

**Better livelihoods for poor people:  
The role of  
**Land Policy****

consultation  
document

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Land policy, land rights and land reform have a critical bearing on economic development and poverty reduction in both rural and urban areas of the developing world. But land issues are often complex and politically difficult. For this reason they may be neglected. This *draft* Issues Paper seeks to promote discussion about the importance of land in poverty reduction strategy processes, in different regions of the world and across different sectors.

The draft has been prepared following a series of regional workshops on land policy sponsored by the World Bank, in which DFID participated, and takes account comments received through this process.

Further comments and feedback are most welcome up to the end of November 2002, addressed to Julian Quan at:

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## **Abbreviations**

AIDS	acquired immune deficiency syndrome
CBO	community-based organisation
COR	certificate of right (Botswana)
CPR	common pool resource <i>or</i> common property resource
CSO	civil society organisation
DFID	Department for International Development (UK)
ECOLOG	<i>Economie Locale</i>
EU	European Union
FAO	Food and Agriculture Organisation of the United Nations
GIS	geographical information system
GPS	global positioning system
HIPC	highly indebted poor country
HIV	human immune-deficiency virus
HRS	household responsibility system (People's Republic of China)
IADB	Inter-American Development Bank
IIED	International Institute for Environment and Development
LIS	land information system
MDG	Millennium Development Goal
NGO	non-governmental organisation
PRS	poverty reduction strategy
PRSP	poverty reduction strategy paper
SADC	Southern Africa Development Community
SWAp	sector wide approach
UNCHS	United Nations Centre for Human Settlements ( <i>Habitat</i> )
WDR	World Development Report (of World Bank)

## **Executive summary**

This paper sets out the importance of land, land rights and land reform in developing countries, and considers how land policies can contribute to poverty reduction and the achievement of the Millennium Development Goals. In both urban and rural areas, secure access to land provides the basis for investment in better livelihoods and improved living conditions. More equitable land distribution enables the poor to benefit from broad based economic growth. Through greater agricultural productivity it can contribute to, or even accelerate growth. Sound land policy and secure tenure are also important in promoting environmental improvements and sustainable resource management.

Land has been a key development issue for years. Different approaches to land reform have yielded successes but there have also been failures and the impact on poverty has often been limited. Land reform impacts on the livelihoods of both rural and urban poor people and needs to be integrated into countries' poverty reduction strategies.

The paper discusses four main challenges in developing pro-poor land policy: *equitable access*, especially for minority groups and women; *secure tenure* in land rights, including rights to common property and other forms of rights in land; *governance*, in particular the administration of land rights; and *financial and political sustainability*.

Land policy must respond to population growth and economic development. As cities expand and non-agricultural economies grow the pressure to convert land to new uses increases. Other factors, such as HIV/AIDS, are putting pressure on land rights, especially for women and orphans. Land policies and land institutions need to keep pace, establishing an equitable basis for investment and land development, whilst ensuring that poor people gain new livelihood opportunities and that their rights are protected.

Land institutions are a vital element of effective governance. Where they are weak, the rights of the poor are particularly at risk. Well functioning property rights and land institutions underpin economic development and help reduce corruption and social conflict. Efficient land administration that is accessible to ordinary people and recognises the complexity of land rights on the ground is crucial. The legal recognition of informal land rights is a powerful tool for social inclusion. Land markets must help the poor gain access to land. Land use planning needs to be democratic in order to mediate effectively between competing interests amongst land users.

Land reform is a long-term process that requires sustained support. It is an issue of central political importance and considerable sensitivity. Governments need to win support for reform through broad-based consultative processes. For their part, donors should avoid stand alone, technically driven land programmes and work instead with Governments through poverty reduction strategies and co-ordinated sector-wide approaches.

The paper advocates a rights-based approach to land meaning advocacy and representation of the poor in land management. However, if the Millennium Development Goals are to be achieved rights must be converted into livelihood opportunities. Land policy and reform need to be considered in the wider context of poor people's productivity and livelihoods, provision of services (health, education, advice, technologies) and access to markets.

DFID believes that land is a key factor in poverty reduction. The challenges and opportunities vary by region and country. We will continue to help Governments committed to poverty reduction to address land issues where prioritised in national poverty reduction strategy processes. Where appropriate we will also strengthen the capacity of civil society to represent the poor in land reform processes. We will work with regional organisations to learn lessons on good practice. And we will work with development partners to promote international lesson learning.

