Global land reform experiences: A review for South Africa

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ABSTRACT

This paper reviews land reform in six emerging market economies with some similarities to South Africa, and in sub-Saharan African countries, which share a similar colonial history. While care needs to be taken when trying to transplant policies that have worked in other countries, the paper suggests a number of broad lessons. Land reform is a process, not an event: reform programmes need not be set out in full and written in stone at the outset. Particular reforms can be phased in over time in different parts of a country, rather than awaiting a grand design. It is neither necessary nor desirable to make a binary decision between state-led and market-assisted reforms; different approaches can advantageously be taken simultaneously. Markets are particularly important for post-reform success. Flexibility and pragmatism can lead to greater learning, improving effectiveness of reforms over time. Democratic politics are important, both in creating the demand for redistribution and in contributing to its success. Land reforms are generally unsuccessful unless accompanied by complementary support. Reforms can lead to broader growth, in part by creating the basis for an inclusive economy.
1 INTRODUCTION

Land reform has been undertaken in many countries and in many different periods. Bhattacharya et al. (2019) identify 372 major land reform enactments from 165 countries between 1900 and 2010, each attributable to one or (usually) more of 12 distinct motives: (i) landholding ceiling imposition, (ii) expropriation, (iii) redistribution, (iv) distribution, (v) restitution, (vi) consolidation, (vii) improving tenure security, (viii) privatization, (ix) collectivization, (x) nationalization, (xi) recognizing customary, indigenous, community, religious, and traditional land rights, and (xii) other. About 38 percent of these reforms had an explicit motivation of benefiting the poor. South Africa has been grappling with its own land reform process since 1994. Like many other countries, this also explicitly aims at benefitting the poor.

“Land reform” is a broad term that encompasses a variety of different interventions. Three are worth distinguishing:

- **Land redistribution** entails transferring ownership or use rights from existing owners or users to others. It is generally but not always aimed at providing more inclusive access to land for smaller farmers.
- **Land restitution** can be seen as a narrower form of land redistribution. The motivation is generally to redress historical injustices perpetrated through dispossession. While land redistribution might target a broad group of beneficiaries, land restitution typically identifies specific beneficiaries based on specific historical instances of dispossession.
- **Land tenure reform** targets changing the legal system surrounding land ownership and use rights.

Section 25 of the South African Constitution recognizes all three of these varieties of land reform. It explicitly enables restitution or equitable redress for those dispossessed under apartheid; it also affirms the right to security of tenure for those who have insecure tenure because of past racial injustice; and it upholds “the nation’s commitment to land reform, and to reforms to bring about equitable access to all South Africa’s natural resources” (Government of South Africa, 1996). Although redistribution and restitution have both been part of South Africa’s land reform efforts since 1994, the balance of the momentum for land reform seems to be shifting from restitution towards redistribution. Although it is still motivated by the desire to redress historic injustices, the focus is moving from redressing specific instances of dispossession to colonial land alienation more generally. The debate is moving from “my land was stolen, and I want it back” to “our country was stolen, and we want it back.”

Although restitution as a motivation for land reform is not unique to South Africa, it is the least common globally. To be clear, it has played an important role as a motivator of land reform in many post-colonial sub-Saharan African (SSA) countries, particularly in the former settler colonies. However, since there were fewer instances of alienation of land from specific people in SSA than in South Africa, the programmes there have focused more on redistribution and tenure reform. Restitution programmes tend to be country-specific, since they address specific historical wrongs done to specific communities. They also face challenges that may not be present in broader land redistribution and tenure reforms. For example, they require establishing a process for identifying and verifying land claims, which is generally absent in broad-based land redistribution.

Other countries’ experiences with land reform provide a rich source of experiences from which South Africa can draw guidance for its own reform programme. This report brings together some of the main

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1 One interpretation of restitution is that it restores property rights that were not respected for some of the population in a prior regime. After 1989, a number of Eastern European countries committed to restoring property to families dispossessed under Nazi and Communist regimes. The process has been slow, problematic and is still incomplete, more than 80 years after the original dispossession.
lessons from the experiences of other countries with land reform. Section 2 considers the experiences of six large, emerging market economies: those of Brazil, Russia, India, and China—the so-called ‘BRIC’ economies—and Mexico and Turkey. Given their similar levels of development, they provide particularly relevant policy lessons for South Africa. Section 3 catalogues all of the experiences with land reform of other SSA countries over the last 70 years; their geographic proximity and shared colonial history make them useful comparators. Such a review can highlight the likely impacts of such reforms on farm sizes, vulnerable groups, and welfare more broadly, and can provide evidence on the conditions under which reforms are most likely to be successful. This provides useful policy lessons for South Africa.

To draw lessons from experiences elsewhere, we have to face the problem of all evidence-based policy advice: how can we be sure that the experiences we draw on are relevant to the specific implantation with which we are concerned? In the words of Cartwright and Hardie (2012), how do we know what worked there and then will work here and now? This paper follows the standard practice of focusing its review on reasonable comparable countries—firstly countries that are comparable in their levels of development by dint of being emerging market economies, and then countries from the same region of the world.

The outcomes of land reform programmes depend not only upon their design, which is relatively easily observable, but also on a wide range of less easily observable contextual mediators: implementation efforts, complementary supports, absorptive capacities of beneficiaries, state capacity, interest groups, political economy, and so on. These mediating influences may affect the generalizability of conclusions coming from another land reform experience. South Africa can learn from the experiences of others, but it is important that these lessons/guidelines are adapted to the local context.

What lessons do we want to learn? We are interested in the factors that contribute to a successful land reform. This begs the question of how we should measure success. Obviously one aspect of success is whether the reforms achieved the targets they set out to achieve: were the lives of land recipients improved? One might think that this must be the case: if a policy cannot at least improve the lives of the people it is designed to help, then its designers should probably not be in the policy business. However, there are instances in which some of the targeted groups were made worse off because the programme was not properly supported. Recipients were given land, but not the wherewithal to farm it. Even when the intended beneficiaries do benefit, success might be measured from a broader perspective by considering whether other groups in the country benefitted. Did the benefits to the targeted group spill over into benefits for others? What were the costs of the reform programme? Who bore those costs? This broader perspective carries its own problems. It is reasonable to expect that there might be transitional costs in moving from one land regime to another. Established production processes are disrupted. Capital and infrastructure designed to support one regime is devalorized and it takes time for new capital and infrastructure to come into place. New land users might be replacing experienced old users, requiring a period of learning-by-doing before experience is replaced. Over what period should we expect these transitional costs to dissipate?

Many of the outcomes from this perspective are highly country specific, as will be shown. While some lessons can be learned, land reform programmes do not easily translocate lock, stock, and barrel from where they were successful to a new country. Some of the important lessons are negative, suggesting factors that contributed to failure elsewhere. But even in this case, we have to ask whether the contributors to failure can be generalized, translated from there to here. It should also be recognized that not implementing a reform programme that would have had beneficial effects is in itself a form

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2 Further guidance can be sought from South Africa’s own experiences with land reform since the end of apartheid, though that is beyond the scope of this paper.

3 We need to be careful not to treat “context” as static and unchanging. It does evolve, so that the context of land reform some years ago will not be the same now, even in the same country.
of failure. Are there successes elsewhere that were expected to fail but did not? Are there countries that paid some economic or social cost because they did not undertake land reforms?

