

Monitoring and evaluation of land policies and land reform

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1. Introduction and background

Land policies can constitute a serious constraint on economic and social development in a number of respects that are of great relevance for developing countries. On the one hand, insecure land tenure, outdated regulations, and slow or dysfunctional land institutions constrain private investment, undermine good governance, and reduce local government's ability to raise taxes. On the other hand, highly skewed distributions of land ownership and patterns of land access that discriminate along lines of gender or ethnicity limit the scope for decentralized market mechanisms to bring land to its best uses, constrain economic opportunities (including the ability to use land as collateral) for disadvantaged groups, and often foment social conflict and violence.

Because of differences in the historical evolution and actual patterns of land use and ownership, the nature of land rights and institutions tends to vary significantly across countries and even regions within the same country. This implies that, more than in other areas, land policy and institutional reform will (i) involve a series of actions that need to be based on careful analysis of local conditions rather than abstract principles; (ii) have to be sequenced in a way that combines objective need with political acceptability; and (iii) often needs to be backed up by financial support to establish needed infrastructure. This increases the duration and complexity of land policy and, because land is often closely linked to vested interests, generally makes land policy reform controversial politically. Yet, the experience of many countries illustrates that ignoring land issues will carry a very high cost and may seriously undermine efforts at development in other sectors of the economy.

This note aims to provide practitioners with a quick reference of key policy issues, the way in which PSIA can help to address them, methodological considerations that will have to be considered, analytical instruments that can be used to do provide such evidence, and ways in which these results can be communicated to different stakeholders so as to elicit the desired policy response. The discussion of substantive and methodological issues will be relatively brief as both of these are discussed in more detail elsewhere (Deininger 2003, Bourguignon and Pereira da Silva 2003). The note goes beyond what is available in the literature by providing an annex with sample questionnaire modules that have been applied in different circumstances and that can help provide task managers with some ideas on how information that is relevant to PSIA can be generated in the context of standard household surveys. The rest of this note is structure as follows. Section two discusses the impact of greater tenure security, ways

to enhance it, and studies that have provided empirical evidence on the impact of greater tenure security on investment, conflict, and land market participation. Section three covers key principles regarding land access, policies to enhance it, and empirical evidence on this topic. This is followed by a list of principles and practical issues in the areas of sampling, questionnaire design, and links to other areas of analysis that need to be considered in conducting PSIA.

2. Tenure security

Importance of tenure security is now widely recognized. Public provision of a framework that allows households (or individuals within those households) to have secure rights to land which they already use or occupy can provide obvious benefits in terms of increasing investment incentives, reducing the conflict potential, possibly allowing to use land for collateral, and -by improving the bargaining power of those traditionally disadvantaged- improve equity. This requires a legal framework which combines legal backing with social legitimacy, land institutions that are effective, accessible, efficient and responsive to client demand, and incentives as well as structures to manage conflict and quickly deal with it rather than letting it escalate.

2.1 Principles

Land rights are multi-dimensional and complex constructs that determine the way in which the benefits from land use are distributed among different claimants. Control of and access to land have historically been a major element of economic power and social status. In fact, discriminatory land policies have been a crucial element in attempts by outside colonists to impose their economic control and exclude parts of the population from economic opportunities. This has settled a number of countries such as South Africa, Zimbabwe, Guatemala, Brazil, and the Philippines, with very high levels of land ownership inequality. Another, far more widespread, consequence of this is a monopoly of bureaucratic control that negatively affects transparency and local accountability in a much larger number of countries. In addition to its economic dimensions, land access often performs an essential role as a social safety net. Where this is important, access to land is generally mediated through social structures such as tribes or clans and the ability to access land forms an important part of people's social and cultural identity that makes land "much more than a commodity".

While economists use the household as the unit of analysis, control of land often rests with individuals within the household or the clan. The way in which control of land (and other assets) is regulated within households or extended families will have consequences for member's long-term security and bargaining power that will affect socio-economic outcomes such as different members' ability to control resources and the way in which these are spent. A number of studies show that greater bargaining power of women

normally translates into higher spending on nutrition, education, and children's welfare. Moreover, women who can be sure that they can securely inherit their part of the household's land even in case their husband dies are more empowered to engage in independent economic activities, and thus to support the sustenance of their families as equal partners. This is an area of particular relevance in Africa where customary institutions make independent control of land by women very difficult even though the tragic consequences of rampant HIV/Aids and associated mortality have greatly increased the frequency of inheritance cases.

Land rights that provide tenure security for a period long enough to reap benefits from investment will provide an important incentive for households to make investments that enhance the productive capacity of land, or to transfer land (for free or against compensation) to others who will be able to make better use of it. Studies show that shifting from insecure to more secure forms of tenure can more than double investment, and increase land values by between 30 and 80 %. Secure tenure (i.e. the knowledge that tenants will not be able to claim the land as theirs) is also required for land owners to temporarily transfer their land to others (including outside investors) who may be able to make better use of it, and to pursue activities (e.g. migration or local self-employment) that offer them greater economic benefits.

Because it is immobile and nearly non-destructible in the short term, land is an ideal collateral. The ability to draw on a formal registry to verify land ownership can dramatically reduce the cost of providing credit as compared to, say, micro-lending schemes, that rely on social pressure or other more costly forms of collateral to ensure repayment. If there is a latent demand for credit-financed investment, formal land title can improve functioning of financial markets and producers' access to credit. At the same time, even though economic development is generally associated with a decline in the importance of land as an input into (agricultural) production, the importance of land as a collateral for financial markets tends to increase with development. In developed economies such as the US, more than two thirds of small business loans are secured against land (Ibbotson *et al.* 1985). The ease with which the ownership of land can be verified, and the cost at which it can be exchanged can have a major impact on the cost of credit, and the business environment for small and medium enterprises even in relatively developed economies.

Even though private households and entrepreneurs are normally willing to spend scarce resources on defending property claims, doing so is often socially wasteful and detracts from more productive pursuits. Public provision of property rights to guarantee tenure security is also justified by the high fixed cost of the infrastructure needed to establish and enforce property rights. However, what is important is not an abstract concept (e.g. "private ownership" or "full marketability") but whether, in a specific context, the rights provided to households give them a sufficient level of tenure security at low cost. This implies that

the most appropriate land tenure system is likely to vary with time and space, i.e. there is not one concept that would be relevant irrespectively of the specific needs and conditions.

In developing countries, rapid growth of population and non-agricultural demand for land increase the potential for land-related conflicts that are both unproductive and inequitable. Developing arrangements that allow to deal with such conflicts quickly and decisively will be advantageous for a number of reasons. First, conflict and the prospect of losing the land it implies undermines prevents productive investment by land users and outsiders often on the most productive land, thus depriving the economy of much-needed growth potential. Second, if people do not trust the state to enforce their property rights or resolve conflicts they will take measures to do so themselves, often in a way that is inefficient and draws resources from more productive activities (e.g. building walls and fences instead of planting perennials and establishing irrigation). Third, conflicts favor the powerful and wealthy who normally have better access to information and the resources needed to sustain and resolve conflict. Finally, given that land access is historically closely linked to issues of race, ethnicity, gender and class, conflict the origin of which can be traced back to land can easily escalate and, even if land is no longer the main issue, give rise to large clashes (Cote d'Ivoire, Colombia, Zimbabwe), with far-reaching and very damaging social and economic consequences.

2.2 Specific interventions

The discussion above illustrates that interventions that improve tenure security can provided significant and tangible benefits. At the same time, the context-specific nature of land rights implies that simply transferring specific interventions between countries -especially if there are vast differences in culture or levels of economic development- will rarely be appropriate. In fact, unless they are adapted to local realities, interventions designed to enhance tenure security may well turn out to be costly and ineffective, by-pass the poor, or -by upsetting local customs that work reasonably well without offering a better alternative- even increase insecurity. PSIA can help to draw attention to how, in a specific situation, an appropriate legal framework can be established, land administration institutions can implement needed measures effectively and in an efficient manner, and mechanisms to resolve conflict quickly and at low cost can be put in place. By demonstrating the costs and benefits of these, it can make an important contribution to advancing the policy dialogue.

Legal interventions to increase tenure security

Countries have a number of options to provide property rights that are defined in a way that makes them easy to observe, enforce, and exchange and that have a horizon long enough to provide investment incentives and it has indeed been shown that, depending on their origins, their choices are very different.

At the same time, it is critical that legal provisions are consistent with each other, unambiguous, and provide a menu of options with well-defined transitions between different arrangements, e.g. between customary and private property rights. All over the world, ambiguous and unclear legislation is a major source of conflict and inequality as it allows people with sufficient resources to hire lawyers can bring lawsuits against others, often to settle private vendettas. This undermines the security of property rights and private investment but also can force existing enterprises to eat up their productive capital to fend off unjustified claims.

In many developing countries, the state has limited outreach and the allocation of land is governed by traditional institutions, something that results a gap between formal and informal systems that forces most of the poor into informality and deprives them of the ability to use their assets as “capital” (de Soto 2000). For example, in Africa, only 2 to 10 % of the total land area is formally recognized, and the majority of urban and peri-urban settlements is in the informal sector (Oosterberg 2002). While this should not be interpreted as indicating that there is no demand for more secure tenure, responding to the need of covering large areas quickly and at low cost may require a menu of options, some of which stop short of full title but can be upgraded if the need arises. To effectively implement these, awareness campaigns and legal aid will be important.. The challenge there is to establish laws that combine legal backing with social legitimacy: This can be achieved in a number of ways.