## The significance of land rights for poverty elimination

1. **In this paper we show that land is a fundamental livelihood asset.** Shelter, food production and other livelihood activities all depend on it. Secure, safe and affordable land is a necessary, but not always sufficient condition for reducing poverty. For most poor people, land reform must be complemented by improved access to services (health, education, skills, finance, transport and knowledge), technologies and markets if they are to realise better livelihood opportunities and escape from poverty.
2. **We outline the ways in which pro-poor land policy can contribute to eradicating poverty** as measured by progress towards achieving the Millennium Development Goals (MDGs) through:
  - **Sustainable economic growth.** The productivity and efficiency of land-based activities such as agriculture, but also industry and services, require effective and workable land institutions.
  - **Greater equity.** Access to land by poor people is essential if they are to contribute to and benefit from economic growth. Equitable distribution of assets, especially land, promotes higher productivity and rates of growth.
  - **Security.** Secure rights to land reduce household vulnerability and guarantee a basic level of self-provisioning and supplementary income. For many poor people land, and the investments they have made in it, is their largest single capital asset. The possibility to sell or lease land provides a safety net for poor people who cannot farm themselves.
  - **Environmental sustainability.** Land policy and land institutions affect the way in which land is used.
3. We identify opportunities and challenges. We look at the roles of governments and the international community in supporting land policy reform and we propose that DFID and other development agencies adopt a role that emphasises realising **rights** through creating **opportunities** for the poor, especially women. This involves reshaping the political economy and reforming policy, regulatory and administrative environments for land policy.

## **Land as a rural issue**

4. **Large numbers of the world's poorest people, especially in Asia and sub-Saharan Africa, live in farming households<sup>1</sup>** and depend for their livelihoods and food security on the productive use of land. In almost all developing countries, agricultural productivity makes a major contribution to growth, employment and livelihoods. Forests, rangelands and wetlands are important resources for the poor, especially in remote areas and in times of hardship. For all these types of land resource, the rights held by the poor are frequently their most fundamental livelihood asset. These rights may be informal or formal; they may be wide-ranging or quite restricted. Formal rights do not necessarily provide greater security than informal or customary rights. The security and quality of these rights directly affect land use. Weaker rights may discourage investment and lead to unsustainable use.
5. In many developing countries **land ownership remains highly skewed** especially in Latin America, southern Africa and some parts of Asia. When land ownership is highly unequal, agricultural growth delivers fewer benefits for the poor, as profits are taken away from the rural economy. Small farms are often more productive than larger estates.
6. Land is only one factor in the development of the rural economy and most successful land reform programmes been part of wider, broadly based processes of agrarian change. Box 1 summarises the critical elements.

### **Box 1 Linking land rights to agricultural reform and rural development**

The poor can only realise the benefits of more equal land distribution and secure land tenure if they can also participate in wider development through:

- ❑ Better access to input and product markets, including savings and credit;
- ❑ Appropriate technologies for higher, sustainable productivity;
- ❑ Education and the skills to use the new technologies;
- ❑ Opportunities to diversify both within and beyond agriculture;
- ❑ For the landless, being able to access land;
- ❑ Improved tenancy and sharecropping arrangements;
- ❑ Protection of rights and development of opportunities for agricultural workers;
- ❑ Equitable opportunities for private sector development e.g. in high value crops for export;
- ❑ Better terms of trade for developing country agricultural producers.

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<sup>1</sup> The World Development Report 2000-2001 estimates that 70% of those living on less than \$1/day are farmers. See also *Better Livelihoods for poor people: The role of agriculture*, DFID, August 2002.



## **Land as an Urban issue**

7. Competition for land is especially marked in **urban and peri-urban areas** where growing numbers of poor people live. In the urban economy the cost of land for shelter, for economic enterprise and to access basic services, is rapidly increasing. Typically, demand for settlement far exceeds supply of suitable land. New migrants trying to get a foothold in the urban economy, people displaced by high value development and the sons and daughters of city families all find it increasingly difficult to find safe, secure and affordable land.
8. **Poor policies, inappropriate legal frameworks and weak administration mean many governments are ill equipped to provide land for the poor in cities.** Cumbersome planning and building standards that are blatantly infringed frequently combine with hazardous topography. Many poor people have no choice but to take what land they can through informal or illegal means. Conditions in poor areas of cities are unsafe and unhealthy, services are inadequate and people face the continual threat of eviction. It is vital that work to strengthen land rights in cities is linked to improved urban and regional planning (see Box 2).

### **Box 2 Linking land rights to improved urban and regional planning**

The Habitat agenda aims to make progress towards adequate shelter for all, with secure tenure and access to essential services, in every community by 2015<sup>2</sup>. Secure tenure is a key indicator for the 'Cities without Slums' MDG: by 2020 to have achieved a significant improvement in the lives of at least 100 million slum dwellers<sup>3</sup>.

- ❑ Security of tenure, whether the right to occupy a room or to develop a plot of land, plays a large part in determining access to basic infrastructure, services, employment opportunities and credit.
- ❑ People who are safe from eviction feel secure to improve their homes and neighbourhoods.
- ❑ The legal recognition of extra-legal settlements and enterprises of the poor are powerful tools for social inclusion, and an essential basis for establishing the rule of law and more socially legitimate government in urban areas.
- ❑ Urban planning strategies provide an important means of enabling poor people to live close to their sources of livelihood
- ❑ Participatory planning can strengthen the confidence in the development process and property rights, and help to direct investment to areas where it will
- ❑ Be of greatest social benefit.

Source: DFID Urban Strategy (DFID 2001).

<sup>2</sup> Aim of the Commonwealth Consultative Group on Human Settlements

<sup>3</sup> In the context of the MDGs it is not entirely clear what is meant by "slum dwellers", although the proportion of people with secure land tenure is proposed as an indicator, and the scope for this is both urban and rural.