After reviewing these global experiences with land reform, their impacts, and the lessons that can be learned from them in Sections 2 and 3, this paper takes up two closely-related topics: Section 4 considers the farm size-productivity relationship, and Section 5 considers the roles of market access and complementary services in mediating this relationship. Many land reforms contribute to a greater number of smallholder farmers, so the global, Sub-Saharan Africa, and South Africa evidence on the farm size-productivity relationship is considered. Overall, evidence is found of an inverse relationship in contexts like South Africa, suggesting potential benefits from land reform that achieves smaller average farm sizes. However, giving land to smallholders is highly problematic if they do not have access to markets and rural services that allow them to be productive and successful on a variety of measures. Accordingly, some of the challenges smallholders face in South Africa, and potential policy lessons and solutions, are considered. A central lesson is that outcomes of reform programmes depend crucially on the complementary package of policies supporting them. Section 6 concludes with some key lessons for South Africa’s land reform, drawn from the global evidence.

2 GLOBAL EVIDENCE ON LAND REFORMS IN EMERGING MARKET ECONOMIES

2.1 A focus on emerging market economies

South Africa is one of five emerging market economies that constitute the BRICS economies, the other four are Brazil, Russia, India, and China. The BRICS collectively contain about 41.6 percent of the world’s population (World Bank, 2017), and the fast-growing economies of the other four make them interesting comparators for South Africa. Mexico and Turkey are two other prominent emerging market economies outside Africa—part of the so-called MINT economies, which also include Indonesia and Nigeria (the latter covered in Section 3). This review focuses on these six economies. As Table 1 shows, using data from World Bank (2017), they have several points of similarity with South Africa. GDP per capita in South Africa is smaller than that of four of these countries, though larger than that of two. Its GDP growth rate is slower than that of four of these countries, though larger than that of one (Brazil). Two countries have a smaller share of their population living in urban areas, while four have a larger share.

South Africa does stand out as having the second-to-smallest total amount of agricultural land (second only to Turkey), but agricultural land as a share of land area is highest in South Africa, compared to the other six emerging market economies. The role of agriculture in the economy is uniquely smaller in South Africa than in the comparator countries. As a share of GDP and as a share of employment, agriculture is smaller in South Africa than in any of the other countries. However, the annual growth in value added in agriculture in South Africa is higher than in any of the others. While lessons can certainly be learned from this set of emerging market economies, it is important to take these differences into account when interpreting lessons from them.
Table 1: Comparison of South Africa with other emerging market economies, 2017

<table>
<thead>
<tr>
<th></th>
<th>S. Africa</th>
<th>Brazil</th>
<th>Russia</th>
<th>India</th>
<th>China</th>
<th>Mexico</th>
<th>Turkey</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP per capita (constant 2010 USD)</td>
<td>7 525</td>
<td>10 889</td>
<td>11 441</td>
<td>1 965</td>
<td>7 329</td>
<td>9 943</td>
<td>14 936</td>
</tr>
<tr>
<td>GDP growth (annual %)</td>
<td>1.32</td>
<td>0.98</td>
<td>1.55</td>
<td>6.68</td>
<td>6.90</td>
<td>2.04</td>
<td>7.44</td>
</tr>
<tr>
<td>Population, millions</td>
<td>56.72</td>
<td>209.29</td>
<td>144.50</td>
<td>1 339.18</td>
<td>1 386.40</td>
<td>129.16</td>
<td>80.75</td>
</tr>
<tr>
<td>Urban population (% of total)</td>
<td>65.85</td>
<td>86.309</td>
<td>74.292</td>
<td>33.6</td>
<td>57.96</td>
<td>79.867</td>
<td>74.644</td>
</tr>
<tr>
<td>GINI index</td>
<td>63</td>
<td>51.3</td>
<td>37.7</td>
<td>35.1</td>
<td>42.2</td>
<td>43.4</td>
<td>41.9</td>
</tr>
<tr>
<td>Agricultural land (% of land area)</td>
<td>79.83</td>
<td>33.92</td>
<td>13.29</td>
<td>60.45</td>
<td>56.21</td>
<td>54.65</td>
<td>49.80</td>
</tr>
<tr>
<td>Agricultural land (sq. km)</td>
<td>968 410</td>
<td>2 835 460</td>
<td>2 177 218</td>
<td>1 797 210</td>
<td>5 277 330</td>
<td>1 062 360</td>
<td>383 270</td>
</tr>
<tr>
<td>Agriculture, forestry, and fishing, value added (% of GDP)</td>
<td>2.29</td>
<td>4.57</td>
<td>4.01</td>
<td>15.47</td>
<td>7.92</td>
<td>3.42</td>
<td>6.08</td>
</tr>
<tr>
<td>Agriculture, forestry, and fishing, value added (annual % growth)</td>
<td>17.72</td>
<td>13.00</td>
<td>1.19</td>
<td>3.37</td>
<td>3.90</td>
<td>3.37</td>
<td>4.88</td>
</tr>
<tr>
<td>Employment in agriculture (% of total employment)</td>
<td>5.55</td>
<td>10.32</td>
<td>6.70</td>
<td>42.74</td>
<td>17.51</td>
<td>13.11</td>
<td>19.39</td>
</tr>
</tbody>
</table>

Notes: Exceptions to use of 2017 data include the following: Data on agricultural land (% of land area) and agricultural land (sq. km) are from 2016. Data on the country’s GINI coefficient are the most recent available, and the year used is country-specific (2011 for India, 2012 for China, 2014 for South Africa, 2015 for Brazil and Russia, and 2016 for Mexico and Turkey).


Firstly, thumbnail sketches are given of the main features of land reform in each of the selected countries. This includes the timing, motivation, and trajectory of the reforms, as well as accounts of their economic and welfare impacts. Reading them shows a wide range of experiences with mixed successes and failures. These are followed by a section drawing out some of the relevant themes and lessons that come out of them.

2.1.1 Brazil

The high concentration of landholding is a persistent problem in Brazil. Since the 1960s, there have been a series of land reform attempts, focused on redistributing land to the rural poor and improving tenure security. The Land Statute of 1964 has provided the legal basis for land expropriation (with compensation in government bonds) and state-led land redistribution (Bhattacharya et al., 2019). However, it came about while Brazil was under a conservative military dictatorship (from 1964 to 1985), and the major land policy eventually turned out to be the colonization of the unoccupied border areas in the country. Only 77 000 families were settled under the expropriation and distribution
programmes between 1964 and 1985, without any complementary assistance in the form of credit, infrastructure, or extension services (Lambais, 2008; Navarro, 2009). With democratization and growing social pressure for land redistribution, the state-led land reform was accelerated from 1995. Over the next five years, the number of families settled surpassed the total number achieved in the preceding 30 years and, by 2002, 592,141 families had been settled (de Souza Filho et al., 2000, Lambais, 2008). This phase of implementation was further associated with improved infrastructure and services.