In *customary systems*, legal recognition of existing rights and institutions, subject to minimum conditions, is often more effective than premature attempts at establishing formalized structures. Legal recognition of customary land rights subject to a determination of membership and the codification or establishment of internal rules and mechanisms for conflict resolution can significantly enhance occupants’ rights. At the same time, demarcating community lands can remove threats of encroachment by outsiders. Demarcating community lands, determination of membership, and codification or establishment of rules and mechanisms for conflict resolution, all can provide significant benefits. can remove threats of encroachment by outsiders. None of these does require private ownership rights -and lease terms can be increased and leases made inheritable. Admitting oral evidence can also have big benefits for illiterate people and allow access to “vacant” land by outsiders (as in Mozambique). Public recording transactions, even if they are informal, can remove a major source of uncertainty and haggling over contract terms later. Conflicts often erupt in connection with land transfers, especially to outsiders. Where such transfers occur and are socially accepted, the terms should be recorded in writing to avoid ambiguity that could subsequently lead to land-related conflict (Lavigne Delville *et al.* 2002).

Occupants on *state land* have often made efforts to increase their level of security, in some cases through significant investments, but often remain vulnerable to eviction threats. Due to their limited land rights

they often cannot make full use of the land they occupy. Giving them legal rights and regularizing their possession is therefore important, along with means to resolve any conflicts that may arise in the process. Often, political or other considerations may preclude award of full private property rights. If existing institutions can credibly commit to honor lease contracts, giving users secure, transferable, long-term lease rights will permit realization of most, if not all, the investment benefits of high tenure security. In these cases, recognition of long-term peaceful occupation in good faith (Baker 2001) and award of long-term land leases with provisions for automatic renewal will be the most desirable option. However, if leases by state institutions are not credible (something that can be tested by whether or not financial institutions will accept them as collateral), full privatization may be required. An indicator for limited credibility of leases is that, even where there is strong effective demand for credit.

In many developing countries, a surprisingly large amount of land that is suitable for private use remains in the hands of the *state*, who generally makes very poor use of it. By contrast, occupants on such land have often made efforts to increase their level of security, in some cases through significant investments, but remain vulnerable to eviction threats. Giving them the right to formalize their possession subject to bona fide occupation, in pieces of land that are sufficient to support a family but not large enough to encourage widespread corruption can have large benefits. It can increase households' welfare and allow them to obtain services or undertake other investments without necessarily requiring full individual ownership rights. At the same time, in situations where governments, either at the central or the local level are not able or trustworthy to enforce leases, full privatization of ownership will be required. The importance of this principle, which rests on the assumption that land must be improved, is illustrated by the fact that most of the colonization of the Western part of the United States occurred in this fashion.

Traditional tenure regimes often fail to recognize *women's rights*. Specific attention to these rights is warranted at least in two respects. One low-cost option that can greatly enhance the welfare of women is to provide a secure legal basis for spousal joint ownership of land, or at the very least prevent disposition of a household's land assets by the husband without consent. A second area of concern relates to whether or how women can maintain their land rights upon death of their spouse. As many of the social values governing land use and allocation are deeply engrained in society, equality of women's land rights can not be legislated from above or be imposed by the stroke of a pen. Instead what is needed is to create the legal space (e.g. putting equality in the constitution, thus establishing a clear hierarchy), raise awareness, and offer assistance where needed.

Enhancing the efficiency of land administration institutions

Irrespective of the most desirable legal option to ensure tenure security, inefficiencies in the land administration institutions responsible for demarcation of boundaries, registration and record keeping,

adjudication of rights, conflict management, and dispute resolution, can forestall realization of many of the benefits of secure tenure. In most developing countries, the institutions responsible for administering property rights to land are poorly coordinated, and often have a reputation for being overstuffed, inefficient, and rife with corruption. If they are not working well, are poorly coordinated, inefficient, or corrupt, transaction costs will increase, excluding the poor. In the extreme, lack of clearly assigned responsibilities or infighting between institutions has evolved into a major source of insecurity that undermined the value and authority of titles or certificates of land ownership. In such situations, institutional reform, including improved coordination within the government and with the private sector, will be a precondition for the state's ability to effectively deliver property rights. The efficiency of land administration institutions can be significantly increased by drawing on the private sector, e.g. for surveying, provided that government institutions establish and enforce the needed regulatory framework.

Overlapping or ill-defined institutional responsibilities and the potential for discretionary behavior that arises if there are no clear bounds to the role of bureaucracies also hampers confidence in land rights and the institutional framework. For example, one key reason for limited effectiveness of land administration and conflicts in many countries is that government either expropriates land without adequate compensation, that different government institutions establish overlapping claims or regulations over the same piece of land, or that unclear responsibilities for resolving disputes cause conflicts to linger for a long time and allow litigious people to go "institutional shopping", i.e. search for institutions that are likely to be favorable to their case, or pursue several claims in parallel. Circumscribing the state's ability to intervene and clarifying different institutions' responsibility will be critical to avoid these and their negative consequences. Interventions to improve tenure security will be appropriate in cases of high informality or extra-legality as in peri-urban areas of Africa and Asia where more than 50 and 40% of the population live under precarious informal arrangements that make it difficult to transfer land.

Reduce the level of existing conflict and the potential for new conflicts

A surprisingly high number of conflicts is between members of the same household. Disputes related to inheritance or disposition of family land inundate land courts, which typically lack resources, enforcement capacity, or even consistent laws to settle them. Instead of trying, judicial systems often do better by putting their weight behind mediation among parties, encouraging negotiation based on compromise around mutual interest and formal recognition of the results. To deal with conflicts appropriately, three elements appear to be crucial, namely: (i) the development of an incentive structure that rewards settlement of conflicts and insistence on informal resolution as a first step, (ii) the ability to give legal validity to agreements reached as a result of such informal settlements, and (iii) a system of

conflict monitoring and information dissemination to help establish norms of acceptable behavior that would help affected individuals resolve conflicts among themselves.

Where land was an important element contributing to conflict, attention to land issues will be critical for postconflict reconciliation. A number of specific needs arise in such circumstances, namely (i) the need to use land to provide a livelihood for demobilized soldiers and displaced populations; (ii) dealing with large numbers of refugees who may have been driven from their lands and whose documents may have been destroyed or lost; (iii) the situation of female-headed households and widows, who often account for 20 to 25% percent of all households, and of orphans, whose land is particularly insecure; (iv) the breakdown of traditional social structures and the associated systems of informal secondary land and resource rights; (v) rapid increases in the frequency and extent of land disputes, which often constitute about two-thirds of the civil caseload of a judiciary that is unable to cope with the demands; and (vi) continued interventions by the military, contamination with land mines and difficulties in physical movement.

2.3 Expected impacts and examples

The positive economic and social impact of improving tenure security, making institutions more accessible, and reducing the incidence and impact of conflict has been demonstrated by a number of studies. These studies also illustrate that, depending on the situation, a wide range of arrangements can help to bring about such improvements in tenure security.

Following the Thailand project, which started in the early 1980s and, by awarding title to areas where there was great demand for credit that could only be satisfied from informal sources, helped to increase credit access, land values, and investment (Feder *et al.* 1986). Following this, a large number of studies indicate that secure tenure can double investment, and increase land values between 30 and 80 % (Feder 2002). The literature since then illustrates that full title is not always necessary to increase tenure security. For example, in Ethiopia, it was the perception of more secure tenure, rather than a formal title, that increased productivity-enhancing investments, illustrates that to formal is not always necessary to increase tenure security and the desire for more secure tenure is often expressed in users undertake investments (e.g. in trees) to signal land ownership, or a high willingness to pay for more secure arrangements (Deininger *et al.* 2003b). In all of these cases, it can be demonstrated that such investment translates into higher levels of productivity and, as in Zambia, households would be willing to expend their own resources to increase tenure security. This does not imply that title would be irrelevant; in Nicaragua for example, an environment characterized by high levels of tenure insecurity and pervasive land conflict, registered title, but not less conclusive forms of evidence, significantly augmented the propensity to undertake productivity enhancing investments and increased land values (Deininger and Chamorro 2004).

While there is growing evidence from the literature that greater control of household assets by women will affect consumption patterns, with households where women control greater shares of assets and land at marriage spending more on food and on children's welfare and education (Doss 1996, Leroy de la Briere 1996, Haddad 1997, Fafchamps and Quisumbing 2002), few studies have explicitly focused on land. In Honduras and Nicaragua the amount of land women own has a significant and positive impact on food expenditure as well as on children's educational attainment (Katz and Chamorro 2002). The specific measures to give women higher levels of tenure security are often quite simple technically, as in Vietnam (World Bank 2004) and rely more on effective dissemination and capacity building.

The ability to draw on a formal registry to verify land ownership can thus dramatically reduce the cost of providing credit as compared to, say, micro-lending schemes. In the presence of effective demand for credit, formal land title that can be exchanged at very low cost (Brits *et al.* 2002) can improve producers' access to credit (Feder 1988). However, in view of the fact that the impact is likely to be differentiated by land size (Carter and Olinto 2003), distributional aspects as emphasized in PSIA will need to be taken into account. The impact of more efficient means of transferring land title on the ability to access institutional credit in urban and peri-urban areas is also impressively demonstrated in transition countries. In the Kyrgyz Republic, for example, mortgage lending, confined to urban areas, has taken off quickly following implementation of land titling initiated in 2001. Even though the latter is still ongoing, land-backed mortgages already account for US \$ 4 mn or 3% of GDP (Cook 2004).

There is growing consensus that, while giving land title can reduce the cost of accessing credit for those with appropriate projects, it is by no means a silver bullet for everybody. Even if it will not have impact on the former, higher levels of tenure security can reduce households' need to guard and secure their rights or to fend off conflicts. In Peru greater security of informal rights increased participation in the formal labor market by up to 50% and resulted in a sharp drop in household-based enterprises because it dispensed with the needs for households to stay at home as a precaution against their land being taken over by others (Field 2002). Evidence from Uganda illustrates that land-related conflicts impose high costs on society and land users in terms of foregone productivity and that, similar to other African countries, legal and institutional innovations to reduce the potential for new conflicts and make it easier to resolve existing ones can have a high payoff, especially for women and widows who are much more likely affected (Berry 1997, Deininger and Castagnini 2004). In Mexico, establishment of an accessible network of specialized courts to deal with land conflicts, together with strong emphasis on mechanisms for alternative conflict resolution, helped to significantly reduce the number of conflicts and the danger that these would spill over into broader social and political unrest between communities (Zepeda 2000, World Bank 2002).