## ***Land and environmental sustainability***

9. If people have uncertain rights to their land, they have little incentive to invest in or conserve it. As population and economies grow the pressure to maximise the land's output increases. Often it is the poor who have to intensify use of their diminishing land. For the very poor, even short-term tenure improvements can be a great advantage. Traditional tenure systems do not provide strong controls on land exploitation and environmental problems can arise when communal land management systems break down. Institutions that negotiate and maintain multiple use rights for different users become critically important.
  
10. **As the pressure grows, so land use needs to be regulated more strongly, to ensure that the resource is well managed.** Land policy and institutions play a key part in this: to conserve the land; to ensure that pollution and other external costs are recovered from the polluter; to enable rights to be negotiated amongst land users; and to provide a basis for regional planning. As with all regulation, both appropriate policy and effective enforcement are needed. For the poor it is particularly important that environmental standards are appropriate to their needs: that they are simple, accessible and affordable without compromising the protection given to the environment.

## ***Land reform***

11. Different approaches, broadly described as "land reform", have been used. The main ones are:
  - Land redistribution;
  - Confirmation of tenure security;
  - Decollectivisation and farm restructuring;
  - Improving the capacity of public sector land institutions.

These approaches are described in Box 3.

### **Box 3 Main approaches to land reform**

**Redistributive land reform.** Expropriation of large land holdings for settlement by smallholders has been attempted in many countries. There have been great successes, notably in Japan, Korea and parts of West Asia but also significant failures, for example in a number of Latin American countries. Land redistribution is heavily politicised, especially where it seeks to address demands for restitution from dispossessed groups. Ways to achieve redistribution are subject to controversy, and the land reform movements of the poor, which spearhead demands for redistribution, may become subject to political manipulation and conflict. Redistribution requires strong political resolve, widespread support in society and transparent criteria. It is most relevant where land is under used or poorly managed. Government-led reform has been vulnerable to manipulation and inappropriate selection of the beneficiaries and the land expropriated. To address this, *market based mechanisms for land reform*, which assist poor farmers to negotiate the purchase of land for themselves, have been promoted, notably by the World Bank. Although this has potential in certain contexts it has aroused considerable opposition in others, for instance from landless movements in Brazil and the Philippines. The main criticisms are that: the poor face enormous difficulties in accessing land through the market; markets do not tackle structural inequalities in land ownership; markets do not necessarily help level the playing field between smallholders and agribusiness. Whatever the approach, successful redistribution needs infrastructure and social and agricultural support services. At the extreme, some programmes have been described as creating 'agricultural slums'.

**Strengthening tenure.** Since the 1960s, programmes of land titling have sought to strengthen tenure by converting customary or other informal rights to land to statutory rights. In many cases titling has proved to be expensive and slow. There has been insufficient recognition of the context and the structure of pre-existing informal or customary tenure systems that may involve a range of overlapping secondary and communal resource rights. In some cases, the time was just not right for titling and existing systems were perfectly adequate. A better approach may be to assist existing systems to adapt to social and economic change.

**Decollectivisation and farm restructuring** have been significant factors in Eastern Europe and parts of Central Asia, as well as former socialist countries in Africa and Vietnam and China. In the former Soviet Union, new models of land privatisation and farm restructuring have been developed. Private household plots have provided an important safety net in supporting livelihoods and food security during the transition process. The consolidation of fragmented farm plots into commercially viable holdings is now an important issue.

**Reform of public sector land institutions.** An essential for effective land reform, land institutions are weak in many countries, especially where incomplete reform programmes have left parallel systems in operation. Institutional capacity building is often linked to titling programmes. However, it has often been divorced from the reform of land policy and inappropriate to the needs of the poor, with the result that it has failed to deliver real benefits. Where capacity is very weak, especially after periods of conflict or other upheavals, institutional reform must be a long-term process and be linked to wider reforms in the public sector, especially decentralisation.

## Opportunities and challenges for pro-poor land policy

### *Improving access to land*

12. There is good evidence that **equality in the ownership of land and other assets encourages faster, more equitable growth**<sup>4</sup>. This underpins the case for land redistribution.
13. Land redistribution is inevitably contentious and politically complex. Opposition from landowners and other interests can stall the process or result in excessively high compensation costs. Land redistribution needs long-term commitment and strong political management. Above all, government must work with civil society to ensure a broad social consensus for change. Earlier land reforms in the South Asia, West Asia and North Africa provided a platform for broad-based rural growth and industrial development. But where governments, landowners and peasant farmers have remained divided, land has continued to be a source of conflict, as in Brazil and southern Africa. Here reform programmes have been only partially successful. Difficulties are greatest where there are demands for restoration of land rights alienated in the past or where land has become part of a wider struggle over social inequality. Failure to address these powerful political motivations effectively can derail political and economic processes.
14. **There is a range of alternatives for improving land distribution, short of expropriation.** These include strengthening the rights of tenants, abolition of intermediary landlords, imposition of land ownership ceilings and the introduction of progressive land taxes. These measures have had mixed results and landlords have often succeeded in opposing or evading them. More recently, market-based policies have focused on land redistribution through rental and purchase. A limited track record indicates some potential in this approach. However, it has proved highly controversial amongst civil society organisations that see it as favouring the better off.
15. **Alternative approaches involve landless people's organisations directly.** In Pakistan, there are experiments with land leasing through intermediary bodies acting on behalf of the poor. Negotiated land reform involving peasants' organisations and private landlords is now being attempted in Ecuador and Brazil. NGOs in Bangladesh are helping poor people to access under-used public land. In urban areas, regularisation of tenure in informal settlements has stimulated improved living

