiscated lands and redistributed them for free to peasants, although most have paid the landlords a below-market price. In general, SLAR that has actually existed has underpaid landlords for the lands.³⁴ Certainly, there have been some cases of overpricing, and these are of two broad types: One is the work of corrupt government officials (see, for example, Putzel [1992, 363], for the cases in the Philippines), but this is not an inherent or dominant feature of SLAR, as shown by most other positive country cases. The other is what has proved to be more expensive and pervasive: the lands covered under market-friendly mechanisms that have allowed landlords to overprice lands. There are several examples of this: market-friendly schemes under the Alessandri and Frei administrations in Chile in the 1960s (Thome 1989); lands by the monarchy confiscated after the 1789 revolution in France but then resold at full cost, totally unaffordable to poor peasants (Tuma 1965; Moore 1967; Jones 1991);

the 1903 case of friar lands in the Philippines (Corpuz 1997, 266–70; and Kerkvliet 1977, 198–99). Nevertheless—and arguably—the notion of overpricing is inherently “economistic” and is fundamentally at odds with the concept of land having multidimensional character. That is, if a land’s value has political, social, economic, and cultural dimensions, then the notion of overpricing cannot and must not be reduced to the narrow “economistic” perspective (Borras 2004a).

Evidence shows that, under certain circumstances, land prices in fact depend not on some “politically neutral” technical mechanisms in land valuation and payment schemes, but more on landlords’ political-economic interest and power to perpetuate ownership of and/or control over land. Hence, the issue is not one of pricing, in solely monetary terms, and is not so much about free markets but very much about power and power relations, confirming the multidimensional function of land. In the Philippines, some big landlords have supposedly sold their lands through the voluntary land transfer scheme at prices that are many times lower than the court-declared prices; some have even given their lands for “free.” Thus, on some occasions, monetary prices are inconsequential to the voluntary land transfer scheme precisely because the scheme itself is an ersatz land reform process. Still, it is convenient for landlords to declare reasonable price levels, so as not to attract critical attention to the fraud. Without such attention, the evasion process can be consummated at once through a cash-based transaction (Borras 2004a). In Brazil and Colombia, the MLAR mode of land valuation and payment to landlords has led to highly overpriced marginal lands. In Brazil, some lands sold through MLAR programs have been 30 to 50 percent more expensive than lands (with comparable features) sold through the state-led land reform (Groppo et al. 1998); overpricing was worse in Colombia (see Deininger 1999; Forero 1999).

6. SLAR undermines the land market.

Land markets in most developing countries are (already) distorted in one way or another, and these distortions are principally caused by preexisting land monopolies. The secondary (and temporary) cause of land market distortion stems from existing land sales and rental prohibitions within land reform laws. Perfect land markets—the heart of the MLAR theoretical model, supposedly toward achieving land reform—cannot emerge and function without real prior redistribution that would effect a more egalitarian distribution of property rights over land resources.³⁵ Already-distorted land markets have been exacerbated not by SLAR but by market-friendly mechanisms. Such cases of

MLAR implementation can be found in northeast Brazil (Groppo et al. 1998; Sauer 2003), South Africa, Colombia (Borras 2003c; Mondragón 2003), or in the implementation of the voluntary land transfer scheme within the current Philippine land reform program (see Putzel 2002; Franco 2005). But again, there is an inherent tension between the concept of land as having multidimensional character and the economistic notion of land market. In fact, “distortion” is a relative concept: for economistic, promarket scholars, distortion occurs due to state regulations; for the advocates of the concept of land as having multidimensional character, distortion occurs due to an unregulated monopolistic land market that is controlled and manipulated by the landowning classes.

7. SLAR's sequence of farm plans and development after land redistribution has caused the failure of agrarian reform in particular and the agriculture sector in general; supply-driven, state-centralized extension services have been inefficient—contributing further to SLAR's failure.