One factor that has been largely overlooked in the earlier literature on land issues is the contribution which even moderate improvements in land rights can make. Even though it gives neither unambiguous legal evidence nor precise boundary information, computerization of 20 million land records in Karnataka, India, helped to reduce the scope for petty corruption and increased rural dwellers' confidence in government (Bhatnagar and Chawla 2004). This was achieved in a way whereby the revenues obtained from the modest fees charged for certified record copies allow government to run a net profit and where the privately run e-kiosks used for retrieval of land records have served as a center from which to provide a host of other services in rural areas. The fact that investments in securing tenure and facilitating land transactions can support themselves financially is also illustrated by El Salvador where the registry generates significant profits.

The case of Mexico illustrates the magnitude of the claims that can be involved and the attention that may need to be given to establishing appropriate mechanisms for conflict resolution, including informal ones. Following far-reaching legal changes, the government launched an intensive program of providing legal assistance to make those affected aware of their rights and established a decentralized system of 42 agrarian courts covering the whole country. To make resolution of land conflicts more agile and accessible to beneficiaries, and at the same time preclude overburdening the judicial system, the court system was to accept only cases where prior efforts to arrive at a settlement using nonjudicial means of conflict resolution had failed. Despite the reduction in the number of cases this implied, the judiciary spent more than four years dealing with the accumulated backlog of cases (Zepeda 2000). In fact, the ability to reduce the scope for arbitrary interference from village officials has been quoted as one of the key benefits from improving land registration in Mexico (World Bank 2002).

In Mozambique the government could only achieve the quick resettlement of about 5 million people after the peace agreement because instead of drawing up elaborate plans, it relied on local institutional mechanisms to resolve the conflicts that emerged. Once this had been accomplished, the right to occupancy by rural families, as well as a strong role of local institutions, was enshrined in the new Land Law, which was subjected to elaborate public discussion and debate involving 200 NGOs and 50,000 individuals (Negrao 2002). Locals and outsiders recognize that the new Land Law made a major contribution to social and economic stability (Tanner 2002). Similarly in Ethiopia, the ability to redistribute land quickly made an important contribution to the rapid reintegration of demobilized soldiers into the economy (Ayalew *et al.* 2000). Reliance on land rights granted through occupation and rapid resettlement was critical in Cambodia, where calls for land users to register their claims resulted in the lodging of almost 6 million initial claims, and observers have repeatedly identified the ability to deal with these quickly as an important element of postwar reconstruction (Zimmermann 2002).

3. Land access and land reform

Even though it can also contribute to better functioning of land rental markets, improving tenure security will primarily benefit those who already have access to land, thus providing limited benefits where the initial distribution of land ownership is highly unequal. In such situations, greater emphasis on mechanisms to transfer land in a way that benefits the poor and helps to bring land to better use will be important. Still, few topics have generated as passionate a discussion as the issue of land markets. To explore reasons and possible justifications for this, we consider rental and sales markets separately before focusing on redistributive land reform and appropriate land use regulation.

3.1 Land rental markets

There is clear evidence in the literature that owner-operated family farms are more productive than wage-labor operated ones. Therefore, even though the desire to obtain an income comparable to the average in the non-agricultural sector will, with economic growth, tend to increase average farm size over time, this implies that in many instances there may be less of a conflict between the objectives of equity and efficiency of land use than is commonly thought. In fact, the example of China, where the average household has a per capita endowment of less than one tenth of a hectare distributed over 7-8 plots, demonstrates that small farmers can achieve very high levels of productivity and that broad land access can act as a social safety net that in turns helps to drive growth in the non-farm economy. The superior performance of individual as compared to collective ownership, irrespective of possible public goods that may be provided by the latter, in the case of agricultural collectives throughout Eastern Europe before the 1990s.

Rental offers considerable opportunity to transfer land to more productive users. As the adjustment cost are low, it is fairly easy to adjust the land area under cultivation to unexpected events without giving up ownership and the advantages associated with it. In addition to their low transaction costs, rental markets require only limited initial capital outlay, especially if rent is paid after the harvest or on a seasonal basis. Capital requirements of rental are thus relatively modest and can be adapted via a number of contractual arrangements (e.g. sharecropping) to suit the needs of poor producers while at the same time providing them with working capital for production. Where owners are old, ill, without cash themselves, non-cultivating heirs, or want to take advantage of opportunities in non-agricultural markets or temporary migration, rental can help to ensure that the land that is freed up by such moves remains efficiently utilized. This tends to increase opportunities for landless or land-poor farmers, allowing them to gaining access to land, accumulate experience, and possible even make the transition towards land ownership. Even in situations where it was outlawed earlier, land rental can evolve rapidly if tenure security is high

enough and opportunities exist, that it is normally more effective in increasing productivity and targeting the poor than government programs, and that it can contribute to the evolution of non-farm labor markets.

While rental provides large productivity benefits, the associated equity benefits are normally lower than what could be obtained from land ownership. In fact, policy makers have been concerned that rental may lead landlords to exploit tenants who have few alternatives to make productive use of their labor, offering them only the absolute minimum required to survive. Such behavior is well-documented in history although reductions of farm sizes through inheritance and government intervention as well as economic growth and expansion of non-agricultural employment in many countries imply that the number of settings where a monopolistic landlord can drive down tenant's welfare to the absolute minimum may have decreased significantly. To prevent landlords from exploiting their tenants, governments in many countries impose limits on the amount of rent that could be charged by the landlord or protecting tenants from eviction and strengthening their tenure security. To assess these, three considerations are relevant.

First, implementing such restrictions is not easy. Obviously, rental restrictions will work only if they combine limits on rents with protection of existing tenants -if they fail to do so, rent ceilings aiming to improve the lot of poor tenants are likely to prompt landlords to evict them, and thus most probably worsen their situation - as was indeed the case in Latin America and India, following the imposition of tenancy laws.¹ While it has been shown that, in cases where they were implemented effectively, laws to increase the bargaining power of potential tenants, e.g. by controlling rents and protecting them from eviction, have had a positive impact on equity and, in some cases, also productivity in the short term (Besley and Burgess 2000, Banerjee *et al.* 2002), none of the literature accounts for these implementation cost.

A second issue of relevance is that, even if they have a positive impact in the short term, this impact may be largely confined to those who are (or have been) renting at the time of the law's effectiveness, and over time be outweighed by a negative impact on land market activity and investment. These come about as restrictions on land rental will reduce landlords' investment incentives and willingness to rent out. As a consequence, they will constrain access to land for farming and housing among those who did not have a contract when the legislation was enacted, reducing access to land by the landless and extremely poor.² Policies to increase the bargaining power of potential tenant, by expanding the range of livelihood options

¹ The numbers involved could be quite large - for example in India, tenancy reforms are estimated to have been associated with the eviction of more than 100 million tenants, causing the rural poor to lose about 30 % of the total cultivated area.

² The impact is very clearly illustrated by the case of Bombay which, as a consequence of rent controls, has the highest real estate prices in the world due to rent controls; this forces people to take longer commutes (cost to those affected, pollution, etc.) and makes it more difficult for entrepreneurs to establish an enterprise or create jobs. In rural areas, the poor and landless will be forced to rely on informal markets -possibly through sub-leasing from protected tenants- thereby not only depriving them of the protection which the law intends to provide but also forcing them into illegality (Bertaud *et al.* 2003).

available via access to infrastructure, non-agricultural labor markets, etc., may be a more sustainable option for sustainable growth in the long term.

Where rental restrictions continue to exist, a key policy issue is to find mechanisms that will help to consolidate the equity gains without jeopardizing any future adjustments. Evidence from countries that have eliminated such restrictions suggests that doing so can not only improve access to land via rental, but can also increase households' participation in the non-farm labor market and, by reducing the discretionary power of bureaucrats, improve governance.

Even where rental is unrestricted, the amount of transactions, as well as their impact on equity and efficiency, will be affected by a number of factors. If households are not secure about their land rights or have limited information about land prices and the contractual options, the "cost" of entering into rental contracts will increase, reducing the number of transactions. Governments can help by increasing tenure security so as to encourage rentals to non-relatives, educating households about the contractual options open to them, reducing the cost of entering into rental contracts e.g. through standardized contracts, and make information on prices in rental markets widely available to potential participants. Also, producers who rent land for only one year will not be able to make any significant investments or changes in land use. The fact that most rental contracts in developing countries are limited to the short term (i.e. annual) therefore reduces the scope for using land rental as an effective tool for generational and structural change in rural areas. Encouraging longer-term rentals will be an important avenue to bring about such change.

3.2 Land sales markets

Transfer of land use rights through rental markets can go a long way towards improving productivity and welfare in rural economies. But ability to transfer ownership is required to use land as collateral for credit, and provide a basis for low-cost operation of financial markets. At the same time many of the properties of land tend to increase its value above the present value of the profits from using it productively. For example, land values will increase with growing population density, provision of public infrastructure, and greater land demand for non-agricultural purposes. Also, land is very useful as a real store of value in situations where recurrence of inflation can not be ruled out, All of these factors tend to cause land prices to significantly deviate from the "fundamental" present value of profit stream derived from productive utilization of this asset.