In the late 1990s, with help from the World Bank, the Brazilian government introduced market-assisted redistribution programmes—though on a relatively small scale (de Souza Filho et al., 2000). After implementing two World Bank-sponsored pilot programmes, the government established the Land Bank in 1998 to provide families with higher incomes with low-interest loans of up to BRL 40,000 to purchase land and improve infrastructure, mostly in more developed regions, on a “willing-buyer-willing-seller” basis, nevertheless without a grant component from the World Bank (Sparovek and Maule, 2009). Through the Land Bank, between 1999 and 2003, 1.4 million hectares of land was distributed to 34,500 families (Sparovek and Maule, 2009). With the resumption of World Bank support, in 2003, the Brazilian government launched the National Programme of Land Credit, which provides a transfer of BRL 15,000, comprising of a loan for purchasing land and a grant for infrastructure improvement, to each landless family. Since the total amount of transfer is fixed, the beneficiaries are incentivized to negotiate lower land prices and increase the investment grant (Fitz, 2018). Instead of directly making the transaction, the government role thus focused on properly targeting beneficiaries of the transfer package, financing basic infrastructure and services for settlement and production such as electricity and irrigation, and monitoring and evaluating the program. The market-assisted approach is arguably cheaper than the state-led reform featured by expropriation, primarily because of not involving the bureaucracies and cash payment to landlords (Borras, 2002). In 2006, a cost-benefit analysis shows that the average cost of settling a family under the National Programme of Land Credit is an estimated BRL 3,600 (Navarro, 2009), much lower than the figure under expropriation programs from Marques’s study, BRL 16,081 per family, but the figure varies with region (as cited in Navarro, 2009). Moreover, because the landlords are paid with cash, instead of highly discounted government bonds, they are more willing to sell land to reform beneficiaries (Deininger, 1999).

Both the state-led and market-assisted land redistribution programs increased the incomes of recipients of land. For the state-led reform, Buainain et al.’s interview shows the settler’s income increased from BRL 871 to BRL 3,334 from 1997 to 2000 (as cited in Lambais, 2008), while for the National Programme of Land Credit, the household income of beneficiary family increased from BRL 1,656 in 2003 to BRL 4,064 in 2005 (Sparovek and Maule, 2009). Though not definitive, there is also some evidence that the provision of grant for complementary investment increases the probability of having access to irrigation by five percentage points (Fitz, 2018). The land reforms in Brazil have not been able to fundamentally alter a severely skewed distribution of land ownership, but they did enable the agricultural production of beneficiaries by improving land access and investment and, though less conclusively, increased the income of beneficiaries (Fitz, 2018).

The Brazilian experiences with land reform highlight the potential of adopting multiple solutions to complicated land issues. Not only are market-assisted land reforms more budgetarily feasible, but they also allow for easier negotiations and fewer grievances than in the case of state-led reforms (de Janvry and Sadoulet, 2002). However, faced with highly concentrated land ownership, abundance of idle land, and resistance from powerful landlords, government-led expropriation may help contribute to social equality and more efficient use of rural land, though with the potential for bureaucratic inefficiency and corruption. And any land redistribution programme should not be simply the transfer of land; complementary assistance, such as basic infrastructure, rural credit, extension services, and education services, can help contribute to the long-term success of the programme.
2.1.2 Russia

Between 1917 and 1990, land in the Soviet Union was all state-owned. Some 30,000 collective and state farms contained approximately 98% of agricultural land following the forced collectivization of 1929–1930 (Lerman and Shagaida, 2007). Problems of collective and state farms, including mass opposition to collectivization, excessive state extraction to support industrialization, unduly large scale (and resulting ineffective supervision), over-mechanization and inefficient use of production factors, and unviable incentive structures, all led to the land reforms of Russia in the wake of the collapse of the Soviet Union (Lipton, 2009). From the constitutional amendment and the enactment of the Law on Land Reform in the early 1990s, the Russian Federation has been recognizing private ownership and decollectivizing its agriculture. This privatization of the land held by collective and state farms began in 1991 through the distribution of “land shares” to rural households (Lerman and Shagaida, 2007). The land shares were paper certificates of land ownership with specified size but unspecified location and, in principle, the shareowners could withdraw physical land plots from the collective farms (Lerman et al., 2004).

One may think that this privatization was essentially decollectivization and distribution. However, land experts have called what happened in countries of the Commonwealth of Independent States “pseudo-decollectivised” (Lipton, 2009). Via distribution of land shares, around 12 million people legally owned 119 million hectares of prime agricultural land (Swinnen, 2006). And by early 2003, the legal ban on the transaction of land (and land shares) was lifted (Lerman and Shagaida, 2007). But decollectivization through distribution of land shares in Russia did not help create the new, smaller, more efficient private farms some had hoped for, largely due to the absence of large demand for private farmland (Lipton, 2009; Swinnen, 2006). Between 1990 and 2003, the share of privately-owned agricultural land increased to 60 percent, but 51 percent of this was in the form of land shares (Lerman and Shagaida, 2007). That is, many land shares were never converted to physical plots. Many shareowners never worked or planned to work in the farm sector; and even the shareowners who were ex-state farmers tended to be both old and lacking farm management skills (Lerman and Shagaida, 2007; Lipton, 2009).

With improved transferability of land shares in early 2000s, most shareowners chose to lease their land or sell shares to large farms for employment; no more than five percent built their own private farms (Giovarelli and Bledsoe, 2001; Swinnen, 2006). Some of the demand for land was cut because of the frustrating practice of collective farm managers, notably in the Russian Far East, where they refused to convert the shares into land or compensate shareowners (Duncan and Ruetschle, 2001). Land shares were part of state farms’ assets when sold, and this led to persistent concentration of land (Giovarelli and Bledsoe, 2001). In 1998, an average farm enterprise contained 6,000 hectares of land. Therefore, it is widely claimed that the post-Soviet land reforms in Russia resulted in little change in farm structure (Lerman, 2001; Lipton, 2009; Wegren, 2008).

Together with other liberalization policies, including cuts in subsidies for agriculture and employment, agricultural output in Russia declined by 32.8 percent during 1990–1995 and 14 percent during 1995–1999 (Lerman et al., 2003). Small farms have proven to be more productive: in 1997, small, individual farms produced 40 percent of total agricultural output on less than 15 percent of agricultural land, while large farms produced 60 percent of output on 85 percent of the land (Lerman, 2001).

The experience of Russia’s recent land reforms brings out the importance of political will in policy design. Russia’s reforms fail to clearly accept private ownership and individualization of agriculture. On the contrary, land reforms of central and eastern Europe have achieved great successes and contributed to growth: their privatization of land has been a process of restitution to former owners, rather than distribution to agricultural workers, and allocation of physical land instead of paper certificates (Lerman, 2001). In addition, the distribution of physical plots, in particular, creates much stronger tenure security than the distribution of land shares (Swinnen, 2009).
2.1.3 India
At its independence from the British rule in 1947, India had an acute scarcity of land in relation to population, and highly unequal land distribution. Rural poverty was high and persistent in areas where intermediaries between the individual cultivators and government collected tax on land revenue and extracted surplus from the cultivators (Banerjee and Iyer, 2005). Under the Indian Constitution of 1949, the authority to enact and implement land reforms was vested in states. According to Besley and Burgess (2000), between 1950 and 2000 a total of 79 land reform legislations were enacted in 16 major states. All land reforms can be grouped into four categories: 1) land tenancy reforms, which include regulating the terms of tenancy contracts (including the rent landowners can charge), or more radically, abolishing tenancy and transferring land ownership to tenants; 2) reforms to abolish intermediaries that extract surplus from cultivators; 3) attempts to impose land ceilings and redistribute land above the ceiling to the landless; and 4) laws that allow the consolidation of landholdings (Besley and Burgess, 2000).