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<sup>4</sup> See for example Easterly (2001, Chapter 13), which points out that higher inequality in land distribution is still associated with lower growth, even when fixed effects are used to remove country differences (see Deininger and Olinto, 2000). This corroborates the view of many agricultural economists, that the skewness of land and income distribution in Latin America has retarded poverty reduction (for an example see Mellor, 2001).

conditions and livelihoods. All these approaches have had some success, illustrating how diverse approaches are needed to suit different contexts. Blueprints to land reform should be avoided.

#### **Box 4 Land reform in unequal societies**

Land ownership in **South Africa** is racially skewed. Unemployment is very high among blacks in the cities and in the homelands. Over 13 million people are crowded into areas where rights to land are unclear and contested and where land administration is in disarray. The South African government sought through restitution, redistribution and tenure reform to redistribute 30 per cent of agricultural land by 1999. But to date less than one per cent of commercial farmland has been redistributed, although approximately 60,000 households received grants for land acquisition, mainly for shelter. In 2001 Government launched Land Reform for Agricultural Development, a market-based programme in which smaller commercial farmers receive subsidised credit for land purchase.

Much of **Brazil** has a heritage of absolute property rights over large areas and exploitative, paternalistic relations between landowners and their labourers and tenant farmers. The rural economy has stagnated leading to absenteeism, poor land use and property speculation. A highly organised landless movement, (of which the best known element is the *Movimento Sem Terra*) operating largely through land occupations, promotes the needs of peasant farmers and rural workers. Civil society organisations are campaigning for constitutional limits on landholding size. The national land reform agency manages a programme of expropriation and redistribution. Often this involves legalising land occupations. An alternative market-based approach supports farmer groups with credit to buy land and build infrastructure. But widespread breakdown of rural services in a number of Brazilian states, and the lack of an enabling policy and institutional environment, mean that neither approach is delivering sustainable farm livelihoods.

Land purchase schemes in South Africa and Brazil have been criticised for not meeting the needs of the poor, although they may start a gradual shift in the domination of large estates.

### **Box 5 Innovative approaches to land access in South Asia**

Land ownership in **Pakistan** is extremely unequal. Landlessness has been estimated at around 50 per cent in rural areas. Just four per cent of land holdings make up more than half the total area owned. Legislation that sets a ceiling on ownership is widely considered to have been ineffective. In the large irrigated areas of Sindh and Punjab the majority of the poor depend on sharecropping or leasing. Sharecroppers' rights are highly insecure and they frequently become indebted to landlords. NGOs have begun to lease large areas from landlords for sub-letting to poor and landless farmers. These organisations also offer services to support farmers.

In **Bangladesh** landless households depend on wage labouring and small enterprise. Access to even a small plot of land supports food self-provisioning and establishes eligibility for small loans. As in Pakistan, land owning elites have circumvented ceilings on holding size and a dysfunctional land administration system has blocked distribution of public land and the functioning of the land market. SAMATA ("Equity") is one Bangladeshi NGO assisting the very poor through the complex process of public land verification and distribution. SAMATA aims to acquire over 20,000 ha of public land and over 2000 ha of water bodies for landless people, over half of whom will be women.

### ***Strengthening tenure security***

16. For several decades, attempts to improve security of tenure have been based on models of *land titling* with the aim of encouraging investment and higher productivity. Formal titles have been seen as a way of assuring access to credit and of opening up markets to transfer land from less to more efficient users. But titling is an expensive and long-term process, one that is not yet complete in any of the leading OECD economies. Few titling programmes in developing countries have succeeded. The main problem is that they can disadvantage poor people who lose the security provided by customary tenure whilst being unable to complete the bureaucratic process of registration. In the worst cases this has created opportunities for the powerful to override customary or informal rights. In both urban and rural areas titling programmes have seen tenants and other vulnerable land users displaced.
17. Titling is often cited as a means of accessing credit markets. Where isolated, small plots are concerned; where legal systems cannot enforce repossession; and where land markets do no function, formal title often has little value as collateral.

### **Box 6 Titling, land rights and social inclusion**

The argument that the law must recognise the land claims and settlements of the poor through land titling is developed in a recent, influential book by Hernando De Soto *The mystery of Capital: why capitalism triumphs in the West and fails everywhere else* (2000). De Soto concludes that the formal recognition of property rights provides a solution to the problems of poverty and the need for capital accumulation in poor countries. Formal titling would enable informally held property to be mortgaged so as to "unlock the hidden capital assets of the poor".

De Soto has successfully drawn attention to the property rights of the poor. The need to find workable, low cost systems to provide robust rights and open economic opportunities for the poor is central to the argument. It should not, therefore, be assumed that formal titling is a universal requirement. There is diversity of existing property rights and circumstances in different countries and between urban and rural areas. In some cases full freehold title may be justified. In others, rights may be better strengthened within existing systems, especially if this avoids the expense and exposure of the poor that full titling can entail.

