

Policy Options for Rural Development

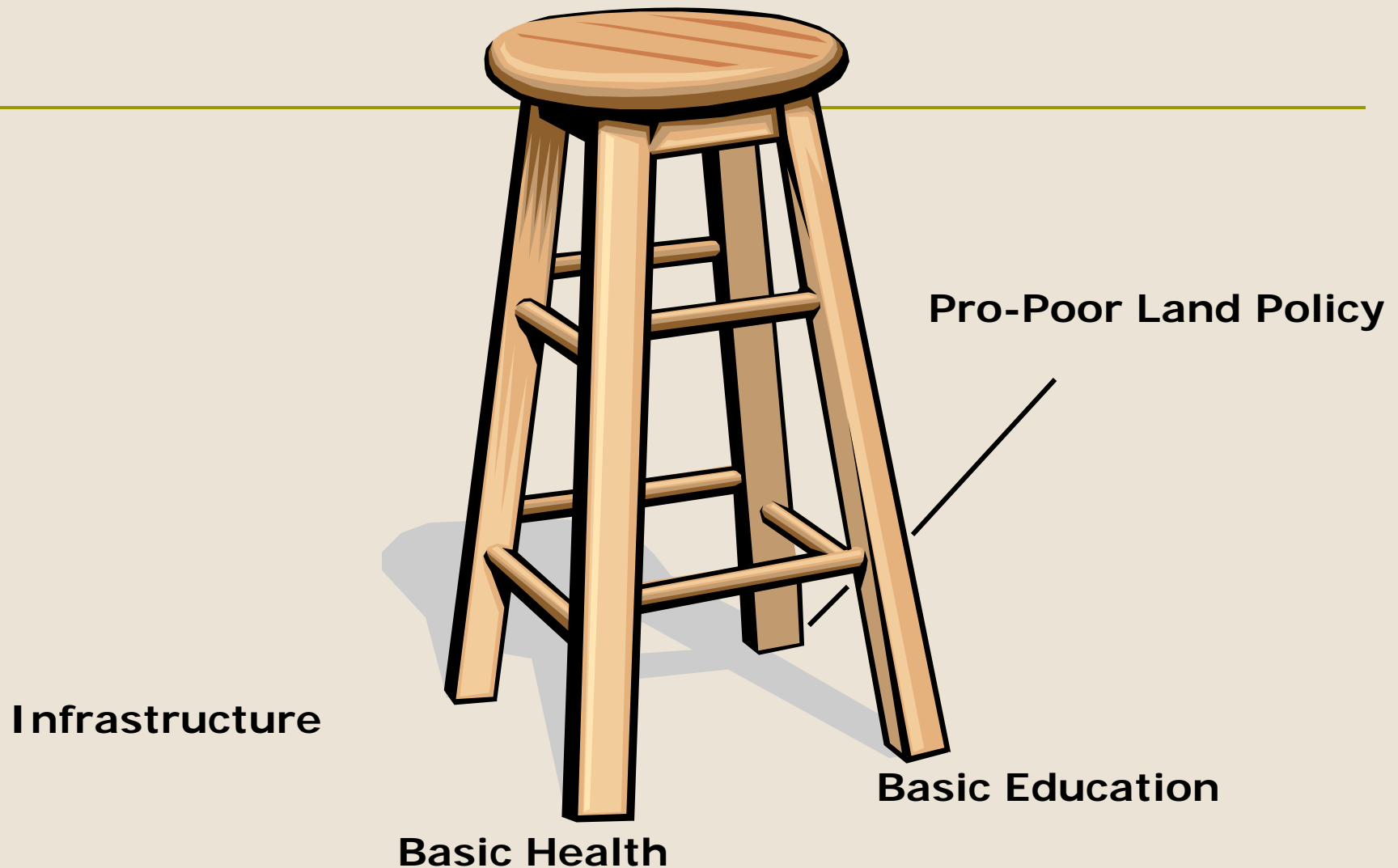


The Face of Rural Poverty



- ❑ 1.4 billion people exist on less than \$1/day; 75% are rural.
- ❑ 800 million people live with hunger and malnourishment; most rural.
- ❑ Hunger and poverty kill 20,000 daily.