The central government promoted land reforms in various five-year plans but, as per the constitutional arrangement, the enactment and implementation of land reforms was largely influenced by state governments’ political will, as well as the relative power of various key stakeholders (Besley and Burgess, 2000). Because of animosity towards intermediaries, reforms to abolish them gained widespread political support and were the type of reform most completely implemented (Appu, 1997; Mearns, 1999). The success or failure of a tenancy reform was contingent on which party, landlords or tenants, controlled the state legislature (Besley and Burgess, 2000). Designed with numerous loopholes, in many states land ceiling legislations stipulated high ceilings, defined landownership at individual rather than household level, and were held up to provide landlords with enough time to “prepare”, which effectively allowed them to exploit the loopholes to avoid expropriation, such as by distributing land to relatives (Appu, 1997; Deininger et al., 2006; Mearns, 1999). And, land consolidation was at best partially implemented, because of the limited availability of land records (Appu, 1997; Mearns, 1999). Only after the adoption of the 1972 National guidelines, which advised states to amend laws for greater consistency, did land ceiling laws result in transfers on a meaningful scale (Deininger et al., 2006).

Despite these problems, the Indian land reforms have delivered big results. The intermediaries were formally abolished. As of 2000, approximately 10 million hectares of land had been redistributed under land ceiling and redistribution laws, and 7.35 million hectares had been transferred under tenancy reforms (Deininger et al., 2006). Three decades after intensive tenancy reforms, land inequality in South Indian states is lower as a result (Besley et al., 2016). However, in the tenancy reforms, sublease of land is not allowed even for tenants who were granted permanent and inheritable tenancy rights to the land, with conditions such as paying the landowners a proportion of their output as rent, as in West Bengal (Banerjee et al., 2002), or having occupied the land for a certain number of years, as in Mysore (Besley et al., 2016; Deininger et al., 2006). The transfer of land redistributed from the land ceiling laws was also highly restricted, subject to a moratorium of 10–20 years after obtaining full land rights (Deininger et al., 2006).

Studies of the causal impacts of the land reforms have been conclusive that land reforms in India contributed to poverty reduction. Besley and Burgess (2000) estimate that land reforms explain 10 percent of the reduction in poverty in India over 1958–1992, and the reforms increase agricultural wages. It is the tenancy reform and the abolition of intermediaries, instead of direct redistribution of land, that had a statistically significant impact on poverty alleviation (Besley and Burgess, 2000). At the household level, the tenancy reforms, which affected around 10 percent of rural households, are estimated to have contributed to an increase of 0.9 percentage point in the growth rate of per capita income, 0.7 percentage point in the growth rate of per capita consumption, and 1.2 percentage points in the growth rate of total assets between 1982 and 1999. And, importantly from a development perspective, these reforms disproportionately benefited the poor (Deininger et al., 2009).
However, in terms of the impact of land reforms on agricultural productivity, there appears to be enormous heterogeneity across different reforms and states. Ghatak and Roy (2007) find that overall, land reforms in India had a negative effect on agricultural productivity, mainly driven by land ceiling legislations. State-level variations are also considerable: while on average, tenancy reforms had an insignificant impact (Ghatak and Roy, 2007), during 1969–1993, they explain around 28 percent of the growth in agricultural productivity in West Bengal, via improving bargaining power and tenure security of tenants (Banerjee et al., 2002). Deininger et al. (2006; 2009) argue that the imposition of restrictions on land transferred under tenancy reform and land ceiling laws has become an obstacle to productivity by impeding the development of land rental markets and stifling growth in recent years.

Land reforms in India reveal the great potential of land reform for poverty reduction and income growth in rural areas. They also provide a good example of the importance of central government guidance on local legislation and implementation. At the same time, however, local legislatures should take into account the heterogeneous impacts of various reforms, given local conditions and realities.

2.1.4 China

After the establishment of the communist regime in 1949, China experienced three waves of land reforms, respectively characterized by land redistribution, collectivization, and decollectivization and improving tenure security. Prior to 1949, with a massive population and scarcity of arable land, large landowners were very rare, and tenant farming was prevalent. High land rents galvanized widespread discontent in rural China. Faced with pressure from competition with the ruling party, communist leaders, especially Mao Zedong, viewed redistribution of land as a great opportunity to “modify the political structure of the villages, secure the support of a mass of poor peasants, and suppress the opposition” (Zhou and Bourguignon, 2009, p.124). As early as 1947, the Chinese Communist Party (CCP) started to implement radical land reform in areas they controlled, seizing all landholdings in reformed villages and transferring a roughly equal amount of land to each peasant (Zhou and Bourguignon, 2009). Between 1947 and 1952, this land reform movement redistributed 46.7 million hectares of land to 300 million peasants with little or no land, which accounted for 60 percent of the total rural population (Prosterman et al., 1996). The land redistribution was mainly politically motivated and characterized by high levels of violence. But it was followed by an economic success: each year, 30 million tons of grains that in prior years would have been paid by peasants as rent for their land were retained by the peasants, and between 1949 and 1952, rural income and food production increased by 48 percent and 36 percent, respectively (Xinhua News Agency, 2009; Zhou and Bourguignon, 2009).

The second wave of China’s land reform is widely acknowledged as a disaster. During 1954–1958, China’s land reforms moved from encouraging “mutual aid teams,” where production factors were still privately owned and peasants helped each other during the busy seasons, to forming producer’s cooperatives with arrangements to pool assets and share profits, and eventually to consolidating cooperatives into people’s communes (Zhou and Bourguignon, 2009). The distribution of agricultural outputs in people’s communes was according to needs rather than efforts, which dampened individual production incentives and led to rapidly declining cultivated acreage (Zhou and Bourguignon, 2009). It is argued that collectivization and state-led grain distribution between urban and rural China precipitated the deaths of between 16.5 and 30 million Chinese during the mass famine of 1958–1961 (Kung and Lin, 2003).

China’s third wave of land reforms involved decollectivization and improvement of tenure security. Two years after Mao’s death in 1976, Deng Xiaoping consolidated his power in the CCP, and China’s politics has since been able to deviate from Mao’s focus on class struggles towards a path where dogmatism trumps ideology. A feature of China’s policymaking in the reform and opening up is the widespread use of local experiments, whereby governments can implement policy pilot projects before national level policymaking, and this phenomenon is pronounced in land reforms (The
In 1978, 18 households in Xiaogang village, Anhui province secretly signed a contract with the leader of the production team (the lowest organizational level under a commune) to assign collectively owned land to individual households, and each household was responsible for the profits and losses of the production; they could take all surpluses after fulfilling a production quota set by the government. Fearing that the leader would be punished for what higher-ups might perceive as a bad or illegitimate contract, the 18 peasants pledged to take care of his family (Xu, 2009). One year later, however, the grain production in Xiaogang village quadrupled. This incentivized more policy experiments in Anhui and Sichuan, two of the most populous provinces in China (Xu, 2009). Impressed by the success of these local policy experiments, in the early 1980s, the Household Responsibility System (HRS) was introduced nationwide: land was distributed to individual households and, minus state tax and a “collective fund,” farmers retained all agricultural outputs; it was “essentially a fixed-rent contract system” (Zhou and Bourguignon, 2009: 128). By the end of 1983, the completion of HRS reform effectively decollectivized agricultural production and created 200 million small family farms (FAO, 1994; Lin, 1992).

