

EVOLUTION OF THE WORLD BANK'S LAND POLICY

Source: Julian Quan, 'Land Tenure, Economic Growth and Poverty in sub-Saharan Africa', in Camilla Toulmin and Julian Quan (Eds), *Evolving Land Rights, Policy and Tenure in Africa* (IIED and NRI, March 2000).

In 1975 the World Bank issued a Land Reform Policy Paper which recommended:

- formal land titling as a precondition of "modern development";
- the abandonment of communal tenure systems in favour of freehold title and sub-division of the commons;
- widespread promotion of land sales markets to bring about efficiency-enhancing land transfers;
- support for land redistribution on both efficiency and equity grounds

In the light of practical experience and continuing policy debate since 1975, the Bank has now considerably revised its assessment and guidance. The Bank now recognises that:

- communal tenure systems can be a more cost-effective solution than formal individual title, if transparency and local accountability can be assured;
- the circumstances in which land titling is an optimal solution are much more limited - where credit is not widely available to the rural poor, titling is likely to be biased in favour of the rich and precautions against land-grabbing need to be taken;
- widespread market distortions limit the effectiveness of land sales markets in enhancing efficiency and equity, and there will be greater benefits from the development of land rental markets;
- following the end of the Cold War, debates about private versus public ownership of land have become less polarised. More flexible and decentralised alternatives to universal private titling or public ownership and state led egalitarian land distribution can be developed. These include market assisted and negotiated land reform, for which the Bank can get directly involved in support.

Nevertheless, the Bank maintains that the key principles of the LRPP remain valid:

- the desirability of owner occupied farms on equity and efficiency grounds;
- the relative inefficiency in farm production of both wage labour and collectives;
- the need to promote land markets;
- the desirability of land reform.

The underlying constant in Bank Policy is the view that a framework of secure, transparent and enforceable property rights is a critical precondition for investment and economic growth. Given that it is now recognised that property rights need not necessarily be individualised, and that security can be provided within customary tenure systems, this view is now much more widely shared.

Within Africa, the World Bank is now engaged in the promotion of:

- land policy reforms (as opposed to tenure reform, more narrowly) to reflect the new understanding, and to eliminate conflicts between parallel sets of rights;
- pilot programmes to register and adjudicate customary rights and provide titles on a communal basis; and
- piloting of negotiated and market-based programmes for land redistribution.

In addition the Bank now places more emphasis on gender rights, on those of pastoralists, and on the importance of stakeholder participation in inclusive land policy processes, partnerships with civil society, and building capacity of local institutions for decentralised land management.