Most SLAR has been implemented in the order of land redistribution first, with farm plans following after. To claim that this is the cause of failure in farm and agricultural development, however, is to lead the debate astray. While land redistribution is a necessary factor for rural development, it is never the sole one. There are many more factors at play.³⁶ SLAR that has carried out such a sequential approach has produced mixed results: a higher but varying degree of agricultural and national development, such as those in Japan, South Korea, Taiwan, China, and Kerala (Griffin, Khan, and Ickowitz 2002; Kay 2002b); or lower but varying degrees of agricultural development, such as the case in contemporary Philippines.³⁷ There is no empirical evidence that this sequential approach is the culprit in the lackluster performance in post-land transfer agricultural development in some countries.

The notion that farm plans must come before land redistribution is used by antireform landlords. Where this rhetoric has been successful in influencing government policy, land reform and agricultural development have tended to slow down, such as in the Philippines since the late 1990s (Borras, Reyes, and Carranza 2005) and postapartheid South Africa (see Lahiff 2003; Lahiff and Cousins 2001). Finally, there is no empirical basis for the promarket claim that the supply-driven and state-centralized character of most extension services has contributed to SLAR's failure (when and where failure did occur) to effect rural development. The debate in this regard goes far beyond the issue of agrarian reform into the broader issues of micro- and macroeconomic and industrialization policies (Lehmann 1974)—and the empirical evidence does

not always support promarket arguments and claims (see, for example, Spoor 2002; Kay 2002b; Saith 1990).

8. *SLAR has drained credit from the rural economy and driven investors away.*

The claim that investors are driven away by SLAR is not supported by empirical evidence from most of the countries that have undergone a significant degree of land redistribution, such as Japan, Taiwan, South Korea, Kerala, Chile, and contemporary Philippines. The logic of capital dictates that credit and capital will go where it can make profit—it can be in either the (land) reform or nonreform sector. The same logic governs investment dynamics. In fact, empirical evidence shows that public and private investments have come to land reform areas—and that new investments have come not only from traditional elites or government, but, more importantly, from peasant beneficiaries (see, for example, Franco 1999, for recent Philippine cases).

It is true, as predicted by MLAR, that voluntary land transfers do not drive away landlord-based investments and credit; they even attract fresh inflows. The critical question is, who actually benefits from the maintenance and fresh inflow of investments and credit? This same question is posed regarding the issue of privatized-decentralized extension services. In the cases presented here, the investors and landlords have benefited much more than the poor beneficiaries. In cases in Brazil, Colombia, and South Africa, evidence shows that because lands sold under programs there were marginal and located in remote places, credit and investments were unlikely to be forthcoming.³⁸ It has since become clear that, as in the Philippines, in the few cases in which external investors did come in on redistributed farms in South Africa, beneficiaries needed urgent protection against antireform manipulation by the investors (see Deininger and May 2000). The broader literature on the “contract growing scheme” has already pointed out the onerous terms of these contracts in different settings (see, for example, Watts 1994; White 1997).

9. *SLAR's funding mechanism in the form of “universal subsidy” is wasteful and cultivates a “dole-out” mentality among peasant beneficiaries.*

From among the spectrum of public investments, subsidizing poor peasants' ability to secure property rights over land resources and corollary extension services by way of funding land reform has perhaps been one of the most useful, not wasteful, kinds of investment (see, for example, Herring 1990, 73). A more egalitarian distribution of control over land resources and access to extension services have been crucial ingredients to several agricultural and national development campaigns. This is true in countries without a history

of a significant degree of land monopoly before their national development, such as the United States (except its southern portion [see Byres 1996]), and Argentina, or in countries with significant degree of land redistribution before accomplishing national development such as Japan, South Korea, Taiwan immediately after World War II, Vietnam since 1975 (Griffin, Khan, and Ickowitz 2002), and Cuba (Deere 2000). The investments made by states in these countries in the form of universal subsidies to poor peasants have been extremely useful and productive (Kay 2002b).