By the mid-1990s, rural land was still frequently redistributed (every one to five years), disincentivizing farmers from making any long-term investments (Kung and Liu, 1997; Zhou and Bourguignon, 2009). In 1984 and 1994, the central government prompted local officials to extend the land-use term, but this was not widely implemented (Zhou and Bourguignon, 2009). To provide more evidence for policy formulation, a total of 18 national experimental zones for land reform were selected to implement “land rights experiments” (Chen and Davis, 1998). In 2003, the Rural Land Contracting Law, stipulating a 30-year use term for arable land, was enacted to provide “a secure legal basis for farm household property rights” (Deininger et al., 2004: 5). By 2011, approximately 77 percent of China’s farming households had been granted 30-year use rights to their lands (Nelson, 2012). Even under the HRS, rural land in China has been collectively owned. Recent debates in China’s land reform focus on the transfer of farmers’ operating, or “management,” rights to land, leaving the collective ownership and farmers’ contracting rights intact (Global Times, 2018). Various pilot projects have been implemented to search for the best modalities of the transfer of land-use rights to increase farmers’ incomes and access to credit, allow consolidation and larger-scale farming, and respond more efficiently to migration and urbanization (Bloomberg Businessweek, 2017; Hornby, 2016; Reuters, 2017).

China’s land reforms after 1978 contributed to the country’s economic miracle. The adoption of HRS, which led to decollectivization, was particularly successful. During 1978–1984, the HRS reform accounted for 48.64 percent of growth in agricultural outputs (Lin, 1992), and 78 percent of the increase in agricultural productivity, meaning that absent other changes, switching to HRS alone increased China’s total factor productivity in agriculture by 22 percent (McMillan et al., 1989). Though less causally attributed to HRS, between 1978 and 1996, per capita income of rural Chinese people almost quadrupled (Yao, 2007).

The successes of China’s post-1978 land reforms provide a great example of an experimental and adaptive approach of policymaking. The central government has been willing to allow considerable discretionary power at the local level to test the efficacy of policies via pilot projects. Feedback from local experiments then facilitates the formulation of policies at the national level. It has been argued that, in the past three decades of “reform and opening up,” all major economic policies began as local pilot projects (The Economist, 2018). In 1978, there was no precedent for transforming a planned economy to a market one. The CCP adopted a pragmatic way to flexibly adjust policies and avoid disastrous failures, thus creating an environment in favor of policy innovations, and eventually generating an economic miracle (The Economist, 2018). Making the central policymaking process flexible and adaptive, and responsive to local pilot projects, thus becomes a clear takeaway for policymakers around the world.
2.1.5 Mexico

Mexico’s recent land reform efforts have focused on improving tenure security. After the 1917 revolution, Mexico gradually redistributed, over 75 years, more than 100 million hectares, or 50 percent of the country’s arable land area, from large landowners to peasant families (Binswanger-Mkhize et al., 2009). Beneficiary households of these land reforms were organized in rural communities known as ejidos; ejido members owned the land collectively, but individuals held inheritable usufruct rights to particular parcels, conditional on their continued cultivation of the parcel (Binswanger-Mkhize et al., 2009). Lands that were not cultivated were mandated to be redistributed within the ejido, which led to severe tenure insecurity that tended to lower investment and disincentivized cultivators from adopting more sustainable farm practices, such as fallow periods. Transfer of land under the ejido system was also highly restricted and members were not allowed to hire labour or form partnerships with outsiders, thus obstructing the efficient use of land (Johnson, 1998; World Bank, 2001). In 1991, a constitutional amendment allowed for the rental of ejido land, sales of ejido land to an ejido member, and moreover, the privatization of ejidos, by a qualified majority voting of ejido members (Binswanger-Mkhize et al., 2009).

Accompanying the constitutional reform, between 1993 and 2006, a large-scale land certification programme, known as the Programa de Certificación de Derechos Ejidales y Titulación de Solares, (PROCEDE), was implemented nationally to regularize tenure in ejidos and issue certificates of ownership over ejido lands to individuals. The certificate owner could make decisions about the use (or fallowness/idleness) of the land, sell the certificate to other ejido members with community approval, and use the certificate as collateral (Sadoulet, 2018).

Three key institutions were established to ensure the necessary support for the implementation of the certification programme: a decentralized system of mediation involving 42 specialized courts covering the entire country, an independent registry for the ejidos, and an agency that provided ejido members with legal assistance, supervised the implementation of PROCEDE, and dealt with complaints (Deininger and Fabrizio, 2001). The implementation of PROCEDE is largely considered smooth and successful. It involved a clear and orderly sequence of ten steps, from conducting a quantitative and qualitative planning of the areas and identifying available resources to finally issuing a certificate to each individual—with a specific institution responsible for each step (World Bank, 2001). One exception was that of a few conflict zones located in regions of the country where government programmes are quite often difficult to implement (de Janvry et al., 2015). Prior to the implementation of certification, the ejido boundary was formally mapped, and external land conflicts were identified and addressed. Between 1992 and 1999, approximately 350 000 land conflicts which arose before and during the reform were resolved by the system of mediation and courts, and the cost of conflict resolution was low because a majority of the conflicts were mediated outside the court (Binswanger-Mkhize et al., 2009). By August 2006, PROCEDE had provided approximately 9.2 million certificates of ownership spanning across 93 percent of all ejidos (Barnes, 2009).

PROCEDE significantly improved the functioning of markets for land rental, and there is no evidence that it led to waves of land sales, as hypothesized by many (World Bank, 2001). At household level, the certification increased the likelihood of having a migrant household member by 28 percentage points, implying a more efficient allocation of the labor force as a result of the reform, while there was no significant change in total cultivated area (likely because of consolidation of land into larger farms) (de Janvry et al., 2015). PROCEDE is estimated to have increased annual real off-farm household income by MXN 1 014 (World Bank, 2001), and de Janvry et al. (2015) find that non-food consumption rose by 16.7 percent in households which had been certified for at least six months. A cost-benefit analysis of PROCEDE suggests that given the national average cost of USD 50 per beneficiary household, the internal rate of return is a sizable figure of 37 percent (World Bank, 2001).
The Mexican land tenure reform suggests that improving tenure security by delinking land rights from land use, which is a common way to establish usufruct rights on customary land, and removing constraints to land rental and transaction, has the potential to lead to more efficient allocation of labor and land, improvement of land markets, and welfare gains for households. In addition, the implementation of Mexico’s tenure reform programme implies the crucial role of institutional support and well-structured procedures in a successful reform.

2.1.6 Turkey
Since 1945, Turkey has implemented a series of land reforms. Key land reform legislation in 1945 distributed state-owned land to individuals, imposed a land ceiling for private land, and allowed the state to expropriate land exceeding the ceiling (with compensation) and distribute it to landless farmers (Demirel and Gülsever, 2007). According to the 1995 General Directorate of Agrarian Reform Activity Report, during 1945–1973 (when the law was in effect), a total of 2.2 million hectares of land—the greater proportion of which came from the state—were distributed to 432,117 families. From the 15,400 hectares expropriated, only 5,400 hectares were expropriated from natural persons (as cited in Demirel and Gülsever, 2007). Therefore, Turkey’s land reform of 1945 served more as a means of promoting land ownership among the rural poor rather than redistributing land from land-rich to land-poor individuals. After elections in 1950, a center-right party came to power and implemented agricultural policies promoting intensive use of capital inputs and technology, as a part of an “agricultural reform” from the 1950s through the 1970s (Parvin and Hic, 1984). During 1950–1959, Turkey experienced an economic boom, though it may not be completely attributed to the land reform and the agricultural reform: real gross national income rose by 6.9 percent annually, and agricultural production grew at a rate of 6.2 percent annually. Output per worker in the agricultural sector increased by 42 percent during this period (Parvin and Hic, 1984).

