

**A GUIDE TO, AND SOME COMMENTS ON,
THE WORLD BANK'S POLICY RESEARCH REPORT (PRR),
'LAND POLICY FOR PRO-POOR GROWTH AND DEVELOPMENT'**

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1. The latest Land Policy PRR and the e-mail discussion group

I have just read through the latest draft of the World Bank's Policy Research Report (PRR) on Land Policy (162 pages, with boxes, replacing an earlier 155 page one). It is available at:

[http://Inweb18.worldbank.org/ESSD/essdext.nsf/24DocByUnid/70432684716CDA4785256C87005B99ED/\\$FILE/draft_prr.pdf](http://Inweb18.worldbank.org/ESSD/essdext.nsf/24DocByUnid/70432684716CDA4785256C87005B99ED/$FILE/draft_prr.pdf)

It is also available cut up into separate chapters for ease of downloading at:

<http://Inweb18.worldbank.org/ESSD/essdext.nsf/24DocByUnid/4309901C772FDE5E85256C8B006C6936?Opendocument>

Because it lacks a Table of Contents, I have written one myself (see summary below and separate file).

There is to be an email discussion group on the PRR, and the purpose of my comments is to assist people who might be interested in either reading the report and/or contributing to the discussion group.

Details about how to join the discussion group on the PRR, which will run from 30 December 2002 to 10 January 2003 can be found at:

<http://Inweb18.worldbank.org/ESSD/essdext.nsf/24ByDocName/PRRe-Discussion>

The Bank says that:

'Alain de Janvry and Michael Carter have kindly agreed to post a number of questions and issues for discussion by 27 December, to monitor the comments received and summarize as needed, and to provide a final summary of the key issues raised which will be posted on this website by 15 January'

2. What is a PRR, and was it worth engaging with?

The Bank states quite clearly that

‘Policy Research Reports are **designed to draw together insights from research** and innovative operations within and outside the Bank in order to inform policy makers and practitioners but, **unlike Policy Papers, do not bind the operations of the World Bank.**’

This is a very important distinction because there has been some confusion (including my own) about the exact purpose of this particular PRR, and whether it has been worth the time and energy that I and others have devoted to engaging with the whole process.

My judgement, on reading the current version, is that, on balance, it has. I also believe that **although the findings may not ‘bind’ the Bank, they will be extremely useful for those engaged in land policy and land reform processes to be able to refer, for example, to the PRR’s many commendations of the approaches adopted in Mozambique**, at a time when these have come under strong attack, as Joe Hanlon has recently documented.¹

It is to such an audience that my comments (and the extracts from the PRR I have highlighted) are principally directed.

3. Structure of the Land Policy PRR

The Report comprises 3 main chapters, an introduction, and 20 pages of references. The 3 chapters are divided into sub-sections, the most important of which are:

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At the start of the Land Policy PRR, its author, Klaus Deininger, writes:

¹ Joseph Hanlon, *The Land Debate in Mozambique: will Foreign Investors, the Urban Elite, Advanced Peasants or Family Farmers Drive Rural Development?* (Oxfam GB in Southern Africa, July 2002)

<http://www.oxfam.org.uk/resources/learning/landrights/downloads/debatmoz.pdf>

‘The purpose of this report is to **provide a discussion of this evidence based on recent research to highlight not only what has worked and what did not** but also to probe into the reasons for success and failure, as well as the lessons it holds for future activity in the area of land which...cuts across many sectors and areas, but...has a critical impact on the daily lives of the large majority of people in the developing world. The report will deal with this by focussing on property rights to land, land transactions, and finally the scope for governments action to facilitate appropriate use of land.’ (5)

The first paragraph of each chapter usefully and clearly summarises what the chapter sets out to do.

4. What is NOT in the PRR?

It might be quite helpful to state at the outset what is NOT in the PRR.

The reader, however careful, will find absolutely no mention of the (in)famous ‘**market assisted land reform**’, which is ritually abused whenever the Bank’s land policies go on public display, and which only last month I heard Oxfam partners in Guatemala and Honduras denounce in the strongest terms.

The careful reader will also not stumble across references to Northern farm subsidies, or of international trade rules rigged in favour of the rich.

There is **no serious political analysis** of the Bank’s (and American) changing approaches to land reform since 1945, but that is hardly surprising in a document of this kind.

Though ‘the poor’ do feature a good deal in the PRR, there is no serious depiction of just how bleak are the prospects for so many in a global context better characterised not by Klaus Deininger’s brave new world of privatisation and free markets, but rather by Henry Bernstein’s rather bleaker notion of the concentration of agribusiness capital coupled with the fragmentation of labour, being felt most acutely and ferociously in Africa.²

5. Some general comments on the PRR

In such a largely depoliticised Report, it was perhaps not all that surprising to find a good deal with which I found myself in agreement.