There is no consensus in the literature as to whether so-called repayment default by peasants on their loan obligations from land redistribution programs or extension services constitutes a phenomenon of dole-out mentality. This may be an issue that needs deeper empirical investigation aimed at moving the analysis beyond mere assertions (by the promarket critique). As it happens, MLAR in Brazil and Colombia has been plagued by the same phenomenon (see Sauer 2003). Finally, targeted public spending via market-friendly land redistribution mechanisms based on commercial land sales turns out, in fact, to subsidize landlords and penalize poor peasants and the public. In other words, it is a way of promoting a dole-out mentality among landlords. This is seen in many cases of commercial land sales that have been passed off as land reforms, either through the MLAR programs, or through MLAR-like mechanisms such as the Philippine VLT.

10. *SLAR's financial cost is high and unaffordable.*

It is true that land reform programs require significant public spending, especially when these involve the expropriation of highly productive farms. When viewed from the perspective of strategic public investment, however, such spending can be reasonable and affordable (Herring 1990, 73). It must also be noted that, historically, the more expropriative the land reform policy, the less expensive it has become. Conversely, the more market friendly it was, the more expensive it has turned out to be. This can be seen partly by comparing cases within nations, such as the cases of the Frei and Allende land reforms in Chile in the 1960s and 1970s, respectively (Thome 1989), or the state-led national land reform versus the market-based PCT project in Brazil;³⁹ as well, this can be seen in a comparison of countries, such as China and the Philippines.⁴⁰

Major state-led land reform campaigns proved financially affordable even in circumstances marked by fiscal difficulty, such as in revolutionary China (Shillinglaw 1974), Nicaragua (Collins, Lappé, and Allen 1982), Chile (Thome

1989), and Kerala (Herring 1983). In contrast, even less dramatic market-friendly land reform initiatives proved financially unaffordable, such as in contemporary South Africa and Colombia (Borras 2003b).

The MLAR's underlying motivation of reducing public spending appears to be more urgent than its interest in having government to carry out redistributive reform. For example, using the same MLAR argument, the Macapagal-Arroyo administration in the Philippines announced in early 2002 its adoption of the voluntary land transfer scheme as the main strategy for land reform.⁴¹ The administration has been candid enough to admit that the choice for this type of scheme was driven by the desire to cut down government spending. And, while President Arroyo admitted that she never asked congress for any money for land reform, she and her key cabinet officials were particularly excited about the voluntary schemes (Borras 2005). Moreover, beginning in 2004, the Philippine congress has been deliberating on the passage of a new law that would dilute the land reform policy by removing the land sales and rental prohibitions, making land titles tradable legal instruments (allowing, for example, the immediate use of an agrarian reform land title as collateral for commercial bank loans). Therefore, for governments pressed by international financial institutions to cut back public spending, MLAR and its variants seem an attractive option and a convenient means to effectively drop redistributive land reform from the policy agenda.

The choice by the ANC government of South Africa to take on the World Bank-proposed land reform policy was made amid pressures from international financial institutions to minimize state expenditures, among other considerations (see Levin and Weiner 1997). The same pressures more or less pushed the Brazilian and Colombian governments to agree to pilot test the World Bank's policy model, and caused the subsequent program expansion during the Lula administration (Deere and Medeiros 2005). The financial consideration, not the aspiration for redistributive reform, has become the starting point of MLAR, as shown in the Philippines, Brazil, Colombia, and South Africa.

The ten-point discussion above has addressed the crucial issues of the pro-market critique of SLAR. But the promarket critique of SLAR misses valuable insights that motivated SLAR in its original context, and conflates SLAR failures with other political problems. We can group these omissions and distortions into three categories. First, the promarket critique ignores SLAR's basis in broad theoretical, policy, and political frameworks:

- In general, SLAR has been conceived based on a political-economic perspective of agrarian structure, where power and power relations between different social classes within the state and in society are at the center of the push toward, or the pull away from, a more egalitarian distribution of property rights over land resources. Instead of confronting SLAR within the political-economic framework, the promarket critique limits its analysis to a purely economic perspective, neglecting the questions of power relations between inherently antagonistic social classes.
- SLAR has always been developed within a domestic historical perspective, with the view of attempting to correct historical injustice committed against landless peasants. Instead of addressing SLAR within such social justice context, the promarket critique centers its analysis on a generally ahistorical view of the problem of landlessness and limits its concerns to the issue of economic efficiency today. For MLAR, history has ended, despite all evidence to the contrary.
- SLAR has always treated land as having a multidimensional character (socioeconomic, political, and cultural); the promarket critique ignores such a view about land, and instead puts forward a critique of SLAR that is based solely on the assumption that land is merely a factor of economic production.⁴²