In 1973, a new land law was enacted as a second attempt to expropriate and distribute land. Before being annulled in 1978, the law was implemented in only one province, in Southeastern Turkey, Şanlıurfa, where land ownership was especially unequal. In five years of implementation, 161,600 hectares land was expropriated but only a total of 23,100 hectares of land were distributed to 218 families from 47 villages (Cay et al., 2017). There is very limited evidence about the effectiveness of this programme, but qualitative works reveals that in the first year of the reform, beneficiary families generally enjoyed substantial increases in household income—as high as a tripling of income (Roberts, 1977). However, because limitations on parliamentary discussion were imposed in order to expedite the passage of the law, the 1973 law was not thoroughly discussed by various stakeholders, and was revoked by the Constitutional court as a result of counter-reform efforts by political conservatives (Parvin and Hic, 1984).

Efforts to promote land ownership by the landless were resumed in 1984. This new reform was largely similar to previous ones in terms of stipulating land ceilings and allowing for expropriation and distribution. Another similarity is that its implementation again focused on distribution of state-owned land instead of transferring land from large land owners to the landless. Between 1987 and 2006, 73,574 hectares of public land was distributed to 11,399 families in 147 villages (Cay et al., 2017). However, this reform additionally promoted land consolidation to address the issue of fragmentation (Demirel and Gülsever, 2007). In particular, 2,503,602 hectares of land were consolidated between 2003 and 2012, and two million hectares were planned to be consolidated in the next five years (Cay et al., 2017).

Designing policies that are appropriate for the given country contexts and pursuing realistic and well-articulated goals are crucial for the success of a land reform. Though the pieces of legislation associated with the various land reforms carried out in Turkey have all generally allowed the state to expropriate land, actual redistribution was minimal. Scholars consider vested interests a key reason for the failure of redistribution (Karaömerlioğlu, 2000; Parvin and Hic, 1984), and argue that the redistribution
component in the 1945 reform lacked the grassroots demands for redistribution—as indicated by the absence of collective actions taken by peasants (Goldman, 2015). Even prior to the reforms, Turkey seemed to have relatively equal landholdings, and an abundance of land in relation to labour (Goldman, 2015; Mohamedi, 1995). In the absence of social pressure and agrarian conditions that necessitate redistribution, with limited state capacity, redistribution is an unrealistic task going forward (Goldman, 2015). Additionally, the Turkish experience with its short-lived 1973 land law also accentuates the importance of broad consultation and deliberation in policy design and implementation.

2.1.7 Some thematic issues

Land reform is a process, not an event

The experiences of these countries show that in none of them was “land reform” a single event which was completed and had a definite end. Rather, there were series of attempts at land reform over the years, with varying motivations and trajectories. Sometimes an initial reform – such as the Mexican one in 1917 – took many years to roll out. In other cases, such as Brazil and Turkey, reforms were reversed or curtailed by new governments and then reinstituted after a change in government. In India, the success or failure of a tenancy reform was contingent on which party, landlords or tenants, controlled the state legislature. The manifest failure of a particular approach sometimes spurred governments to reverse policies, as in China—although such changes may require a change in political leadership. Sometimes—as the example of Mexico reveals—the success of an initial reform spurred further reform in later years. This idea of building on successes to create a more coherent legal framework is a useful one.

Complementary support is important

Both the successes and the failures of various reforms in these countries point to the need for complementary actions to support any reform. Smallholders that lack market access and key inputs may not be able to productively use a new parcel of land. Successes achieved at various points in Brazil’s land reform process were directly attributable to the concomitant provision of grants for complementary investments; these grants increased access to irrigation and helped contribute to increased incomes as a result. In Russia, many individuals inheriting land shares were quite elderly or lacked the managerial skill to farm land, and this resulted in a frequent failure to convert the shares into physical plots. Given these findings, this paper devotes substantial attention to complementary support in Section 5.

Working with market mechanisms is critical

Land reform by its very nature often leads to a deviation from fully market-determined outcomes. However, by removing market distortions, the hope is that land reform can ultimately lead to better-functioning markets, growth, and welfare improvements. The global evidence reviewed here suggests that there can be benefits from working with the market, strategically and where possible, to determine how land is allocated. Mexico’s pre-1991 land reform efforts were particularly ineffectual given the restrictions they placed on land transfer—which prevented the most efficient use of land—and given how requirements that land be cultivated (not left fallow) led to tenure insecurity and thus, ultimately, under-investment in the land. By interfering with normal market transactions and farmers’ preferred production decisions, productivity was ultimately reduced. Even welfare-improving migration was lowered by the uncertainties that this created. Upon liberalizing land markets and allowing for sales and rental, rural incomes in Mexico finally rose. Various Indian states similarly introduced inefficiencies by preventing the sub-lease of land and placing 10–20 year moratoriums on land transfers. While such provisions often aim to protect poor households from distress sales or other exploitation, their effects on productivity and rural incomes are noteworthy.
Democratic politics creates pressure for effective land reform

Land reform is bound to be an intensely political policy. Brazil’s land reform was accelerated starting in 1995 due to democratization and growing social pressure for land redistribution. The result was a remarkably fast-moving process under which, in only five years, more families were granted land than during the whole of the previous 30 years. And this phase of the reform also brought with it improved investment in public infrastructure and services. In Turkey, in contrast, the first land reforms lacked grassroots demand for land redistribution. The low impact of the programme has been attributed to this. Broad consultation and deliberation in policy design and implementation can go far in successfully bringing about a land policy reform.

Land ceilings should be used carefully

There were land ceilings in Turkey and India. In both cases this was intended to create a supply of land for redistribution. However, India’s experience, where loopholes and delays thwarted some of the redistributive intent of the reforms, shows the importance of framing and implementing the legislation carefully. There is also some evidence that ceilings in India reduced agricultural productivity.

There is no single, right approach

Approaches to Land Reform can be presented as two mutually exclusive alternatives: state-led or market-based. However, in the same way that there is probably not a “one size fits all” approach for all countries, Brazil’s experience shows that there can be different approaches taken within a country. Brazil’s market-assisted approach had some advantages. Empowering beneficiaries to purchase their own land seemed to be less complicated than approaches which required administrative interventions. There were also incentives for the beneficiaries to negotiate for low land prices. Saving on the cost of land meant government could focus on supplying the public infrastructure and other support services needed to make the programme work. The main disadvantage of this was that it was a slow process. State expropriation can speed up the process.

The contrast between China’s second land reform (collectivization) and its third, after 1978, shows that a flexible and pragmatic approach, with localized experimentation driven by local government participation in the reform can be much more effective than an ideologically-driven, top-down approach from the centre. Indeed, China’s central government subsequently brought about laws to mimic the successful policy experiments at the local level.

Designing policies that are appropriate for the given country contexts and pursuing realistic and well-articulated goals is crucial for the success of a land reform.