The approach, for example, is not didactic; there is no hard sell of any particular model of land reform; the Report is indeed critical of ‘blind implementation of some “patent recipe” without awareness of local conditions’. (134) This may be in contrast to the situation in the real world.

Related to this, there is a much clearer recognition than in many past Bank documents that exceptions to ‘the rule’ (whatever the rule might be) can be perfectly viable, as on group rights for example (42-3), and an openness to, for example, the local management approaches adopted in francophone West Africa.

² Henry Bernstein, ‘Land Reform: Taking a Long(er) View’, *Journal of Agrarian Change*, 2, 4, October 2002, 433-63. Bernstein argues that the ‘classic’ agrarian question of capital has now ‘been resolved on a world scale *without its resolution* – as a foundation of national development / accumulation, generating comprehensive industrialization and wage employment - in most of the poorer countries in the South.’

There is certainly regular admission of past mistakes by the Bank and that some of its past certitudes (on titling, on modernisation of tenure, and on customary systems, for example) later proved ill-founded. (see below)

The PRR is written in clear language, accessible to non-economists and non-specialists, which is rare and a huge plus.

It also bears signs of **seriously taking on board some of the lessons learned** (for example from Mozambique), as captured in the research papers presented at the 4 workshops the Bank ran earlier this year in Latin America, Africa, Asia and Eastern Europe. (There are short sections on pp.72-82 and 88-92 devoted to the different continents).

Admittedly within a largely depoliticised framework, the PRR does consciously seek to address some issues affecting the poor, the vulnerable, the marginalised, and the excluded.

given that land policy has in the past often severely discriminated against the poor, specific actions to empower this group are justified to provide them with equal access to economic opportunities. (141)

It validates the study of history and the need to examine each case in its historical context.³ It rightly stresses the heavy weight of history, for example comparing the different reactions to the late 19th century coffee boom in Costa Rica and Colombia on one hand, and in El Salvador and Guatemala on the other. (14-15)

There is surprisingly little explicitly on the role of **donors**, usually key in terms of implementation, until right towards the end (138).

6. Some particular issues in the PRR, chapter by chapter

CHAPTER I

i) Customary tenure, titling, ‘modernising’ tenure, and group rights

There has been significant advances in Bank thinking (at least as reflected in the PRR) on customary tenure, on titling, on ‘modernising’ tenure, and on group rights.

On **customary tenure**, we read:

‘In addition to realizing that **the potential disadvantages of customary tenure arrangements were grossly overstated**, there is now consensus that **such systems provide cost advantages** in environments with low population density, high environmental risk, limited access to infrastructure and markets, weak states, and limited administrative capacity at the local level.’ (22)

‘**well-functioning customary systems can make an important contribution to greater equity**’ (22)

On **titling**, we read:

‘**Confusion of tenure security with fully formalized individual title**, and failure to recognize the many gradations of tenure security in between completely open access and private title has, however, given rise to misunderstandings in studies on this subject.’ (28)

³ As an erstwhile historian, I am always pleased to see confirmation that ‘history matters’.

‘title is not necessarily equal to higher tenure security.’ (30)

‘There may be **many circumstances where formal titles will not have an effect on access to credit**’ (36)

On ‘**modernising tenure**’, we read:

‘it is now realized that a more differentiated approach that focuses mainly on transparency and accountability of the institutions and provides a basis for their evolution, is likely to be more appropriate’ [than trying to] ‘privatize land rights to “modernize” land tenure in an environment where few of the conditions requiring such modernization are present’ (43)

And on **group rights**, we read:

‘high levels of tenure security can often be achieved at low cost by delineating rights for a group rather than for individuals. In fact, externalities linked to resource characteristics (as in the case of pastures, forests, and other common lands), characteristics of the group (as in the case of indigenous people), fiscal considerations (as in African countries with low levels of income), or political imperatives can imply that **full individualization of land rights may not be the best solution.**’ (43)

‘there are many cases, e.g. for indigenous groups, herders, and marginal agriculturalists, where **definition of property rights at the level of the group**, together with a process for adjusting the property rights system to changed circumstances where needed, **can help to significantly reduce the danger of encroachment by outsiders** while ensuring sufficient security to individuals.’ (59)

ii) The rights of women, indigenous people and herders

In this first chapter generally there is a sympathetic approach, in sub-sections 4.2, 4.3 and 4.4, towards strengthening women’s land rights, to recognition of customary tenures, and to strengthening the land rights of indigenous people and herders. (45-53). And in its conclusion the PRR stresses the need for regulation to ensure:

‘the establishment and demarcation of specific land tenure regimes that protect the social needs and cultural requirements of indigenous people and pastoralists.’ (141)

There is also recognition that a unitary model of the household is quite inadequate and that ‘the way in which control over such rights is assigned within the household has far-reaching implications’ (39), but, as Ambreena Manji would surely assert, the implications of this insight have not been thought through when the PRR later commends, fairly unproblematically, the virtues of family farms and family labour.⁴ (61-4)

iii) Land occupations

In words that might, just conceivably, be of some mild comfort to groups in Guatemala (and elsewhere) who have directly occupied land, we read:

‘providing legal protection to long-term peaceful occupation in good faith (“adverse possession”), especially on public land, **can have significant poverty impacts**, and reduce conflicts and the cost of providing secure tenure. In fact, adverse possession was the main mechanism for most settlers in the US to acquire their land and all of the 50 US states have legal provisions upholding the ability of a

⁴ Ambreena Manji, ‘Capital, Labour and Land Relations in Africa: A Gender Analysis of the World Bank’s *Policy Research Report on Land Institutions and Land Policy*’, *Third World Quarterly*, 24, 1, 2003, forthcoming.

squatter to acquire ownership rights through continued possession of a property in good faith for a specified period.’ (44)

In situations of post-conflict or where there are complex and multiple layers of rights on the same plot, slow maturing of possession into a fully recognized legal right can have considerable advantages.’ (45)

iv) Land administration

The section on land administration (53-9) openly admits many of its failures:

‘institutional rigidities, overstaffing, corruption, and limited outreach often seriously undermine public confidence in the land registration system’ (54)

In Zambia, there are backlogs of up to 7 years in issuing titles, in India the registry provides only partial and limited information, while over most of Africa ‘the basic infrastructure for [comprehensive] coverage does not exist.’ (57) A later section comments on the limited success of land taxes (126-31).

CHAPTER II

i) Land markets

The second chapter, on land rental and land sales markets, unashamedly adopts a pro-markets approach and strongly advocates the removal of all obstacles in their way:

‘Experience all over the world supports the view that global restrictions on the functioning of markets are not justified, likely to be evaded, and will have undesirable side-effects.’ (92)

‘First, there is very little merit to land rental restrictions and the only relevant policy question is how to sequence their elimination in a way that minimizes disruptions and negative equity impacts. Second, in most settings it will be unrealistic to assume that restrictions on the functioning of markets will lead to significant re-distribution of land and other productive assets to the poor. Other mechanisms will be needed to accomplish this.’ (100)

But the PRR does at least admit to some of the deficiencies and weaknesses of markets and to the fact that in Latin America ‘in many cases, **the landless poor will not be able to acquire land through the market without assistance.**’ (91).

There are interesting defences of share-cropping and of land rentals; that they are neither backward nor inefficient (69, 73) and can contribute to considerable gains in efficiency and equity (82).

There is a pragmatic argument that in Africa ‘government(s) can best help by increasing the transparency of land markets, and help formalize legitimate sales where they occur.’ (90)

ii) Can communities protect themselves in ‘free’ markets?

The PRR argues that while restrictions on the functioning of markets are wrong, unenforceable, and prone to spawn bureaucracies, there might however be:

‘two possible exceptions that might be justified in specific situations where the external environment is changing rapidly. One is the imposition of very high land ownership ceilings. Also, if transparent mechanisms for decision-making are available and local communities bear the cost of their decisions,

they may be given the authority to restrict transferability of land [to outsiders] as is the case in most customary systems.’ (92)

‘cohesive communities may impose restrictions on transferability of land to outsiders at certain stages of their development out of a concern for social harmony and the prevention of landlessness. Policy should ensure that the mechanisms for reaching such a transition are transparent and representative, and that changes in such rules are feasible where they do no longer serve the interests of the majority of community members.’ (100)

CHAPTER III

i) Markets alone?

This is the most political chapter, the most ‘practical’, and, I imagine, the one with which most people who wish to engage with the PRR, will engage. Here one can find statements such as:

‘it is necessary [sometimes] to go beyond markets to ensure that social and equity concerns are satisfied’ (101)

‘there is a justification, in specific circumstances, for the state to advance programs that lead to effective land redistribution.’ (108)

‘The inability of the poor to access land through the purchase market in many cases implies that **highly unequal (and often inefficient) distribution of land is unlikely to be corrected through market forces**’ (108)

‘Even where markets can be made to work well, they are not an end in themselves but need to contribute to broader social goals.’ (141)

ii) And what about governments?