If land commands a price that higher than the present value of profits from its use, land sales transactions may be driven more by speculation than the desire to improve concurrent productive use, implying that the scope for such markets to bring about productivity-enhancing land transfers will be more limited than is the case for rental. In particular, the potential for redistribution will be limited as poor people will not

be able to finance mortgage-based land acquisition out of expected profits from agricultural production even if they were able to get access to a mortgage which in most cases they are not. This means that, even if they have a productivity advantage over large wage-labor based operations, poor small farmers are often unable to translate this into effective demand in land sales markets. All these factors imply that land acquisition by the poor through the land sales market will be difficult. In cases where high inequality of land ownership translates into large inefficiencies in land use together with marked inequality of opportunities, other types of intervention will be needed to bring about redistribution.

Where they have neither neighbors and friends nor formal financial institutions to draw upon, poor households who are hit by a sudden disaster or mishap such as sickness or an accident in the family or a bad harvest, may be forced to sell of their land at prices below the fair market value just in order to ensure their survival. In the past, such “distress sales” have provided the mechanism through which unscrupulous moneylenders amassed vast amounts of land which they were not able to utilize productively. Even in today’s developing countries, localized disasters can lead to sharp swings in land prices and force those affected to sell their land at low prices during times of high supply and low demand low without being able to regain their asset when prices have recovered.

These two factors imply that sales will be more affected by imperfections in other markets than rentals. Thus, government intervention to prevent outcomes that are undesirable could, in principle, lead to efficiency- and equity gains. In practice, however, it has been exceedingly difficult to implement such interventions for two reasons. First, distress sales of land and land price speculation are symptoms for broader structural issues. Passing legislation to make these illegal without addressing the underlying causes may not prevent transactions but just drive them into informality. Policies such as a general land tax, taxation of capital gains, or the provision of safety nets in cases of distress, will be more effective in addressing the root causes of speculation and distress sales and are thus preferable to bans or restrictions on land markets if these are a concern and are to be prevented.

High levels of regulation may also undermine the potential positive impact of land sales markets because, even if their imposition is well-justified on conceptual grounds, restrictions will add to the transaction costs associated with land sales which, for a number of reasons (e.g. limits on private sector participation, lack of capacity, or general implementation costs), are already very high in most developing economies. They can thus increase the cost of transferring land to a level where transactions are pushed into informality, with all the associated undesirable consequences. Most restrictions on land sales also tend to undermine tenure security and investment incentives, in addition to increasing the scope for discretionary action by bureaucrats that can significantly increase red tape. The rationale for these measures has to be weighed carefully, taking into account not only the conceptual justifications but also the ability to enforce

and the costs of compliance. As a consequence, trying to limit the operation of land sales markets is in many cases unlikely to be the most effective instrument to achieve broader social objectives.

At the same time, in situations where local communities who are aware of the costs and benefits have imposed restrictions on the functioning of sales markets that are in compliance with the law (similar to condominium associations passing regulations that are binding for their membership), it will not be worth to force liberalization as in most cases the benefits from doing so will be modest at best. Where such customary restrictions on land transfers to outsiders are maintained, often as a means to preserve identity and prevent landlessness of members, risks are normally high and there is little potential for efficiency-enhancing (as compared to speculative) land transactions anyway. Once the benefits from doing so increase and costs decrease, the restrictions are often eliminated without the need for outside intervention.

Even where there are no restrictions on the operation of land sales markets, whether or not to land sales to foreigners should be allowed is a hotly debated issue. Clearly, doing so offers a number of advantages, including better access to capital through foreign direct investment and the technology that normally comes with it. At the same time, there are many ways, in particular long-term leases, which in practice tend to work just as well as ownership and, if handled appropriately, will not pose an obstacle to investment. Where issues of land ownership are highly contentious politically, using such substitutes will be wiser than engaging in a highly ideological debate which may detract from opportunities to improve the operation of land markets in other areas of greater importance for the poor.

Governments have also long been concerned about fragmentation which increases the time to get to plots and the amount of land for paths and roads, and through small plot sizes, can pose some constraints on the ability to mechanize. To prevent fragmentation, minimum farm sizes and inheritance restrictions have been imposed, generally with little impact as they do not address the underlying reasons that lead farmers to fragment. Consolidation programs which aim to reduce the transaction cost that would arise if the affected parties were to resolve the issue based on bilateral negotiations, and often also provide infrastructure and spatial and land use planning, have been successful, though extremely costly, in some developed countries and are currently experimented with in the EU accession states. At lower levels of income, such programs are unlikely to have an important role to play. This is illustrated by the case of China, where a family has on average 8-9 plots with an average per capita holding of one fifteenth of a hectare. This high level of fragmentation has not prevented sustained growth in the past; in fact administrative consolidation programs that were implemented in a number of places were not successful and have been quietly shelved. Reducing the transaction costs for sales, by building capacity and allowing private sector participation, will be a better option.

3.3 Redistributive land reform

Where high levels of inequality in the land ownership distribution and underutilization of vast tracts of productive land co-exist with deep-rooted rural poverty, a case can be made for land redistribution to increase productivity of land use facilitating at the same time greater access to land by the poor. As a number of successful land reforms, e.g. in Korea, Taiwan, and Japan show, while the impact of such intervention can be far-reaching, it can face political and practical other obstacles. To maximize impact, it is important to choose appropriate instruments, normally relying on a combination of measures (e.g. divestiture of state lands, land taxation, expropriation with compensation, support for land markets and direct negotiation) to maximize synergies, to be transparent about the cost, and to set clear goals and performance indicators that make it difficult to hijack the program for other ends.

Aware of the limited scope for sales markets to bring about equity- and often also productivity-enhancing productivity increases, policy makers have often tried to impose ceilings on the amount of land that can be owned to force break-up of large farms. If they could be enforced, such ceilings could help to achieve redistribution in a decentralized fashion. However, in most cases they were easily circumvented and, especially if they staid in place for a long time, undermine financial markets (as lenders who want to repossess land will be subject to similar restrictions and, even if they are exempted, will have greater difficulty to dispose of the land), and contributed to red tape and corruption. In India, ceiling legislation in place for more than 30 years in most states has failed to make available more than 2-3 percent of the total land area even in the states where it was most . This implies that ceilings may have a role in increasing the cost of speculative land accumulation if they are set high enough (i.e. in the 1000s of hectares), as was the case of many post-Soviet countries in the aftermath of decollectivization, but not to bring about redistribution.

To maximize the possibilities for success and at the same time try to minimize costs, land reform will have to complement other avenues for accessing land rather than trying to substitute for them. This implies that governments who want to redistribute land reform will need to ensure that the poor can use rental and other mechanisms, ideally in a way that is integrated into overall program design. For example, having rented land for 1 or 2 seasons could be made a requirement for being eligible for a land reform grant, thus offering potential to eliminate spurious claimants who later sell the land and at the same time give a boost to land rentals. Some African countries, including Zimbabwe, still have acts in force that, imposed by colonists as a means of preventing blacks from gaining access to land, prohibit or complicate subdivision of large farms. Without scrapping them, it will be much more difficult to use land reform as a catalyst that can prompt sustainable improvement in households' livelihood.

If it is to be successful, land reform will need to give secure and transferable rights to land. Access to non-land assets, working capital, and a conducive policy environment are equally essential. Those benefiting

from land reform need to be able to access output markets and credit, the selection of beneficiaries needs to be transparent and participatory, and attention needs to be paid to the fiscal viability of land reform efforts (e.g. by financing part of such reforms through proceeds from land taxation). This implies a need to integrate land reform into the broader context of economic and social policies aimed at economic development and poverty reduction, and to implement programs in a decentralized way with maximum participation by potential beneficiaries and at least some grant element.

Given the relevance of the issue, the intense debate surrounding it, and the lack of recent success stories, rigorous, open, and participatory evaluation of ongoing experiences is particularly important. This normally requires a strong element of training and capacity building, as well as provisions for complementary investment to make the land productive. The design of programs should be based on clear and transparent rules. It should provide incentives to maximize productivity gains, for example, by selecting underutilized lands or employing labor-intensive modes of land use. The rights given to beneficiaries need to be secure and unconditional so as to allow access to credit and the possible movement of beneficiaries' children out of agriculture. Implementation of land reform programs should be decentralized, with potential beneficiaries and communities taking the lead to help beneficiaries to access social infrastructure; diversify against risks; and allow them to take advantage of other infrastructure, such as markets, technology, and credit. Efforts at land reform should complement existing mechanisms for land access, for instance, rental markets and programs in other areas.

The cost of land reform can be substantial with land normally only accounting for a fraction (often about one third) of the total. To justify such an expense, redistributive land reform needs to be viewed, and analyzed, as an investment in sustainable poverty reduction. There are many examples of governments trying to directly or indirectly expropriate land owners and thus reduce the costs of land reform. Such efforts have often reduced the sustainability of the effort by acquiring only marginal lands. In some cases, they have increased the cost of the measure by reducing overall security of property rights, a country's attractiveness for (foreign) investment, and increasing rather than reducing the level of social conflict as compared to the pre-reform situation. In many of these cases, this is likely to have increased the "cost" (including the losses sustained as a result of inappropriate policies) beyond what would have been required if the land would have been compensated for directly, for example in Nicaragua or Zimbabwe. This does not mean that land owners can not be made to contribute to the cost of land reform, but that a transparent way of doing so, e.g. a land tax, may be more acceptable and than an indirect one.

During the last decades, efforts at land reform have transferred considerable amounts of land (table 1). This implies that, many countries are characterized by a legacy of un- or partly successful past attempts at land reform. Bringing the land that was subjected to this effort to good use and dealing with the

institutional legacy left behind, e.g. by assessing the continuing justification for large agrarian reform institutes, the restrictions imposed by land reform legislation, and allowing beneficiaries from past land reforms to obtain working capital and skills that would enable them to make good use of their assets can have a large payoff.