2.2 Lessons from other non-SSA countries

We have focused our detailed reviews on countries that are, in some respects, reasonable comparators for South Africa by virtue of being other large, emerging market economies. Of course, there are lessons that can be drawn from other countries as well. Banerjee et al. (2016) examine the consequences of land reform for long-run economic growth in 21 OECD countries over the 20th century. Controlling for other plausible long-run growth determinants, they find that land reform has had a positive and statistically significant effect on the long-run growth path for their sample countries. They distinguish between reforms that are enacted and those that are implemented and find that, while both have positive cumulative effects, implemented reforms are more impactful than those that are enacted but not fully followed up on (Banerjee, et al., 2016). They also find, beyond the question of economic growth itself, that land reforms in these countries have further contributed to reducing inequality. They suggest that this has positive knock-on effects on growth through several channels, including by creating more inclusive politics and by stimulating investment in human capital (Banerjee, et al., 2016: 9). This is a potentially important result for South Africa which is not often explicitly discussed in its land reform debates.
3 SUB-SAHARAN AFRICA’S EXPERIENCE WITH LAND REFORMS

3.1 Restitution
As a form of land reform, land restitution is not a common practice globally. In some sub-Saharan countries, the option of restitution was either deterred by the difficulties of identifying the borders of overlapping ancestral lands of pastoral groups (e.g. in Namibia) (Werner and Kruger, 2007) or deemed infeasible because the land being claimed fell within another country’s territory (e.g. in Lesotho) (Adams, Sibanda, and Turner, 1999). Kenya’s National Land Policy, adopted in 2009, proposes developing a legal framework for land restitution to address historical injustices (Ministry of Lands, 2002), but progress has been limited and there has been no further legislation. Restitution is also an issue in countries that have suffered civil conflicts, such as Burundi, Chad and Rwanda, as refugees and people displaced by violence return (Takeuchi, 2014; Kohlhagen, n.d.). Addressing inequality in land ownership through restitution thus remains a complex challenge throughout the region. South Africa’s experience is thus relatively uncommon. In South Africa, restitution was prioritized starting in 2003, signaling an acknowledgement of past injustices and the post-apartheid government’s determination to restore justice (Hall and Cliffe, 2009: 8). However, progress has been slow: at the current pace, it would take over 700 years to settle all claims (Kahn, 2018; The Economist, 2018).

3.2 Redistribution and tenure reform
In SSA, land redistribution and tenure reform are far more common types of land reform than restitution. The appropriation of land for European settlers during the colonial period led to a highly unequal distribution of land ownership in the independent countries. Colonial governments’ efforts to reform customary tenure systems often failed, leaving generally low levels of tenure security. In colonial or apartheid times, numerous efforts were made to create and modify legislation governing land use and ownership—focusing on either redistribution or tenure reform, or both. Some of the resulting legislation was purely exploitative, such as the 1913 Native Land Act in South Africa, which took land away from native peoples. Other legislative actions by the colonial government appeared to be more benevolent, like the purchase and redistribution of land to the landless natives in Swaziland in the 1940s.

It is useful to consider the history of land reform in SSA—including how reforms came about and what effects they had. Lipton (2009) defines land reforms in a normative sense as laws aimed at increasing land rights for the poor, with a goal of reducing poverty. The post-colonial and post-apartheid land-related legislations and programmes are largely consistent with this idea, while earlier legislation is less so. Table 2 thus summarizes major land legislation and programmes of land distribution and tenure reform for the region since World War II. There is a total of seven countries that implemented land reforms involving land redistribution, 22 countries that carried out land tenure reforms, and six that implemented both.

Apart from the legislation listed in Table 2, land issues are often dealt with in countries’ constitutions. In some cases, these simply adopted colonial land dispensations; in others, such as Zimbabwe, the constitution precluded radical reform or set out the methods by which land could be redistributed. South Africa is not unique in this regard.

Judging from the latest dates at which land-related legislation has been passed, land reform in most countries surveyed continues to be on the agenda. Even countries that passed legislation soon after independence have followed it with subsequent legislation, continuing to the present. For example,

Before 2006, since the vast majority of settled claims were urban claims settled through monetary compensation, it was not clear how land restitution would reduce inequalities in rural land ownership (Hall and Cliffe, 2009: 8). The number of settled land claims is increasing in recent years with a substantial improvement in rural claims (CRLR, 2013, 2014, 2015, 2016).
Kenya, which became independent in 1963, passed legislation on land in 1968, but has had a series of subsequent Acts between 2012 and 2016; Lesotho, independent in 1966, passed its first Land Act some 13 years later and a second one in 2010, 44 years later. It is similar for many countries.

Not all SSA countries have undertaken land reform. Chad, independent in 1960 adopted three laws in 1967 to organize the land tenure regime. However, these were based on principles derived from colonial legislation and upholding the State monopoly over land, including community-owned land (Sahel and West Africa Club Secretariat, 2006). Although the revolutionary 1972 Constitution in Benin, independent in 1960, established the principle of State ownership of land and initiated a programme of collective landholding and agricultural cooperatives, in practice no major reform was achieved and local land practices continued under the control of traditional lineage-based land systems. Although land issues were on the political agenda after the introduction of democracy in the early 1990s, little progress was made as a long process of consultation took place. Law 2013-001 on Land and Property Code was adopted in 2013 but is understood to have been held in abeyance until 2023. Cape Verde adopted an Agrarian Reform Law in 1983, but it was revoked in 1993 (Sahel and West Africa Club Secretariat, 2006).

Although specific reasons for the long and continuing process of land reform in each country have not been investigated here, some reasons suggest themselves. In some cases, internal conflicts have led to unstable governance. Often land is at the centre of these conflicts, and land reform becomes an arena in which they are fought out. As population grows, so do pressures on land. What seemed an abundant resource at independence fifty years ago is now scarce and therefore land dispensations are more crucial now. This is also coupled with discovery of new resources, making the land containing them more valuable and the rights pertaining to them worth disputing.

A running theme through all the countries surveyed is the problem of integrating customary or traditional land systems with statutory systems. Although land reform is sometimes portrayed as necessary to address colonial dispossessions, the clash between systems that give private title or use rights and those that vest such rights in communal or traditional structures. The consequences of failures to deal with collective rights are dealt with in some detail by Liz Alden Wily (Wily, 2018). Potentially similar issues could arise in South Africa, and it is explored below how they have been—or have failed to be—resolved in other countries.

### Table 2: Major legislations and programs of land distribution and tenure reform in sub-Saharan Africa since WWII

<table>
<thead>
<tr>
<th>Country</th>
<th>Independence</th>
<th>Redistribution</th>
<th>Tenure Reform</th>
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<tbody>
<tr>
<td>Angola</td>
<td>1975</td>
<td>Land law, 2004</td>
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<tr>
<td>Botswana</td>
<td>1966</td>
<td>Tribal Land Act, 1968</td>
<td>Tribal Grazing Lands Policy, 1975</td>
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<td>Burkina Faso</td>
<td>1960</td>
<td>Land Tenure Reform Act, 1984</td>
<td>Rural Land Tenure Law, 2009</td>
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<tr>
<td>Cameroon</td>
<td>1960</td>
<td>Decree No. 2005/481 on land titling and registration</td>
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<tr>
<td>Côte d’Ivoire</td>
<td>1960</td>
<td>Rural Land Law, 1998</td>
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<td>Eritrea</td>
<td>1947</td>
<td>Eritrea Land Proclamation, 1994</td>
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<td>Country</td>
<td>Independence</td>
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<tr>
<td>Ethiopia</td>
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<td>Land Reform Proclamation, 1975</td>
<td>Land Reform Proclamation, 1975</td>
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<td>Land certification program, 1998</td>
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<td>Rural Land Administration and Land Use Proclamation No. 456/2005</td>
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<tr>
<td>Kenya</td>
<td>1963</td>
<td>Settlement schemes in early 1960s (including the “million-acre settlement scheme”)</td>
<td>Land titling programs in 1950s (under the Swynnerton Plan)</td>
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<td>Land Act &amp; Land Registration Act, 2012</td>
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<td>Lesotho</td>
<td>1966</td>
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<td>Land Act, 1979</td>
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<tr>
<td>Madagascar</td>
<td>1960</td>
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<td>Land Law, 2005</td>
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<tr>
<td>Malawi</td>
<td>1964</td>
<td>Community-Based Rural Land Development Project, 2005</td>
<td>Registered Land Act, 1967</td>
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<td>National Land Policy, 2002, 2004</td>
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<tr>
<td>Mozambique</td>
<td>1975</td>
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<td>National Land Policy, 1995</td>
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<td></td>
<td>Land Law, 1997</td>
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<tr>
<td>Namibia</td>
<td>1990</td>
<td>Agricultural (Commercial) Land Reform Act, 1995</td>
<td>Communal Land Reform Act, 2002</td>
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<td>Niger</td>
<td>1960</td>
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<td>The Rural Code, 1993</td>
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<td>Nigeria</td>
<td>1960</td>
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<td>Land Use Act, 1978</td>
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<td>Rwanda</td>
<td>1962</td>
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<td>National Land Policy, 2004</td>
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<td>Organic Land Law, 2005</td>
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<td>Swaziland</td>
<td>1968</td>
<td>Rural Development Areas Programme, 1970</td>
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<td>Tanzania</td>
<td>1961</td>
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<td>National Land Policy, 1995</td>
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<td>Land Act, 1999</td>
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<td>Village Land Act, 1999</td>
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<td>National Land Policy, 2013</td>
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<td>Zambia</td>
<td>1964</td>
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<td>Land (Conversion of Titles) Act, 1975</td>
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<td>Land Act, 1995</td>
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<td>Zimbabwe</td>
<td>1980</td>
<td>Native Land Husbandry Act, 1951</td>
<td>Native Land Husbandry Act, 1951</td>
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<td>Lancaster House Agreement, 1979</td>
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<td>Land Acquisition Act, 1992</td>
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<td>Land Acquisition Amendment Act, 2000</td>
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</table>