Key Components of Rural Development



Why Land Policy Matters

- Land is multi-faceted; source of:
 - Food
 - Income
 - Wealth
 - Status
 - Power

- Land policy either facilitates or constrains structural shift from rural/agric to urban/non-agric

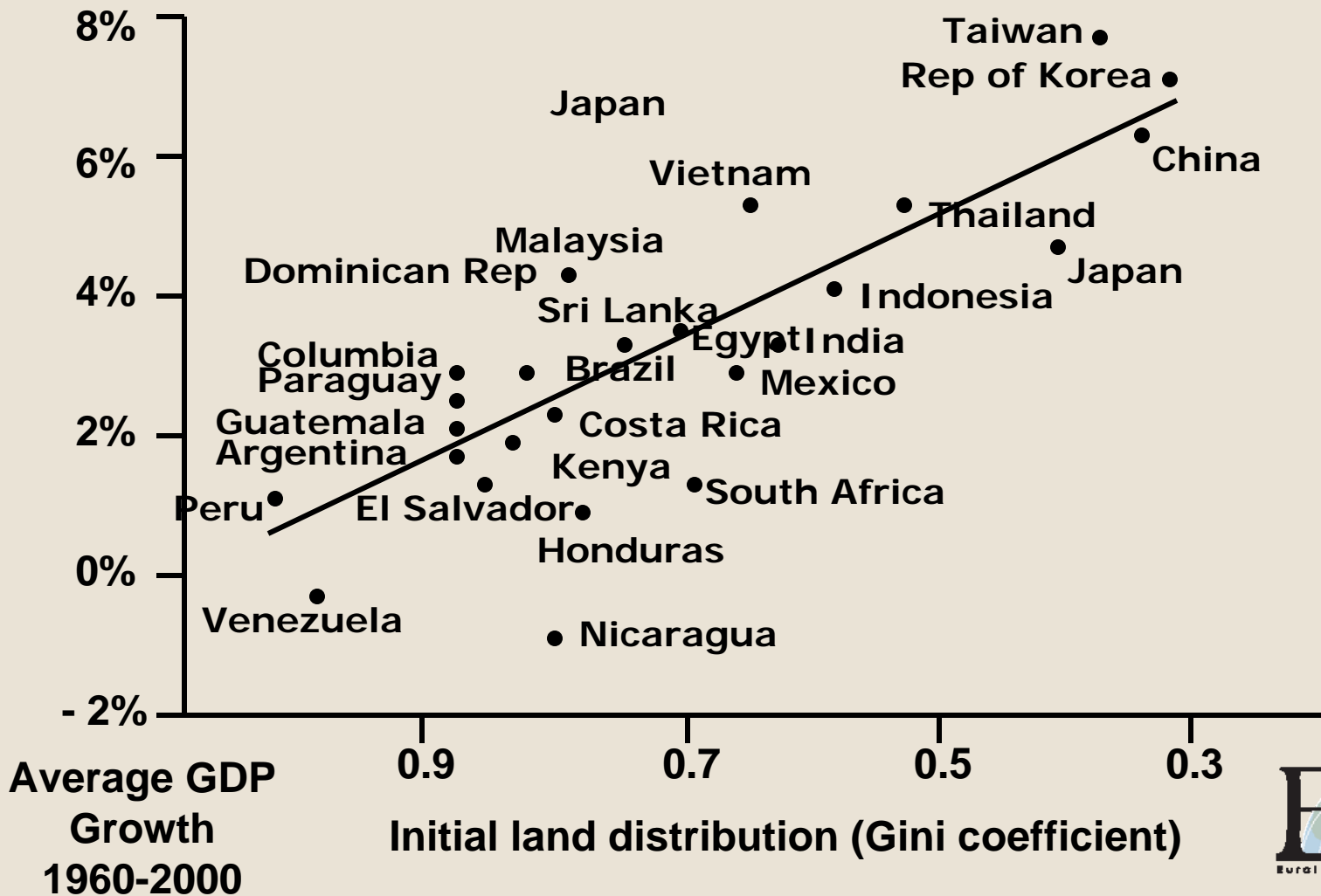


Pro-Poor Land Policies

- Definition: Policies that increase the ability of the rural poor and other socially marginalized groups to gain or protect access and secure rights to land.