18. Many programmes have emphasised freehold tenure. In practice, there is little to distinguish freehold from long-leasehold and a variety of incremental improvements to tenure short of freehold are possible. Formalisation of customary rights; recognition of informal rights of use and occupation; codification of tenancy and sharecropping agreements; and establishment of cooperative or condominium ownership, are all means to the same end. In urban areas, cooperative ownership has led to substantial environmental improvements in poor neighbourhoods. In sub-Saharan Africa, existing community rights are often appropriate, when backed by legislative protection and sound dispute resolution systems to protect the individual within the group.

### **Box 7 Customary tenure in sub-Saharan Africa**

Customary rights and systems of land management based on kinship with secure, hereditary usufruct rights have proven durable. These systems are flexible and, under the stimulus of population growth and economic change, rights have been consolidated and become more individual. Customary tenure typically permits people to transact in land and supports a range of derived or secondary rights, within the household but also across wider communities. The colonial period saw the introduction of statutory property rights for commercial farming and urban development. Many African countries now have parallel tenure systems with overlapping and conflicting jurisdictions.

There have been attempts, for example in Kenya, to replace customary tenure through registration and titling. These have been only partially successful and customary norms have proved more robust for everyday transactions. Individual titles have not captured the range of multiple use rights to arable, grazing and forest land which are fundamental to African livelihoods.

Since the mid-1990s tenure reforms are underway to recognise established customary rights. Through new, decentralised bodies communities and customary leaders are participating in the management of land, land rights and land disputes. This approach was pioneered in Botswana and is now being implemented in Benin, Burkina Faso, Mali, Mozambique, Niger, Tanzania and Uganda.

Outstanding issues to be resolved are:

- ❑ The role of traditional chiefs. In many cases there may be a risk of their abusing their considerable powers;
- ❑ How to balance the needs of commercial agriculture (often reflected in demands for land titling from national elites) with the maintenance of systems appropriate to the needs of poor people.

## ***Land rights and gender***

**19. Property rights are a cornerstone of gender equality.** Women's rights require strengthening under both formal and informal systems of tenure. This may mean tackling constitutional and inheritance law as well as land policy and legislation. The main legal requirements are for establishment of women's rights to property and recognition of co-ownership, for example to ensure that women's agreement is obtained in cases of land disposal.

**20. Women's entitlements to land are often determined by inheritance practice.** The case for addressing gender inequalities is particularly strong in Asia, given the growing involvement of women in agriculture, and in Africa, where women have traditionally played the role of food producers. As the Asian examples show (see Box 8), legal rights are not sufficient. Women's rights in land depend on whether they are socially as well as legally recognised. In customary tenure systems and inheritance practices in Africa, women tend to be dependent on husbands or male relatives to access land. Here too, legal reform alone is unlikely to be enough and the extension of women's rights will be a



long-term social process. Cultural action, advocacy and education have important parts to play.

### **Box 8 Women and land reform in China and Vietnam**

Collective farming systems in Vietnam and China reduced sharp inequalities in land ownership but restricted individual households' security of tenure and incentives to invest. Since the 1990s both countries have granted stronger land use rights to individual households. This has contributed to dramatic increases in agricultural productivity and reductions in rural poverty.

In **Vietnam**, a 1988 land law granted long-term rights over four million hectares giving users the freedom to cultivate as they wish (although land continues to be the property of the state). A further 1993 law granted rights to exchange, lease or mortgage land. A decentralised approach to implementation ensured that land was distributed relatively equitably. In **China**, households in 1988 were given rights over land and permission to retain increased revenues from agriculture. The land management law of 1998 provided households with greater tenure security.

But for women, especially, uncertain land rights remain an issue. In Vietnam, widows can only hold title to land from the period of their husband's death until the eldest son reaches adulthood. In China, women's equal rights to land have been enshrined in law in 1949. However, they have often not been socially recognized, or adequately enforced. Reforms meant that women lost the support the collectives sometimes provided, such as childcare. Village committees, which continue to act as gatekeepers to land on behalf of the state, can disfavour women. Divorced women may come to be a significant landless group.

*Sources:* World Bank 1995 and 1998, Glewwe *et al.* 2000, Ravallion and van der Walle 2001, Duncan and Ping 2001.

## ***Common Pool Resources***

21. **Rights to use of common pool resources are a neglected aspect of land policy.** Many poor people depend on common pool resources (CPRs) such as forests, rangelands and wetlands. Land, agriculture and natural resource policies have often been developed in isolation. Examples include range demarcation, award of logging concessions and the creation of protected areas such as national parks. These generate disputes with local communities over access and the distribution of the proceeds from the new use. At worst, existing users lose their user rights altogether.
22. Indigenous groups in various parts of the world have now gained legal title to the lands they have occupied historically, usually under communal ownership. However, these communal management systems can exclude vulnerable users, frequently the very poor, who are most dependent on gathered produce. Establishing communal institutions that protect the rights of all is a key issue. Even where land rights are

allocated communally, proper assessment of pre-existing rights and livelihood systems is required.