Second, while the promarket critique does not include in its analysis several significant aspects of SLAR, it does include several analytic issues that are not, strictly speaking, inherent components of SLAR. For example, the promarket critique repeatedly hammers SLAR on the basis that the latter has failed to effect rural development and poverty eradication, despite the fact that past and present proponents of SLAR have repeatedly clarified that while SLAR is a necessary requirement in the development process, it cannot by itself solve all rural problems; SLAR is not a panacea to rural socioeconomic ills. This earlier clarification is captured in Keith Griffin's explanation: "A land reform, in isolation, is not sufficient to remove rural poverty, but it is a *conditio sine qua non* in many countries. Unfortunately, it is a necessary step that is difficult to implement; there are no easy or painless solutions to the problems of poverty and underdevelopment, and it would be disingenuous to pretend otherwise." Griffin concludes: "On the other hand, to refrain from making the effort on grounds of political impossibility would be defeatist as well as historically inaccurate" (1976, 10).

Third, the promarket critique presents and analyzes SLAR as if reform were

a singular, homogeneous theoretical construct and policy model: MLAR is indeed homogenous, depending precisely on a single set of standard policies and insights. But SLAR is not homogenous: it has multiple theoretical-ideological conceptions, policy designs, and actual practices—broadly categorized in its ideal typical types, namely, revolutionary, conservative, and liberal, and socialist- or capitalist-oriented.⁴³ Moreover, most SLARs have varying degrees of market-oriented mechanisms within them. A simplistic, undifferentiated view of SLAR is thus not useful.⁴⁴

Conclusion

Redistribution of wealth and power from the landed elite to landless and near-landless people is the essence of land reform. For private lands, the MLAR land transfer scheme requires 100 percent spot cash payment to the landlord for 100 percent value of the land, and requires 100 percent of this cost (plus the transaction cost) to be shouldered fully by the buyer. MLAR proponents claim a bias in favor of the poor, but the theoretical and operational assumptions of the policy model tend to contradict this. Thus, arguably, even within its strictly economistic perspective about land, redistribution of wealth is absent in MLAR. “Exchange” of goods in the market between sellers and buyers is not the same as, nor does it necessarily constitute, redistribution of wealth and power.

Furthermore, evidence from the Philippines has contradicted most MLAR predictions. The policy outcomes in that country are broadly similar to the MLAR experiences in Brazil, Colombia, and South Africa. In Brazil and Colombia, MLAR was found to have facilitated land transfers that have not been redistributive, thus undermining potentially redistributive state-led land reform. In South Africa, MLAR has blocked the chances of a more radical expropriative redistributive land reform being enacted into law. Meanwhile, privatization and individualization of landed property rights in public/municipal lands and state/collective farms have resulted in variegated outcomes, but they are almost always unfavorable with regard to the rural poor. This is true in both (ex-)socialist and capitalist settings.

In closing, this chapter has demonstrated that the promarket critique of state-led agrarian reform, and the subsequent promarket land policies promoted to repeal the conventional policies, are theoretically and empirically problematic. In the context of the ongoing debate, the most crucial promarket assumption is the so-called failure of SLAR to redistribute lands and effect

rural development and poverty alleviation; this assumption is not supported by empirical evidence. Meanwhile, predicted pro-poor outcomes of neoliberal land policies have, to a large extent, failed to materialize. This is not to claim that conventional land policies have been flawless. The conventional land policies have major problems in theory and practice, and many of these issues have been correctly raised in nuanced analyses put forward by critical thinkers.⁴⁵ Yet these failures ought not to be allowed to overshadow successes, or to sanction a mode of land reform that seeks to achieve legitimacy through the rewriting of history, despite its own disastrous outcomes.