- No cookie-cutter solutions; must be adapted to specific settings. BUT, several universal guidelines:
 - Build on positive aspects of socially embedded rules and institutions.
 - Empower local communities and governments
 - Protect the vulnerable + establish incentive frameworks that promote productive investment behaviour
 - Relatively egalitarian distribution/access + secure tenure

Initial land distribution and economic growth

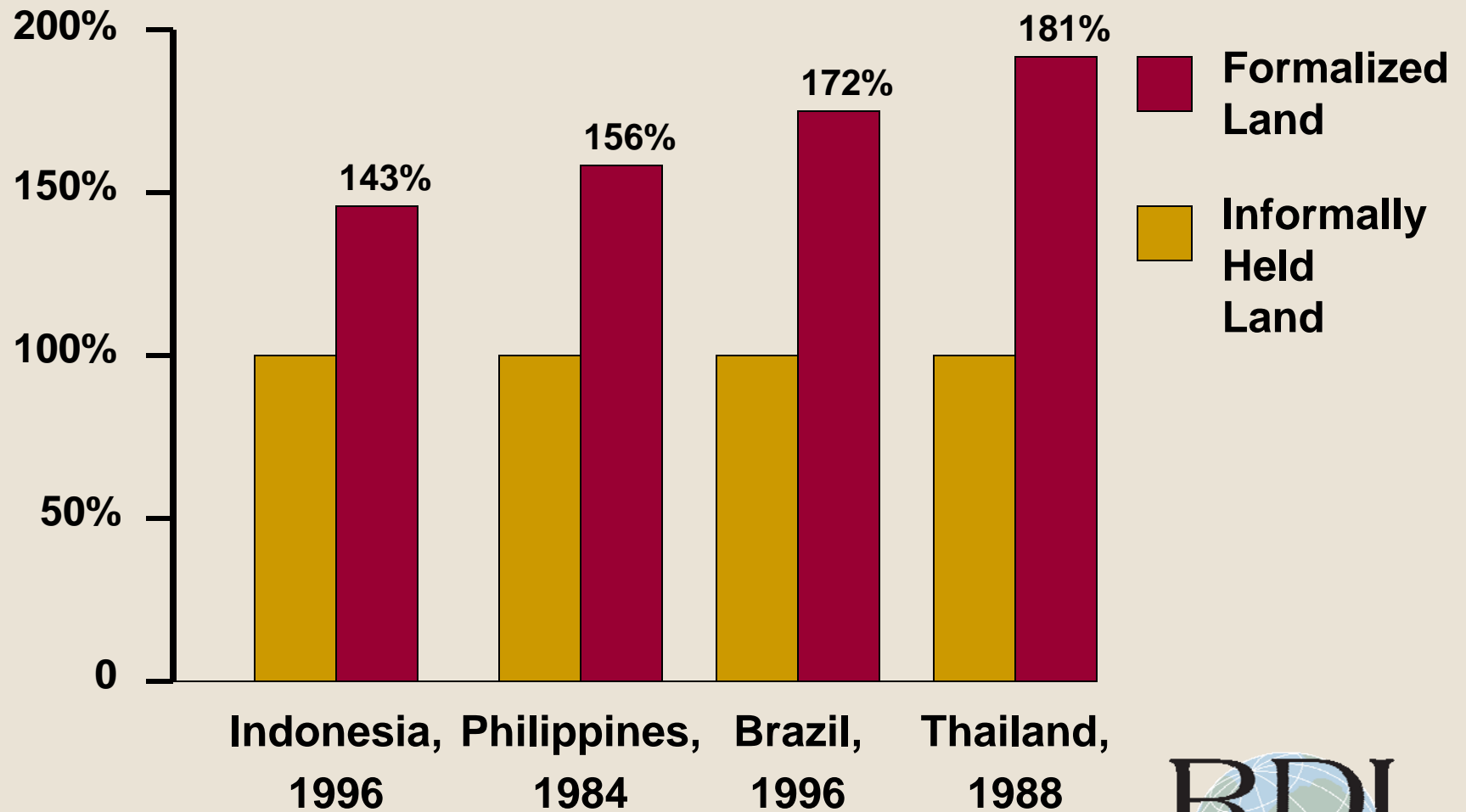


Should land rights be formalized?

- Generally, “yes”, but with a few important caveats.
- Caveats:
 - Does not necessarily equal individualized or private ownership (formalize group rights, use rights)
 - Protect and strengthen rights of poor and vulnerable in process
 - Research, research, research to understand grassroots realities
 - Legal aid
 - Verbal evidence
 - Local community involvement
 - Build on positive aspects of socially embedded rules and institutions
 - Protect and strengthen rights of women