There are two reasons that warrant careful monitoring and evaluation of land reform initiatives. First, even if the need for such initiatives is recognized, there are few good models to draw on, implying that interventions will have to be refined and improved over time to be most effective. Second, as history has clearly shown, land issues, and land reform in particular, are highly susceptible to political interference at all levels. Countering the tendencies towards corruption by establishing a transparent and rigorous system to evaluate impact is the only way to ensure that such forces can be held in check, in addition to providing information to inform program implementation. Land reform should also avoid the temptation to focus only on beneficiaries, and not neglect those, such as farm workers, who may be negatively affected. For example, in Zimbabwe workers on farms that were subjected to redistribution constitute one of society's most vulnerable groups. All of this implies that having this integrated into a longer-term effort for monitoring will have an important role to play.

3.4 Adopting appropriate land use regulation

Governments have an array of fiscal and regulatory instruments at their disposal to provide incentives for land use that maximizes social welfare, e.g. by ensuring availability of public goods such as landscapes, historical values, to facilitate more effective public service provision, or to prevent harmful externalities (such as pollution) associated with specific land uses. The case for government intervention rests on the aggregate social benefit being larger than the cost of such regulation and the presumption that public action can enforce regulations at minimum cost. This implies that zoning and other land use regulations to achieve this will need to rely on careful assessment of expected costs and benefits depending on local conditions, their distribution, and the implementation capacity available.

Concerning the distribution of costs and benefits, there are two considerations. On the one hand, the restrictions may be highly regressive, forcing small land owners or the poor to make sacrifices (or even depriving them from their land) to the benefit of the wealthy (foreign investment is one example). On the other hand, the assessment of the benefits and costs changes over time and affordability plays a major role. Many developing countries still have regulations on their books that were imposed under completely different conditions (often by their colonial predecessors) and that may no longer serve their original purpose. Their removal may be opposed by comparatively small vested interests, possibly within the bureaucracy who, by using them as a source of rents, are able to derive handsome benefits. While it may require taking on these vested interests, the benefits of doing so, especially to the poor, can be significant.

Even if regulation is justified in some circumstances, it may not be necessary to implement it uniformly across all parts of a country. Attempts at land use planning should start with mechanisms where costs will be borne and benefits obtained by local communities, possibly making a significant contribution towards more effective decentralization, especially since centralized bureaucracies often lack the level of local knowledge and information required to effectively provide services or monitor and supervise those supposed to deliver them. Also, even in cases where administrative capacity is lacking, many developing countries rely strongly on a regulatory approach, often with the result of encouraging discretionary bureaucratic behavior. Greater reliance on fiscal instruments such as fees and taxes or tradable permits can help to reduce the requirements for monitoring of compliance, possibly in collaboration with the private sector.

Provision of public infrastructure (roads, electricity, water, sewage, etc.) will increase land prices and thus benefit those who own the land. Providing these services is much cheaper in planned as compared to unplanned settlements. This provides the justification for zoning, especially in urban areas, whereby the government considers issues such as hydrology, congestion, air quality, traffic flow, and public safety. It is therefore justified to reach decisions on such issues in an open and participatory manner and to use fees or other charges (e.g. betterment levies) levied on land owners to finance them.

Even though fees can be assessed to pay for many of such services, land taxes have a number of conceptual advantages. Among others, they cause minimal distortions and are less regressive than taxes levied on consumption which normally hurt the poor; they tend to discourage speculative accumulation and encourage more intensive use of land; and furthermore strengthen the link of accountability between local governments and its constituency, thus enhancing fiscal discipline at the local level and making land owners pay for at least part of the benefits they receive from local government investments. Although the extent to which land taxes are used varies, revenues are generally well below the potential (Bird and Slack 2002). Greater emphasis on land taxes can have a significant impact on incentives for effective land use, local government revenues, the type and level of public services provided, and governance that will help to prevent decentralization from degenerating into a competition for rents from the central level.

The state should also have the right of compulsory land acquisition, with compensation, for broader public benefit (e.g. roads). At the same time, the way in which many developing country governments exercise this right, especially for urban expansion or for providing land to private entrepreneurs can undermine existing and future owners' tenure security. In the many cases where little or no compensation is paid for the land taken, the equity impact is very negative, often leaving households landless. Anticipation of expropriation without compensation often leads landowners to sell their land in informal markets at low prices, forcing them to part with a key asset at a fraction of its real value and encouraging

unplanned development and urban sprawl that will make subsequent service provision more costly. Therefore, the conditions under which land takings can be an option and the process for implementing them and determining compensation needs to be clearly defined and mechanisms for appeal be available to prevent abuse.

Even though state ownership and management have, in many developing countries, failed to ensure protection of fragile lands or optimal land management in peri-urban areas, large tracts of land continue to be held under such arrangements, with far-reaching implications: In peri-urban areas, unoccupied land of high potential often lacks investment and is subject to bureaucratic red tape, nontransparent processes of allocation, and corruption. Privatization of such land could not only yield significant amounts of resources for local governments, but also increase investment and effectiveness of land use. If public land has been occupied by poor people in good faith for a long time and significant improvements have been made, such rights should be recognized and formalized at a nominal cost. Where state land of high potential remains unoccupied, auctioning it off to the highest bidder will be recommendable, possibly using proceeds to compensate original owners or to provide land and services to the poor.

3.3 Examples

Macro-economic distortions had a significant impact on land prices and activity in land rental markets. For example, in Brazil land prices dropped by up to 70 % in the early 1990s (Bastiaan and Plata 2002), making it easier to acquire land for productive purposes, and providing the backdrop for a huge expansion in the government's land reform program that involved, during a period of less than 5 years, the purchase and redistribution of more land than had been acquired during the previous 30 year period.

In some developed countries more than 70 % of cultivated land is rented, partly because this lowers capital requirements and allows users greater flexibility. Rental was also important a key for exchanging land in the initial phases of the transition to a market economy for Eastern European countries and continues to have high potential where land plots were restituted to original owners with little intention of farming but where macro-economic uncertainty and shallow financial markets slow development of land sales markets. This implies that in most Eastern European countries, rental markets have achieved fundamental importance, especially as long as the legal and institutional basis for land ownership was not yet in place. In Moldova, for example, the emphasis on leases enhanced the ability of the land market to develop rapidly compared with, say, Estonia, which had discouraged the use of leases. More than 80 % of the 440,000 registered private farms in Moldova operate through some type of leasing arrangement (Lerman *et al.* 1998). At the same time, the purchase price of land is significantly above the capitalized value of agricultural profits because of government restrictions that drive up land prices, as well as speculation about the benefits of joining the EU and the demand by foreigners that might materialize with

EU accession in both Eastern and Central European countries. While peri-urban land markets and mortgage lending are starting to develop, agricultural land sales market activity remains low (Deininger, Sarris, and Savastano. 2004).

In Eastern Africa, temporary land transfers have a positive impact on equity, being generally pro-poor and beneficial for women (Place 2002). Both land sales and rentals appear to be relatively active and contribute to the equalization of operational or even ownership holdings of land, as confirmed for the case of Uganda (Carter and Wiebe 1990, Platteau 1996, Baland and Platteau 1998). Evidence from Uganda also suggests that activity in rental markets has increased sharply with economic liberalization and the associated growth of opportunities in the nonfarm economy; indeed, the share of households renting land increased from 13 % in 1992 to 36 % in 1999. In Uganda, by transferring land to more productive producers, rental markets facilitate greater allocative efficiency in rural areas (Deininger and Mpuga 2002). Moreover, evidence from Ethiopia suggests that restrictions on land rental not only reduce the scope for more productive use of land, but may also constitute an effective obstacle to the development of the nonfarm sector, as farmers who had taken on nonfarm jobs perceived a significantly higher risk of losing land through redistribution than those who engaged in self-cultivation (Deininger *et al.* 2003a).

Rental markets, including for long-term transactions that are often equivalent to sales, are active in West Africa even though mostly informal. Land rental has also started to emerge in Asian countries with egalitarian land distributions that recently liberalized land tenure, such as China and Vietnam. In China, where until recently rental was not needed because of frequent land reallocations, the share of households participating in land rental increased from 2.3 % in 1995 to 9.4 % in 2000. Moreover, 22.4 % of households indicate that at the current market rate they would be willing to rent, implying that, with economic development and emergence of off-farm opportunities, there is considerable potential for further increases in rental market activity. Analysis illustrates that decentralized market transactions were better than state-sponsored redistribution in transferring land to households with higher productivity and, more surprisingly, also targeted the poor more effectively (Deininger and Jin 2002). The case of Vietnam, where similar increases in the incidence of land rentals are apparent, illustrates the differences between land sales and rental markets. The share of rural households participating in rental increased from 3.8 % in 1992 to 15.8 % in 1998; an increase that was much more pronounced than what was observed in sales markets. Although both renters and buyers were characterized by higher productivity, the magnitude of the effect is bigger for the former and, in situations where credit markets did not function well, there is some evidence of distress sales in the sense that households who experienced significant income loss were more likely to sell land (Deininger *et al.* 2003b).

Even though one would expect land rental markets to be of particular relevance to equalize land access in a situation such as Latin America where the land ownership distribution is recognized to be one of the most unequal in the world, rental activity in many countries of the region is actually quite limited. This can result from informational imperfections and the ensuing high transaction costs, as well as the impact of past restrictions on rental markets that have weakened landowners' perception of the security of their property rights. The impact of rental restrictions has been significant, for example, in Colombia the amount of formally rented land decreased from 2.3 million hectares in 1960 to 1.1 million hectares in 1988 following the imposition of rent ceiling legislation (Jaramillo 2001), and much the same occurred in Brazil. In 1998, more than a decade after the rental restrictions had been lifted, tenancy rates in Colombia were still only about 11 %, way below their 1960s' level, highlighting that restoring confidence in the property rights system takes time. Also, rental markets have been more effective than government-sponsored land reforms to bringing land to productive and poor producers (Deininger, Castagnini and Gonzalez. 2004), suggesting that government-sponsored efforts at redistribution should try to build on, rather than substitute for, complementary mechanisms.