Perhaps the section in the whole PRR with which I empathised most strongly is this statement:

‘**The government**, through its rural and macro-economic policy, the legal framework, and the institutions to implement it, **has a critical role to play** in creating the conditions under which markets can operate.’ (140)

In situations where a combination of historical processes and policy distortions have led to a land distribution that implies substantial underutilization of productive economic resources, **the operation of markets alone will not provide the poor with access to land at the level and speed that is required to deal with deep-rooted problems of structural backwardness and deprivation.** Other mechanisms, including land taxation⁵ and direct intervention will, in these situations be justified to achieve social goals and bring about a redistribution that would improve both equity and efficiency in access to and utilization of resources. (140-1).

iii) Integrating a land policy framework into wider processes

I think that few would disagree with this suggestion in the PRR:

‘a land policy strategy or framework is needed that (i) **links interventions in the land sector clearly to the broader poverty agenda**, (ii) establishes clear priorities based on broader national goals and a

⁵ But the PRR is not particularly sanguine about the effectiveness of land taxes. (136-31).

careful consideration of the trade-offs (and links with other policies) involved; and (iii) **commands political support from the majority of the population.** (135)

Nor would there be much disagreement with the emphasis, again citing good experience from Mozambique (and bad experience from Colombia), on

‘the process of going about this task is likely to be of equal importance.’ (136).

It cites the need, in consensus building, to involve the private sector, NGOs, academics and governments; elsewhere farmers’ associations are mentioned. (113) This is necessary

‘both for the ability to implement and to identify priority activities in light of existing budget constraints and links to poverty reduction strategy.’ (136)

iv) The huge problem of capacity to implement land policy reform

Nobody who has worked in the area of land policy reform in Africa will need reminding of the serious problems facing implementation; indeed I wrote the concluding chapter to the Toulmin and Quan book on this very theme.⁶

So, citing the well known example of Uganda, the PRR stresses that it is

‘critical to avoid unrealistic plans that can not be implemented within the given resource envelope’ (138).

In post-conflict situations,⁷ such as Mozambique,

‘serious attention to establish a legal basis for clarification of land rights that is unambiguous and simple to implement will be essential.’ (120)

And because of the inevitability of confronting powerful vested interests, it is also

‘essential that it [land policy] be based on solid analysis that is backed by local capacity and a broad policy dialogue.’ (137)

v) So replicable pilots are probably a good idea

Because of the problems of implementation, the PRR rightly concludes that:

‘It is critical to from the beginning combine any approach to policy making with the implementation of pilots and their careful and independent evaluation...in order to inform the policy dialogue.’ (138)

This has been

⁶ Robin Palmer, ‘Land Policy in Africa: Lessons from Recent Policy and Implementation Processes’, in Camilla Toulmin and Julian Quan (Eds). *Evolving Land Rights, Policy and Tenure in Africa* (London, DFID, IIED, NRI, 2000), 267-88. An unexpurgated version can be found at <http://www.oxfam.org.uk/resources/learning/landrights/downloads/rppolimp.rtf>

⁷ The section on conflict resolution (121-4) stresses the need for incentive structures that reward settlement of conflict, the ability to give legal validity to agreements reached, and a system of conflict monitoring and dissemination of information (122-3).

‘essential in a wide range of countries, from Sri Lanka and Philippines, the former CIS, to Peru and Latin American countries. A set of carefully selected and appropriately evaluated pilots would be of particular interest in Africa’. (139)

Pilots are also important in the context of conflict resolution (139) and need to be designed in a rigorous way so that comparative lessons can be learned. (140)

It would certainly be good to gather some thoughts on this during the e-mail discussion group.

vi) Some check lists that are worth checking

There are **3 lists** in this chapter **which people might well want to study and to check out and critique for themselves.**

- The first is a list of common **issues which have compromised** the scope for **poverty reduction** inherent in land reform programmes. (116)
- Immediately following this is a long list of characteristics needed in ‘**interventions to advance redistributive reform.**’ (116-8)
- Finally, in the section on establishing a national land policy framework (133-40) is included an important list of key issues and concepts (135-7), and within that Box 18 offers a checklist of ‘**key issues and indicators for elaboration and monitoring of a land policy framework**’, broken down into tenure security, market and productivity, and regulatory framework. (136)

7. Some concluding thoughts – don’t forget the politics

While there is much in the PRR that is positive, and while there have certainly been signs that its author has listened to the research which was presented earlier this year in the 4 continental workshops, it will be important in the real world of politics that land policy strategy is set within a broader vision of social goals relating to poverty reduction. And, as we surely all know, pro-poor land reform, laws and policies are of limited value as long as trade rules and subsidies remain rigged in favour of the rich. How does a broader vision get designed and through what process? And how might the World Bank’s own procedures ensure that more attention is paid to these questions of process? Will the whole PRR process remain a mere academic exercise? **The e-mail discussion might usefully address this area.**