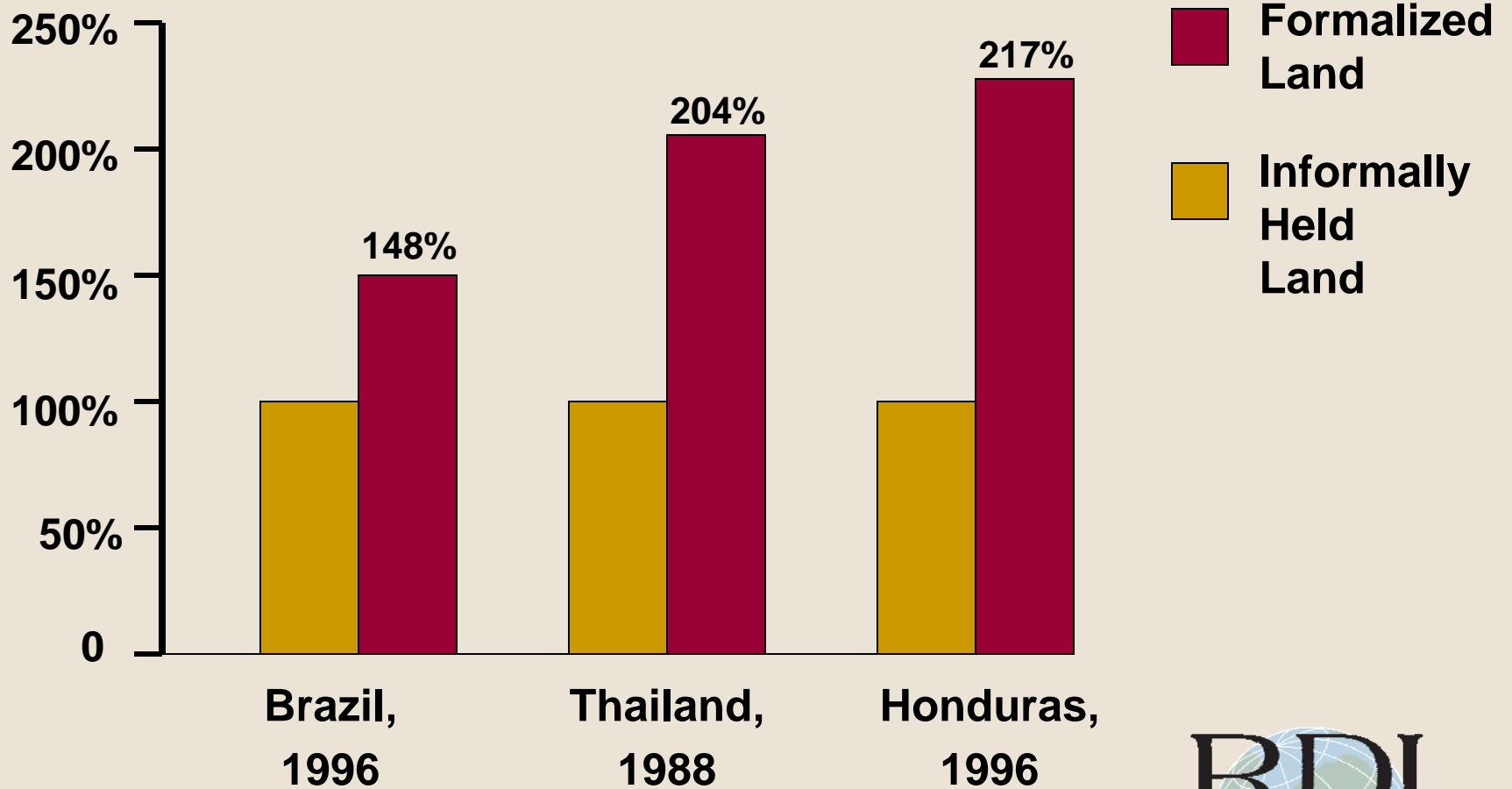
Impact of formalized status of land on land values