Land sales markets in Latin America are relatively active, with average annual turnovers of 5 % in Colombia, 2 to 3.5 % in Venezuela,³ 1.4 to 2 % in Ecuador, and 1 % in Honduras (Jaramillo 2001). However, even in situations where activity is high, markets are often found to be highly segmented implying that sales involve either from large to large or from small to small producers but rarely across different farm size groups. Such segmentation is also observed in Nicaragua (Carter and Chamorro 2002). It is in part due to the cost of subdivision and high transaction costs, credit market imperfections, partly because of the high cost of subdividing large farms and the lack of long-term financing for the poor associated with the continent's dualistic land ownership structure (Barham *et al.* 1995). This suggests that the purchase market does not operate as a mechanism of land access for labor-abundant, capital-constrained households, but that agents that are not capital constrained can translate relative technical efficiency into effective demand for more land (Carter and Salgado 2001).

Land reforms in Japan, Korea, and Taiwan (China), all of which were accomplished under external pressure, have helped improve welfare, and often also productivity (Jeon and Kim 2000). In India, abolition of the land rights of rent collecting intermediaries is widely judged to have been highly successful, in contrast to the more limited success of land ceilings and tenancy legislation (Appu 1997). In Kenya immediately after independence, the so-called million acre scheme distributed about 300,000 hectares of formerly white-owned large estates to small farmers, with positive economic results (Scott

³ Activity varies considerably across regions. Annual turnover of land amounts to as much as 12 % in recently colonized areas, but is about 2.5 to 3 % for private lands and only 1.5 to 2 % for lands that had been subject to agrarian reform (Delahaye 2001).

1976). Even though the program gathered momentum, for example, by farmers forming groups to purchase larger farms, the government discontinued it, partly for political reasons (Kinsey and Binswanger 1993). Following independence in the early 1980s, Zimbabwe initiated a land reform program that redistributed about 250,000 hectares of land. Participation in the land reform program improved households' ability to accumulate assets, as well as their crop income, and reduced overall inequality (Gunning and et al 2000). The first phase of land reform in the Philippines, based on a 1972 law, benefited about 0.5 million households. Aided by the availability of green revolution technology, this measure led to significant improvements in household welfare and (Otsuka 1991). Effects in terms of investment and human capital accumulation have been estimated as significant, positive, and long term (Deininger *et al.* 2001).

4. Key considerations for M&E design

The above outlines general principles of land policy that can form the basis for the hypotheses to be explored quantitatively. To do so effectively, it will be necessary to explicitly take into account the needs and priorities of stakeholders in an ongoing policy dialogue. It will also need to rely on quantitative information that is often not available from standard household surveys. This section aims to address both of these issues by first identifying some requirements to fit into an ongoing policy dialogue or if there is no such dialogue, to generate discussion on a particular topic of high policy relevance. It will then discuss ways in which standard questionnaires can be enhanced and expanded to provide some of the information that will be needed to make a meaningful and quantifiable contribution to such a dialogue.

4.1 Goals and process issues

PISA can be part of a process: Given the political sensitivity of land issues, the fact that they are normally perceived as a zero-some game, and the desirability of having interventions backed by a consensus of the relevant stakeholders, M&E can perform a number of useful function at different stages in the process of implementing land policy reform. The long-term nature of land-related interventions implies that, in some situations, analysis may be useful not only *ex post*, i.e. after an intervention has been completed, but already at earlier stages so as to inform the policy dialogue.

- *Ex ante*, analysis of possible impacts can help to assess the benefits that would be expected from specific interventions, the way in which these will be distributed among social groups, existing demand for such interventions, and implications for cost recovery and institutional design. If accompanied by a broad and inclusive policy dialogue, this can help generate consensus and make it easier to implement reforms in a cost-effective fashion. In fact, existing analyses, e.g. for

Zambia (Jorgensen and Loudjeva 2004), demonstrate the scope of evaluating the position of various stakeholders *vis-à-vis* various reform options and to use this analysis to explore new options that may not have been thought about earlier.

- During or in preparation of an *ongoing* intervention, an evaluation of pilots can help to make the case for expansion of a particular model or to establish benchmarks for performance that can be used to enhance accessibility and eliminate the scope for elite capture during full roll-out. It can also allow to learn from differences in performance across regions or other units of analysis, to adjust implementation to ground realities, and often (as in the case of land reform) to improve the institutional design based on the innovations developed by beneficiaries.
- Finally, *ex post*, it will be possible to draw the broader lessons through rigorous quantitative assessment of costs and benefits incurred in a way that will benefit the design of interventions in other settings or the integration of specific approaches into regular government programs (e.g. to ensure the sustainability of titles that have been given out under a systematic program).

The above examples provide ample evidence that, despite popular perceptions to the contrary, land policy reform need not be a zero sum game, an argument which analysis can strengthen by drawing on other countries' experience. A legal basis that is less ambiguous and thus reduces conflict, introduction of more efficient processes of land registration, a reduction in the transaction costs of exchanging land or providing services related to it are all measures that will benefit all those who access land. Even redistributive land reform that helps to make more productive use of land will leave society better off and therefore need not be a zero-sum game. Rigorous analysis can provide tangible evidence for such effects in a given country setting. Having a way to assess the impact during the implementation process based on demonstrated impact makes it easier to utilize political windows of opportunity even with a less than perfect design and make corrections along the way. The above implies that the methodology has to be rigorous but also transparent and well communicated and that, especially in situations where local conditions differ significantly from those incurred in other countries, incorporates the comparison of different design options as an integral element.

To make M&E as cost effective as possible, it will be necessary to build not only on other countries' experience and general principle but also on existing survey information for the country under concern. Fortunately, standard LSMS-type surveys are now available for most of the countries where land-related analyses are likely to be undertaken. Even though the amount of land-related information in most of these surveys is limited, using it can be helpful in a number of respects. First, it will allow to obtain important prior information on the distribution of land among different income groups, the activity of land markets, and the productivity of land use in the country that can be used for guiding the formulation of hypothesis

and the design of the approach. Second, in some cases it may be possible to collaborate with national agencies to use existing samples as a basis for further analysis. One way of benefiting from this is by capitalizing on natural complementarities between standard household surveys and analysis of land issues: collecting good consumption data is very costly and can not be done retrospectively. At the same time, given the importance of land in most households' asset portfolio, it will be quite easy to obtain information on land transactions and ownership some time ago; in fact most rural households know the amount of land they had when they started their family and are able to give a fairly accurate account of changes in ownership that happened since then. An alternative is to build on the earlier survey to construct a panel, something that greatly enhances the scope for many types of analysis.

Even though pre-existing data can help to understand the general situation in a country, quantitative and qualitative methods should be used in a way to reinforce each other. As initial quantitative data need to be complemented by a much more detailed knowledge of the intervention under concern, focus group interviews and other types of qualitative information will be essential to either confirm or formulate hypotheses on the potential and actual impact of a specific intervention (or the demand and need for it from different groups in the population) is to get a good understanding for the way in which things work in reality. To do so, it will be essential to obtain qualitative information from actual and potential beneficiaries in qualitative and focus group interviews. Such assessments provide the flexibility to probe deeper into the reasons for certain patterns of behavior that appear to be inconsistent with expectations and thereby to gain an understanding of "unexpected" behavior that can not be obtained from quantitative data (where it only would show up as "noise"). The areas selected for qualitative case study should be diverse enough to encompass the different segments of the target population (e.g. ethnic groups, large landowners, smallholders, and landless, different types of land users such as unreformed collectives and individual farmers, etc.) as well as intervention modalities that will be relevant for subsequent analysis. If combined with stratification of interviews among groups (e.g. women and men, agricultural and non-agricultural) who are likely to be affected by the intervention in a differential way, this will ensure that the research team gains an appreciation of potential impacts of an intervention, formulate and prioritize hypotheses on this basis, and identify questions that can be used to test these hypotheses quantitatively.

Two additional elements that are critical and often overlooked in practical applications is that analysis can have its full impact only if it is accompanied by a thorough understanding of the local political economy as well as the proposed arrangements for implementing specific interventions. Unless evaluators have a clear understanding not only of the expected outcome from a specific intervention and, in the case of ex ante evaluation, politically feasible ways of bringing these desired outcomes about, or, in the case of ex post evaluation, the detailed procedures for project implementation (including how eligibility is defined

and what application procedures have to be gone through), it will be difficult to conduct analysis that will either speak to the needs of policy-makers or provide a basis for robust methodological conclusions on project impact.

4.2 Methodological considerations

Importance of a baseline: It is now well understood that, to have an understanding of the impact of any intervention, a solid baseline that comprises intervention and non-intervention areas against which project outcomes can be compared will be critical. In addition to providing a yardstick for assessing impact, this can also help design strategies for intervention, adapt them to conditions at hand, assess demand for intervention by different social groups, and compare these to other options already available.

The need for a control group: The purpose of any good evaluation, is to show that changes in outcomes observed among the target population can be attributed to a specific intervention rather than being caused by other factors. For example, even if living standards, productivity (or other outcomes of interest) may have declined among the target population, the intervention may have helped to avoid an even bigger decline (as observed in the control group) and thus had a positive impact. Similarly, even if one observes improved outcomes among the treatment group, these may be attributable to a generalized increase in living standards or productivity, implying that the intervention had no impact. Naturally, the control group should be chosen to be as similar as possible to the group that is to be exposed to the intervention, something that will have to be reflected in the sample design adopted for the study.

Dealing with self-selection: Many evaluations just compare the value of certain variables before and after an intervention but fail to account for self-selection of beneficiaries, i.e. the fact that programs are not distributed randomly among the eligible population. In the case of land titling, it is likely that those who can benefit the most from having a title e.g. because they have high quality land, because they have access to credit and other markets, or because they are simply more entrepreneurial and ready to take risks so as to reap higher rewards, who will make an effort to benefit from the intervention, unless the program covers areas systematically and based on random selection. This implies that any estimate of the benefits that fails to control for such inherent differences will overstate the positive impact that can be obtained from expanding a project to other areas or groups who may lack such favorable initial conditions.

