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

- Infrastructure
- Basic Health
- Basic Education
- Pro-Poor Land Policy
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 productive investment behaviour.
  - Relatively egalitarian distribution/access + secure tenure.
Initial land distribution and economic growth

Average GDP Growth 1960-2000 vs. Initial land distribution (Gini coefficient)
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

- Indonesia, Philippines, 1996: 143%
- Brazil, 1996: 156%
- Thailand, 1988: 181%

*Formalized Land*

*Informally Held Land*
Impact of formalized status on investment

Brazil, 1996
- Formalized Land: 148%
- Informally Held Land: 100%

Thailand, 1988
- Formalized Land: 204%
- Informally Held Land: 100%

Honduras, 1996
- Formalized Land: 217%
- Informally Held Land: 100%
Impact of formalized status of land on access to credit

- Thailand, 1988: 323%
- Honduras, 1996: 433%

Access to Credit

Formalized Land

Informally Held Land
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.

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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