Land Values

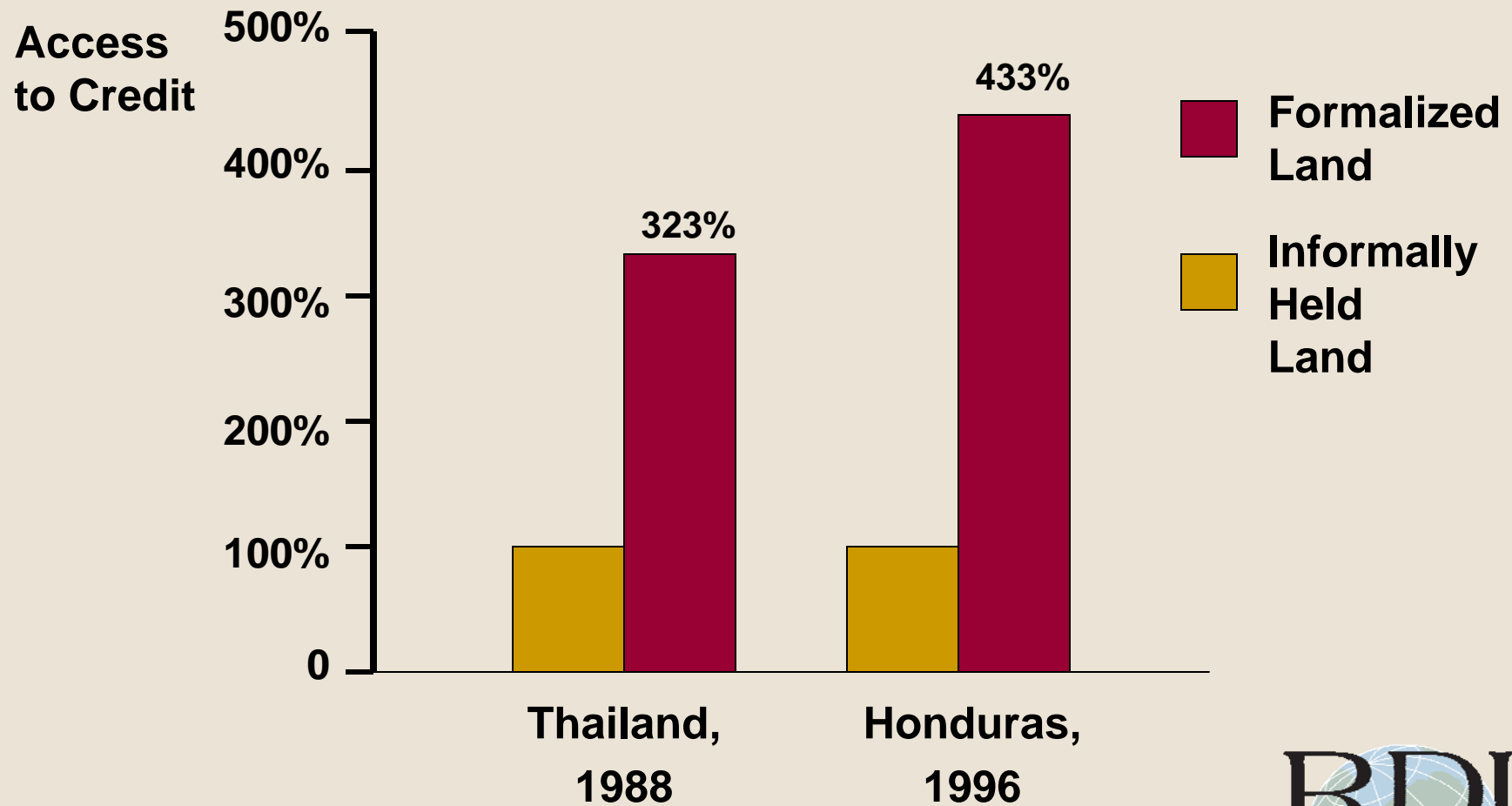


Impact of formalized status on investment

Investment



Impact of formalized status of land on access to credit



Recent Successes: Innovative Pro-Poor Land Policies Facilitating Successful Rural Development (1 of 2)

□ China:

- Post-1978 land policy was foundation for most successful rural development and poverty alleviation in history.
- Equitable distribution through flexible and locally-driven processes; but under broad framework of central principles and rules
- Gradually increasing tenure security and transfer rights

□ West Bengal (India)

- Decentralization; strong local government
- Focus on large # of beneficiaries vs. large bundle of benefits
- Homestead plots
- Implementation rules protected most vulnerable
- Recognize realities of market forces

Recent Successes: Innovative Pro-Poor Land Policies Facilitating Successful Rural Development (2 of 2)

□ Eastern Europe

- Enlarging size and strengthening tenure of household plots and gardens
- Equitable, transparent and rapid systems for reorganizing state/collective farms

□ Ethiopia

- Systematic certification and registration of land rights
- Decentralized approach that builds on existing and developed governance structures
- Low-cost technology combined with acceptance of verbal evidence

Think Micro lending is a good idea? Consider Micro-owning.



Foreign Affairs Ad – January/February 2007

Rural Development Institute

Securing land rights for the world's poor.





WHEN WOMEN OWN LAND, WE ALL BENEFIT.

Pro-Poor Land Policies:

A foundation for leveraged and sustainable rural development