To deal with this issue, a number of options are available. If program implementation has not already started, the most rigorous way on conceptual grounds is to randomize, i.e. to determine those to benefit from an intervention on a random basis among those who apply. Doing so is often not feasible in practice due to political or ethical reasons. An alternative, that is attractive if there is a limited overall budget, is to decide *ex ante* about areas where a program will be introduced and others that will serve as a control.

Such phasing can to some extent also work for interventions (e.g. legal change) that have national outreach but require complementary inputs (e.g. specific dissemination or establishment of local offices or land tribunals). In case the goal is to evaluate a program that has already been implemented without the possibility of generating additional data, instrumental variables techniques can be used. This requires to identify good instruments that are highly correlated with program participation but that do not affect outcomes, something that may be difficult if for program eligibility are not tightly defined or enforced. Part of this can be overcome by the method of propensity score matching that has been increasingly used for project evaluations in a wide range of settings (Ravallion 2001).

Questionnaire design: Changes in rural households' ability to access land or their tenure security will have an impact on labor market participation as well as other variables that may, at first sight, seem to be quite unrelated to land and, in some cases, may not have been anticipated by project staff. For example, in Peru, regularization of informal settlements had little impact on households' use of land as collateral, the main expected benefit from the project, but significantly increased participation in formal labor markets (Field 2002), an impact that was rather unexpected. Households' labor market position and their ability to access other factors of production has also been shown to affect their decision to participate in certain types of programs, e.g. farm privatization in FSU countries (Csaki *et al.* 2002). Surveys that focus only on land-related issues without putting them into a broader framework of household behavior may thus arrive at erroneous conclusions. This implies that analysts will have to think upfront about how expected impacts are likely to come about and adopt and implement a questionnaire that is broad enough to capture these variables, in addition to ones that are narrowly related to land. If there is need to trace the gender-differentiated impact of interventions, it may be necessary to split the household questionnaire into two parts, one administered to males and one administered to females in the household.

Also, to be able to draw out the distributional implications of different interventions, it is essential to have information on consumption that is detailed enough to allow construction of an expenditure aggregate that can be related to a nationally representative survey and the poverty line. Collecting this information can significantly increase the cost given the time involved in administering expenditure modules. If a household survey is available, it may be possible to reduce survey costs by using the information from this source to identify a set of variables that can predict consumption and use these rather than apply a full consumption module.

Sample design: If the purpose is to evaluate the impact of an intervention targeted at a specific subset of the population, it may be more efficient to design the sample in a way that increases the probability of this sub-group being selected to economize on survey costs. Also, a number of phenomena that may be of interest (e.g. land conflicts or land transactions) are infrequent in the overall population and, with a

limited budget, it will often be cost-effective to stratify the sample into, say, households with and without conflict. While doing so does not preclude use of standard procedures for the selection of first stage sampling units, it will require conduct of a listing in the selected PSUs which then serve as the basis of selection of a household sample in given proportions and the construction of sampling weights.

4.3 Specific elements of questionnaire design

The paucity of land-related surveys that can be drawn upon may impose a constraint on the ability to design a good survey instrument that subsequently limits the scope for policy-relevant analysis. To deal with this issue, the next sections discuss elements of a land-related questionnaire that will allow to provide the information needed for much of the analysis discussed earlier. As the design of standard household questionnaires is covered in great detail in the available literature (Grosh 2000), we focus only on issues that are specifically related to land. Naturally, only some of the modules discussed will be of relevance in any given situation and it is up to the team to make the appropriate selection and combine the information from the land modules with that from the rest of the instrument, in particular production and credit.

4.3.1 Household questionnaire

Plot characteristics: In most cases there are significant differences between the types of tenure (e.g. leasehold, freehold, customary, without any certificate) under which the land is held, the modalities through which it was acquired (e.g. purchased, inherited, cleared, or simply occupied, etc.), and the type of documentation (title, sales receipt, tax receipt, etc.) that is available to demonstrate ownership. It will thus be necessary to collect information on a plot-by plot basis, i.e. including a “plot roster”. If there are gender-differences in land rights, this section will also need to find out in whose name documents to any specific plot are issued and if the current user (or the owner) has the right to transfer land through lease, sale, mortgage, etc. In addition to tenure characteristics, including plot-wise information on land quality and topography will be of great importance. Of course, to the extent that one expects plot-specific land tenure arrangements to affect productivity, it will be essential to make sure that information on production is obtained at the same level of disaggregation and can be linked to specific plots.

Land-related investment: Historically, one of the main reasons for introducing more secure property rights has been the incentives this provides for increased investment in maintaining the productivity of land. At the same time, land-related investments such as fences or even trees can also be used as a means to establish and secure property rights in an environment where enforcement by the state is perceived to be ineffective. Surprisingly, treatment of this issue in many questionnaires (and as a consequence the analysis on the topic) is quite weak and could be strengthened considerably by observing a few basic

principles. Even though the details of investments to be considered are likely to be specific to any given region or country, the basic categories of perennials, simple measures to maintain soil fertility for more than one year (bunding, leveling, drainage, irrigation, de-stoning, mulching, leveling), and construction of structures attached to a particular piece of land such as animal sheds, processing facilities, wells, etc.) are likely to apply for most situations. Second, it will be necessary to distinguish the stock of structures at any point in time from the amount of resources spent to maintain these and to assess the two separately. Finally, especially if the aim is to assess the impact of an exogenous intervention on land-related investment, one will need to have information on at least two time periods. Doing a good investment section requires familiarity with local practices but will allow to assess the impact of tenure security on different types of investment (e.g. visible vs. invisible ones), and, if an appropriate production section is included, to allow empirical estimation of the impact of these investments on productivity.

Hypothetical question on land prices: Even in environments where the frequency of land market transactions is limited, households normally have a good idea of the price they could receive if they were to sell or rent their land to others. This information can then be used to obtain values of specific plot characteristics in a hedonic regression, that would allow to obtain a crude measure for the change in land values caused by restrictions on marketability or the benefits from having more secure tenure. This will not only provide a rough and ready estimate that can be of great interest to policy makers concerned about designing a system that is self-sustainable. It will also allow to assess differences in the ability to pay between different groups of the population. If a project contemplates to award or update specific titles or certificates, it may be worth complementing this with direct questions as to households' demand for (updated) certificates and their willingness to pay for these at a plot level, in order to avoid some of the biases that may affect hedonic estimates.

Gender issues: Women's rights to control land and benefit from the associated income streams are often constrained by law or, in cases where the law mandates gender equality, actual practice on the ground. In situations where this is of relevance, it will be important to obtain more detailed information as to who normally works on a plot, who determines what outputs and inputs to apply, and who decides how output is disposed of on benefit from the proceeds. If their spouse dies or divorces them, women will, in many customary systems, be unable to obtain ownership rights to their part of the land or in some cases even to keep using it. As this will clearly affect their longer-term economic security; and since there may be clear differences between the letter of the law and actual implementation, including questions on what they perceive to be the situation under the current regime can be important. One way to check for differences in productivity between plots that are held by males and females is to whether a piece of land that was inherited came from the husband's or the wife's side. However, to systematically uncover gender

differences in inheritance and the extent to which these may be compensated by transfer of non-land assets, it will be necessary to ask for the inheritance of all the parents' assets among all their children.

Land conflict: As discussed above, to obtain reliable estimates of conflict-related issues with a reasonable sample size, oversampling of households who are affected by conflicts will be necessary. Even though a simple question on whether a plot is currently under conflict can, in situations where the level of conflict is high enough, allow to obtain the reduction in land values by having a conflict, it will not reveal too much about the dynamics of the phenomenon. To do the latter, additional information on whether there was ever a conflict, when it started, what the consequences were, how it was tackled, what the (formal and informal) costs involved were, and when (if ever) the conflict was resolved, will be needed. Again, this information will necessarily be plot specific. Aggregating plot-level information to reveal the incidence of land-related conflict at the household level (e.g. by gender or poverty status) can be a key contribution of land-related analysis. It will not be possible to ascertain the productivity impact of land conflict, something of great interest to policy makers, unless plot-level data are available.

Land accumulation trajectory: Even in environments where land markets are thin, households' life-time trajectory of land accumulation can provide a good source of at least descriptive information on how their land stocks have evolved over time. While the econometric analysis that can be performed using this information will be constrained by the availability of other variables from the same time period, having this information will allow to ascertain (i) how big macro-shocks have affected land ownership; (ii) whether only those with higher levels of assets at the beginning of the period were able to accumulate land; and (iii) the extent to which tenants were able to either accumulate land or make the transition to land ownership.

Current land rentals: Information on land that is rented in and also rented out can often be collected quite easily using the same plot-level format that is used for or the land currently cultivated. For the former, the ability obtaining characteristics of the current landlord (e.g. total amount of land owned, social stratum, residence and occupation) as well as the rental contract (fixed or share rent, registered, duration, and since when in existence) will provide the basis for a much richer characterization of land rental markets. Symmetrically, in the latter case it will be of interest to obtain details about the social and economic characteristics of the renter and since when the land in question has been leased out to this or other tenants. Having information on the title status of plots that were rented out as compared to those plots that were self-cultivated can be important to assess whether insecure tenure limits households' ability to engage in land transactions.

Current land sales: While plots that have been purchased will automatically appear in the "plot roster" unless they have been sold or otherwise lost in the meantime, this is not the case for land that has been

sold or transferred in other ways. Even though meaningful analysis of land sales markets will almost invariably require panel data so as to be able to control for initial conditions and characteristics, a modest substitute can be provided by asking for the reasons of the sale and to complement the questionnaire with a section on the shocks (defined as events that led to a loss of assets exceeding some minimum value, say three monthly salaries) so as to be able to make inferences at least on temporal sequences.