### ***Demographic change, urbanisation and migration***

23. **Population growth means increased demand for food and land.** It is estimated that there will be two billion additional land users by 2050 and a doubling of food demand. Improved agricultural technology will reinforce the need for secure land rights. In sub-Saharan Africa and south Asia agriculture will remain a primary source of growth and livelihood. In large part this will be from small-scale agriculture but large-scale farming will also play a role especially in supplying export and urban markets. Land policy must meet the needs of both small-scale and larger producers.
24. **Migration is a one of poor people's most important livelihood strategies.** In many countries, migration to the cities is a driver of poverty reduction. Cities need infrastructure and services to support new settlements of the poor and to stimulate growth and employment. In many cases families need to keep a secure foothold in both urban and rural areas.

#### **Box 9 Land and urban growth in west Africa**

The urban population of the region rose from 18 to 80 million between 1960 and 1990. Eighty per cent of economic activity is concentrated on less than one fifth of the land, in the cities and their adjacent areas of influence. Production within these metropolises is growing faster than the national average and the area of land subject to urban influence is expanding. This has multiple implications for land policy. In urban areas there is vastly increased demand for house plots, for upgrading of squatter settlements and for tenure regularisation. Peri-urban areas are subject to particularly rapid change. Land markets are developing quickly and land values are increasing rapidly as land is converted to urban uses. At the same time, demand for agricultural land will also increase to meet urban demand for food.

Poor people are vulnerable as unscrupulous traditional authorities and land speculators seek to exploit the opportunity. There is an urgent need for policies to protect land rights and for equitable and transparent planning processes to provide land for agricultural and environmental protection. Migrants, principally from the semi-arid Sahelian zone, are active in urban labour markets and as tenants and sharecroppers in agriculture. Regulation is needed to protect negotiated rights in the interests of both tenants and landowners.

*Sources: Club du Sahel 1999, IIED 1999*

## **Land markets**

25. **Poor people need markets that work for them.** Land markets, often irregular and informal, are developing in urban, peri-urban and densely populated rural areas. Poor people need secure tenure and market information to participate fully in these markets. While formal land markets should protect the rights of the poor they can also present financial and administrative barriers that make it difficult for people to gain access to the market at all. There needs to be a careful balance between recognition of informal land transactions and regulation of markets to ensure that they are inclusive, accessible and equitable. Land markets are complex and often not well understood by public agencies. As with tenure, it will often be better to adapt and facilitate existing informal markets.

## **Globalisation, investment and land rights**

26. **Poor countries need to increase trade and investment.** But governments wishing to allocate land to commercial developers risk displacing smallholders and traditional users. Effective and participatory planning institutions that ensure that decisions are made with the involvement of those who will be affected are essential. The same applies to decisions over investments in infrastructure. Some countries have developed systems that allow communities and investors to negotiate use (see Box 10).

### **Box 10 Land and investment in Mozambique**

The 'open borders model' adopted in Mozambique is an innovative approach to customary land rights. The 1997 land legislation legitimised customary land rights and the *de facto* land rights of people displaced by civil war. A participatory methodology has been legally defined, indicating how land is to be demarcated at the community, rather than household, level. Theoretically, the model provides local people with clear rights over their land and the opportunity to negotiate with private investors for development purposes.

Whether the approach will work depends upon the way the law is implemented, on the communities' capacities and on the availability of judicial and administrative support. Communities will need assistance to delimit their land and to negotiate. The risks are that the more powerful may dominate land demarcation and negotiation. It is also possible that women will continue to have limited access to land on account of discriminatory customary practices.

*Source: Tanner (2001)*

## ***Governance and land rights***

27. **Land is an issue of governance.** Recognition of the land rights of the millions who dwell in informal settlements is critical in promoting the rule of law. Where there are no effective, legitimate channels for land access, squatting and land invasions become legitimate in the eyes of the poor. Similarly, the fact that basic services can only be acquired illegally undermines respect for the law and exacerbates social exclusion.
28. In many societies land is a currency of political patronage and corruption. Where land administration is complex or dysfunctional rent-seeking behaviour flourishes at the expense of the poor.
29. Land taxation creates incentives for more equitable and productive use of land. It can also be an important source of public funds for the construction and maintenance of infrastructure. Rapid changes in land values can generate gains to individuals or private sector interests. In the public interest, government should seek to extract some of the value added. This is a particular issue where significant volumes of land transactions effectively take place offshore.

## ***Democratising land processes***

30. **Land administration is a public good that needs to be accessible and affordable to all.** The interests of land professionals and administrators have often dominated land administration institutions (survey, valuation and registration). Often, procedures are unintelligible and inaccessible to ordinary people. Institutions need to adapt to recognise customary land rights; to understand indigenous land management systems; and to respect the rights of women and marginalised groups. This requires institutional reform and capacity building, improvements in transparency and accountability and representation of poor people in decision-making processes. Both civil society and the private sector have a part to play in delivering land to the poor.
31. Local institutions for managing land tenure and land use will be an essential element in the decentralisation process now underway in many developing countries – driven primarily by an agenda of taking service delivery, decision making and accountability closer to citizens.