Hypothetical land market transactions: While time limits on tenancy may lead to “rotation” of tenants that is not consistent with maximizing productivity and investment, legislation that increases the security of sitting tenants but at the same time prohibits them from sub-leasing may reduce the supply of land available for potential tenants. Similarly, high transaction costs, e.g. because of cumbersome procedures that have to be complied with, may drive a wedge between what tenants pay and landlords receive, thus possibly rationing out a significant number of potential tenants. Providing quantitative evidence on the importance of such restrictions (and thus the benefits from abolishing them) requires asking hypothetical questions on whether households have been trying to participate in rental markets but could not find any land on offer or whether they would change the amount of land rented if prices were to change. Similarly, if the government plans to conduct a program of redistributive land reform, exploring (i) potential beneficiaries’ willingness to expend resources to obtain land; (ii) whether they have a preference for land as compared to other assets that are of similar cash value; and (iii) their plans for using such land can provide important insights regarding the design and targeting of such a program.

Land takings: An issue of great importance, especially in peri-urban settings, which has often not been given the attention it deserves relates to taking of land by the local or central bureaucracy. This is partly due to the fact that such takings can constitute a major source of revenue, if not corruption, and that, in a simple random sample, one is unlikely to encounter a large number of such incidents, implying the need to draw a sample specifically from the cases where such taking occurred. If this is possible, however, obtaining information on the “transaction costs” involved (i.e. the difference between the net value of compensation received by owners and the price paid by current users) and the use to which these lands are currently put could help to (i) reduce the red tape outside investors have to battle with; (ii) enhance accountability and put local government finances on a sounder and more sustainable footing; (iii) question the myth that the only way to attract outside investment is for government to expropriate (or nationalize) land; and (iv) highlight to what extent disposal of land that has already been acquired by the state would provide an opportunity to meet needs for making land available to investors.

Administrative issues: Considerable knowledge on the actual collection of land taxes and other fees can be gained by ascertaining the amount paid directly from the households concerned. Similarly, asking them whether or not they think it will, under current circumstances, be worth to pay for updating registry

records, surveys, and other land-related documentation, can provide insight into the extent to which the services that should be provided by land administration respond to clients' needs and whether the latter trust the land administration institutions. Such evidence can be invaluable to make the case for administrative simplification and streamlining based on client demand. If the interest is to assess *ex post* the impact of specific reforms that had been undertaken (as in the case of Mexico's ejido reform), asking households for their confidence in land certificates or the land administration institutions now and before the reforms can provide very useful information for policy analysis. In environments where government still has the ability to redistribute land or to intervene in land markets in other ways, asking households about their perceived level of tenure security (e.g. whether they expect to still have the same plot of land 5 years time) has helped to complement more "objective" measures of tenure security (e.g. titles) and to see to what extent possession of such documents is associated with higher perceived tenure security.

Knowledge about laws: One characteristic of many developing countries is that it is relatively easy to pass laws relating to land but that there is often little attention to disseminating and implementing these, or to ensure that old legislation, that may contain contradictory provisions, is duly abrogated. A quick and simple way to expose such gaps is to assess households' understanding of the law, for example by administering a series of simple questions concerning key provisions. Given that it is these beliefs that are likely to affect day-to-day behavior, showing that households (or men and women in specific households) are either not aware or confused about key provisions of land-related legislation can help to demonstrate the need for increased dissemination and help identify the target groups for such an effort. Moreover, having the same questions administered independently to leaders at the village level can give valuable hints as to how such efforts should be structured.

4.3.2 Community questionnaire

Given that there can be significant differences in the way in which regulations are implemented at the local level, having a well thought-out community questionnaire can provide a wealth of information on the arrangements, regulations, and constraints that are normally taken as given by individual economic actors, and recent changes in these. The latter can be of great importance to explain changes in behavior. From a more pragmatic perspective, comparing actual rules to households' perceptions about what these rules should be will make it possible to assess the extent to which individuals (or village officials) are aware of the legal provisions, thus allowing to make the case need for greater efforts at dissemination. We

note that community surveys will be even more context-specific than households questionnaires⁴ and, again, limit discussion to variables that go beyond what is covered in standard reference works.

The institutional infrastructure for land administration: Exploring the way in which land administration services are delivered at the local level (staffing, fee structures, accessibility) and how the quality of delivery is perceived will allow to overcome the supply-side focus of many current studies that give scant, if any, attention to the user perspective. Since only a fraction of households are likely to use these services at any point in time, a community survey is an appropriate tool for this. This can be complemented by questions on obligations incurred by property owners (e.g. tax rates, the way they are assessed and change over time, zoning, etc) which are the same for all owners within the community. One aspect that is of particular interest is that it will be relatively easy to retrospectively ascertain changes in these variables over time, something that will be of great relevance in situations where there have been far-reaching shifts in the social, political, and institutional environment. Identifying associated changes in the functions that are performed by local and central institutions, their staffing and funding, and the accessibility of these services to the local population, can help to portray a much more precise picture of institutional change that is the precondition for gaining a more precise estimate of its impact.

Rules and land-related regulations: Mechanisms for inheritance, land access for women, conversion of land (from public to private or from agricultural to non-agricultural uses) normally vary significantly across localities and, in some instances, local communities impose restrictions on transferability (through rental or sale). The existence of such rules, and their changes over time, will have clear implications for land use decisions by individual households. They can often be combined with a general assessment of the level of activity and direction of land market activity at the local level that can be compared to household-level assessments.

Administrative actions: A household questionnaire will normally provide information on whether a specific household was affected by redistribution, land taking, or conflict. However, even having only very few expropriations without compensation is likely to significantly affect tenure security for everybody. Since randomly administered household questionnaires may not give enough information on whether or not such events took place, it will be critical to include to have information on them at the community level.

General governance: In many settings, a key question of interest is to find out how the functioning of land administration institutions is affected by general administrative or institutional reforms (e.g. higher

⁴ The ability to obtain good information at the community level is highly context-specific, implying that survey instruments will need to be subjected to a thorough pre-test. While it is possible to obtain a surprisingly large and accurate amount of information even for retrospective questions in situations where the definition of community is unambiguous and administrative records are kept which respondents can draw upon to fill in the survey instrument, this will be impractical in situations where these conditions do not hold.

levels of decentralization or having village leaders elected democratically rather than appointed by central government). Providing informed estimates of the impact of such measures will require greater familiarity with the underlying processes but having information on what changes happened when, as can be obtained from a community questionnaire, is essential.

Leaders' knowledge about laws: Local leaders have often considerable discretion in decisions regarding land management. Even though knowledge about the applicable legal provisions is not a sufficient condition to prevent abuse, lack of such knowledge will make it very difficult to have these applied in a consistent manner, especially in situations where laws have changed recently. Testing their knowledge with a number of straightforward questions is one way of finding out whether, at the policy level, there may be need for greater efforts at dissemination and capacity building. Furthermore, as ignorance about legal provisions is likely to affect a whole host of land-related variables at the local level it can also serve as a good instrument.

5. Conclusion: Bringing theory and process together

Policy reforms in the area of land policy are an attractive candidate for analysis in a number of respects. They clearly have far-reaching distributional implications and consist of rather discrete interventions or policy changes that lend themselves to before-after analysis of the type that can be accommodated within the PSIA framework. Such reform are also often controversial politically and need to be sustained for a period of time that transcends the tenure of individual governments, implying that information from PSIA can be used to build consensus, establish clear performance indicators, and monitor these over time so as to limit the scope for using the program for political purposes.

To maximize the value and impact of land-related monitoring and impact evaluation, it will be important to be aware of the consensus on principles that has been reached, and to observe a few basic methodological principles. Drawing on some of the experiences in terms of design discussed in this note can also help to reduce the costs and increase the credibility of whatever analysis is performed. To have an impact on policy, PSIA will have to count on the input from various stakeholders to identify the “right” questions and develop indicators that can command a broad consensus. It will also have to be conducted, and its results communicated, in a transparent and credible way, timed in a way that fits into the broader policy discussion. Although it is a necessary condition, getting the methodology right is by no means sufficient in order to achieve the goal of having policy impact. If it allows task managers to focus more of their attention and energy on the latter, this note will have achieved its purpose.

Table 1: Extent and Characteristics of Land Reforms

Country	Area		Beneficiary households		Area per Household (hectares)	Period
	Total area (thousands of hectares)	Percentage of arable land	Number (thousands)	Percentage of rural households		
Africa						
Egypt	390	15.4	438	10.0	0.89	1952–78
Kenya	403	1.6	34	1.6	11.85	1961–70
Zimbabwe	2,371	11.9	40	3.1	59.28	1980–87
Asia						
Japan	2,000	33.3	4,300	60.9	0.47	1946–49
Korea, Rep. of	577	27.3	1,646	45.5	0.35	1948–58
Philippines	1,092	10.8	1,511	24.2	0.72	1940–85
Taiwan, China	235	26.9	383	62.5	0.61	1949–53
Central America						
El Salvador	401	27.9	95	16.8	4.22	1932–89
Mexico	13,375	13.5	3,044	67.5	4.39	1915–76
Nicaragua	3,186	47.1	172	56.7	18.52	1978–87
South America						
Bolivia	9,792	32.3	237	47.5	41.32	1953–70
Brasil	13,100	11.3	266	5.4	49.32	1964–94
Chile	9,517	60.1	58	12.7	164.09	1973
Peru	8,599	28.1	375	30.8	22.93	1969–79

Sources: Eckstein and (1978); El Ghonemy (1990); Grindle (1990); Hall (1990); Hayami, Quisumbing and Adriano (1990); McClintock (1981); Powelson and Stock (1987); Prosterman, Temple and Hanstad, (1990); Scott (1976).

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