### **Box 11 Information and communication technology for land administration**

Computer technologies greatly reduce the cost of land administration. Land information systems enable land registers to be created quickly and kept up to date while global positioning systems (GPS) allow land to be surveyed quickly and cheaply. Geographical information systems (GIS) provide maps cheaply that can be used in discussions of land management at community level.

These technologies must be used carefully. Because it is now much cheaper and easier to establish a formal system of registration does not mean that it is appropriate. Where evolution of communal and informal tenure systems is concerned technologies must be adapted to simpler, more flexible uses that support documentation and protection of a broader range of land rights on the ground. Technologies should not drive policy but rather be adapted to support policies that promote social and economic needs.

### **Box 12 Land and environmental governance in Brazil**

Land development in the Amazon and the coastal *Mata Atlantica* has eroded the resource rights and livelihoods of indigenous and other local people. It has also threatened the global environmental services that Brazil's forests provide. Land reform, official planning and commercial development have all contributed to this. Although the land reform movement has recently recognised the importance of sustainability, promising a win-win scenario for small farmers and the environment, private development and political interests continue to threaten the resource, while weak land administration offers little protection. The increased awareness in civil society and amongst the poor themselves can only lead to improvements in sustainability, if land rights are strengthened and the poor are given a clear voice in the planning process at the federal and the state level. This will involve:

- ❑ Legal recognition and enforcement of community rights in natural resources;
- ❑ Technical and business support services for small farmers to develop agriculture;
- ❑ Transparent, equitable and co-ordinated planning frameworks, whereby all stakeholders can be involved in decisions over public spending and land allocation;
- ❑ Land information systems that document land ownership and land use, including indigenous rights, to support land reform, planning and environmental management.

## ***Conflict and land rights***

32. **Conflict over natural resources is growing in different regions of the world.** These conflicts are linked to overtly political and sometimes violent or military conflict. Effective institutions to resolve land disputes are required including transparent local land tribunals incorporating legitimate customary practice, third party mediation and processes for the equitable allocation of natural resource rights. Conflicts associated with deep and unresolved historical and inter-ethnic inequalities in land distribution require special attention.

## ***HIV/AIDS and land rights***

33. **HIV/AIDS directly affects land rights, notably in rural areas of sub-Saharan Africa.** Although the dynamics of HIV/AIDS and poverty are complex and not widely understood, the disease clearly has a direct impact on land use and tenure security. The land rights of widows and orphans tend to be lost where land is registered in a man's name, or is inherited through the male line. Holdings of HIV/AIDS affected households become depleted as land is grabbed by more able-bodied relatives or sold-off to cover hospital expenses or funeral costs. Land policies and laws must be modified to protect the rights of HIV/AIDS widows and orphans.

## **Integrating land into poverty strategies**

34. Land reform, with the associated policy and institutional changes, is an expensive and long-term process. Land reform often requires short-term but costly bursts of activity such as public consultation, legal drafting or sorting out backlogs of registration. During implementation whilst much expenditure may be 'one-off' e.g. land registration, or land purchase and distribution it may nevertheless be spread over a number of years. This may present problems for planning and budgetary cycles, particularly where fiscal limitations are tight, and much donor support to land reform has been effectively off budget.
35. The politics of land reform is never far from the surface – and the perceptions this engenders. Some lending programmes have favoured the better off and the social impacts have frequently not been adequately assessed. Development partner coordination in the land sector has not always been effective and there has been a tendency for donors to support stand-alone, technically driven projects based on pre-conceived models.
36. Land policies and reforms need unambiguously to address the inherent tensions and interests. **National stakeholders, including a wide range of government, civil society and community stakeholders, must be effectively engaged in the development of land policy.** Governments should avoid raising unrealistic expectations, especially where powerful vested interests may be difficult to overcome. Even where progressive policies are adopted, these pressures may mean that they are not easily implemented. Owing to these sensitivities governments may have difficulty fostering wide debate and be reluctant to involve donors. In these circumstances there may be a role for donors to support pro-poor advocacy and civil society groups. Great care is needed to ensure that this support is at a pace and level that is acceptable and permits genuine dialogue.

37. Land cannot be addressed in isolation from other sectors, and *vice versa*. Land reform needs to be linked to wider policy measures on agriculture, provision of basic services, financial services and access to markets. **Poverty reduction strategy (PRS) processes provide a key opportunity.** However land is one of the issues that many current PRS *papers* fail to address well.
38. **Lesson learning and the dissemination of knowledge about the importance of land** is an important way to overcome this. The broad principles of pro-poor development; the need to secure urban tenure and basic services; and the need to strengthen the governance of land are common issues across the developing world. But there are major differences of history, culture and the pattern of economic development. Land reform requires distinct, locally appropriate approaches.
39. Regional inter-governmental institutions have the potential to deliver appropriate expertise and policy solutions to national users and offer a good focus for donor support. In southern Africa for instance, SADC has embarked upon the development of a Regional Land Reform Technical Support Facility to help tackle common issues of racially skewed land distribution and small farmer-centred development.
40. Regional networks, for example *Landnet* in Africa, established in response to demands from land tenure practitioners, put the dissemination of experience and good practice onto a more solid footing. They provide a 'less political' forum for debating difficult issues. They also help develop capacity and increase access to expertise by governments and community support organisations.
41. Multilateral organisations have a key role in delivering the resources needed to bring about real improvements in land distribution and land policy and institutions. It is important that policies promoted by multilateral and international organisations fully support and are consistent with achievement of the MDGs.
42. International organisations such as the FAO's Land Tenure Service can disseminate knowledge and provide technical, legal and training support. And donors can all play a role in lesson learning, promoting exchange of experience and in helping make available international expertise to country-led processes.

## **Implications for DFID and the international community**

43. **Land reform is central to poverty** reduction and appropriate reforms to land policy and land institutions continue to be needed. Land is first and foremost a national issue and most of the actions required fall at that level. But actions are also needed at regional and international level –

not least because the sensitivities and tensions inherent in land reform benefit from being viewed in a wider context.

### ***Regional and country level***

44. **Where land is identified as a priority by poor people** DFID will be prepared to consider supporting land reform processes in the context of poverty reduction strategy processes or their equivalent. Any decision to do so and the modalities, scope and scale of support will be determined through dialogue around country assistance planning processes. The sorts of assistance that might be provided include supporting national debate, especially ensuring that the voice of poor people is heard; providing access to specialist expertise; and capacity building.
45. DFID will also be prepared to consider supporting regional initiatives, particularly those that promise to move country processes forward through lesson learning, capacity building and providing forums for debate.

### ***International level***

46. DFID will seek to work in international forums to promote well-coordinated, joined-up approaches between multilateral and bilateral agencies working on land reform. This would include engagement the European Union, the International Financial Institutions and the UN, and include multi-donor strategic initiatives such as the joint World Bank/UNCHS (Habitat) funded Cities Alliance.

### ***Policy support and lesson learning***

47. DFID's Policy Division has started a three-year programme on land policy. The purpose is to strengthen partnerships at all levels for the implementation of pro-poor and environmentally sustainable land policies. The programme aims to:
- Support pro-poor approaches to land at country level, primarily through country programmes;
  - Promote coherent approaches to land policy amongst bilateral and multilateral organisations;
  - Strengthen knowledge, learning and best practice and effective civil society engagement in land policy and land reform.
48. Globally there is a very considerable body of knowledge on different aspects of land policy and land reform. This needs to be applied in policy and programme development through:



- Dissemination of research findings and recommendations for policy;
- Development of learning resources and training programmes with partner organisations;
- Support to knowledge and advocacy networks concerned with land policy;
- Development of systems to monitor the impact of land reform programmes on poverty and livelihoods, on economic growth and on environmental sustainability.

Areas where greater knowledge and understanding are required include land redistribution; the formalisation of land rights; the nature and performance of land institutions; and the integration of land issues with wider development and poverty reduction strategies.

## **Conclusion**

49. The importance of land institutions is increasingly recognised – a recognition that reflects the perspectives of poor people themselves. A better understanding of the linkages between land and property rights, economic growth, inequality, poverty and sustainability is emerging. The governance of land resources has emerged as an overarching theme; the process that not only determines access to land, affecting livelihoods in the short term, but that also plays a critical role in dispelling social conflict and ensuring environmentally sustainable development in the longer term. Pro-poor land policies offer social, economic and political advantages. Governments should take a lead in protecting the land rights of the poor, engaging with civil society on land issues, and identifying how land reform should form part of a coherent poverty reduction strategy.
50. Poverty reduction strategy processes offer a real opportunity to tackle land reform in order to improve the livelihoods of the poor, both rural and urban. Ideological debates still overshadow a growing consensus on land policy. These differences must be overcome if national strategies are to be both appropriate and widely owned. Greater experience is also needed on how the state, civil society and the private sector can work together to protect the rights of the poor and mobilise their assets and skills in development.
51. The international community has an important role in supporting developing countries to address land reform thereby helping achievement of the MDGs.

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## DEPARTMENT FOR INTERNATIONAL DEVELOPMENT

The Department for International Development (DFID) is the UK government department responsible for promoting development and the reduction of poverty. The government first elected in 1997 has increased its commitment to development by strengthening the department and increasing its budget.

The central focus of the Government's policy, set out in the 1997 White Paper on International Development, is a commitment to the internationally agreed target to halve the proportion of people living in extreme poverty by 2015, together with the associated targets including basic health care provision and universal access to primary education by the same date. The second White Paper on International Development, published in December 2000, reaffirmed this commitment, while focusing specifically on how to manage the process of globalisation to benefit poor people.

DFID seeks to work in partnership with governments which are committed to the international targets, and seeks to work with business, civil society and the research community to this end. We also work with multilateral institutions including the World Bank, United Nations agencies and the European Community.

The bulk of our assistance is concentrated on the poorest countries in Asia and sub-Saharan Africa. We are also contributing to poverty elimination and sustainable development in middle income countries in Latin America, the Caribbean and elsewhere. DFID is also helping the transition countries in central and eastern Europe to try to ensure that the process of change brings benefits to all people and particularly to the poorest.

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