Many countries undertook land redistribution right before or immediately after their independence for the stated purpose of addressing the inequality of land ownership between European settlers and
native peoples, which had resulted from the long-lasting discriminatory institutions and policies of the colonial period. With the financial support of their former colonial powers, some young democracies (and mixed regime types) undertook land redistributions based on market mechanisms, as in Kenya, Namibia, and (initially) Zimbabwe (Byamugisha, 2014). In contrast, land redistribution programmes led by the state, as in the case of Ethiopia’s reform in 1975, usually involved nationalization of the land previously owned by settlers, the church, and corporations—with the land then being redistributed to landless people (or in some cases, to political clients of the ruling party, as in Zimbabwe’s reform in the 2000s) (BBC News, 2003; Meldrum, 2003). Zimbabwe is an interesting example of a combination of both the market-assisted and state-led approaches; following its independence, the country initiated a land redistribution programme based on the principle of “willing-buyer-willing-seller”, where the government acted as the willing-buyer. However, after the regime slid into autocracy, President Robert Mugabe’s government accelerated the land redistribution by expropriating land without compensation and forbidding land owners from challenging this decision in court—the so-called “fast-track land reform” after 2000. This illustrates the marked contrast between market- and state-controlled approaches to redistribution.

In many SSA countries, a significant proportion of the land at some point was— and often still is— governed by customary law. Customary tenure laws do provide some degree of protection and benefits to those using land, but when they are not integrated within the statutory legal system, this tends to limit users’ access to resources, which can have dire implications for food security and poverty reduction (Knight, 2010; Toulmin and Quan, 2000). Land tenure reform in SSA, in both the colonial and post-colonial era, thus aimed to secure and formalize rights to land. Tenure reforms by colonial governments often introduced individual tenure and abolished customary tenure. These reforms usually failed to recognize that the customary tenure system is more acceptable among native people, and that the customary authorities fill in the gap in state administration: they are likely the only accessible authorities for many rural poor (Knight, 2010). Zimbabwe’s pre-independence 1951 Native Land Husbandry Act led to disastrous results: the reform deprived many individuals of their rights to land, was fiercely resisted by peasants, and eventually led to an ungovernable state (Thompson, 2004). Similar actions by the British government in Kenya were also unsuccessful (Toulmin and Quan, 2000). Overall, these findings suggest that solutions which recognize customary rights and consult communities in the reform process to gain broad stakeholder buy-in are more likely to be successful.

In post-colonial tenure reforms, land reforms have broadly sought a statutory recognition of existing customary tenure systems. They typically target people occupying communal land legally owned by the government and aim to extend customary tenure to more formalized rights, as in Botswana, Malawi, Mozambique, Tanzania, and Uganda (Knight, 2010; Toulmin and Quan, 2000; USAID, 2008). Burkina Faso, which completely denied the legitimacy of customary tenure and required citizens to access land by following specified application procedures in its 1984 reform, is also shifting toward greater recognition of customary land—for example, by providing mechanisms of conversion of customary rights to formal land rights and delegating land administration to local communities, which are more accessible for local people (USAID, 2017a)—a trend also present in Ethiopia’s 2005 reform, Lesotho’s reform, Namibia’s reform, and Zambia’s 1975 and 1995 reforms (Adams et al., 1999; USAID, 2016; USAID, 2017c). With two major legislations regarding tribal land, Botswana successfully merged its customary and statutory tenure systems: customary land rights have equal tenure security as formal ones, and this is overseen by a decentralized land administration system which combines traditional authorities as well as professional, appointed officials (Adams, 2003; Knight, 2010; Toulmin and Quan, 2000). Reforming customary tenure and securing property rights are crucial for development, so in Angola and Mozambique, land tenure reform was also implemented as part of recovery efforts following years of civil war (PESA, 2018; USAID, 2018). A stable political environment, together with a certain level of government capacity, is vital for the effective implementation of a land reform: Côte
A natural question is how land reforms affect farm size, given the changes they make to the legal and institutional environment surrounding land. Eastwood, Lipton, and Newell (2009: 3356) argue that “largely compensatory, gradual, consensual land reforms in many countries have led to big falls in owned and operated farm size”. In the case of market-assisted land redistribution, such as those of Malawi, South Africa, Kenya, Namibia, Swaziland, and Zimbabwe in 1980s, the redistributions focus on raising demand for land: they have involved either subsidizing poor buyers (communities or individuals) and facilitating negotiations between buyers and sellers as in the case of the first two (Mendola and Simtowe, 2015), or the government serving as the sole willing-buyer and resettling the landless on the purchased land for the others (Adams and Howell, 2001; Harbeson, 1971; Mndzebele, 2001). For these demand-led, market-assisted land redistribution programmes, their effects on farm size depend on the initial turnover in the farmland market before the reform, how sensitive willing-sellers are to price changes, and the proportion of land sales from rich to poor in total land sales (as opposed to the land sales among the rich and among the poor) (Eastwood et al., 2009). To the extent that there are more sales from rich to poor, there should be a reduction in average farm size and a more equal distribution of farm land.

Tenure reform can affect farm sizes because securing land rights can incentivize land sales and provide smallholders with collateral to borrow and purchase new land (Eastwood et al., 2009). However, the development of land markets after the tenure reform may disproportionately benefit large landowners: they are usually the people who have the ability to title their land, and they tend to have better access to markets including credit markets (Lipton, 2009). There is evidence that land titling leads to the transfer of land from smallholders to large landowners in Malawi (Sahn and Arulpragasam, 1993), Nigeria (Toulmin and Quan, 2000), South Africa (Cross et al., 1996), and Kenya (Barrows and Roth, 1990).

Most land reforms explicitly aim to improve the welfare of the rural poor; these are often landless people in the case of redistribution programmes, and tribal and other vulnerable groups who occupy communal land without a formal title in tenure reforms, such as pastoralists, as in Botswana (Basupi, Quinn, and Dougill, 2017), and women, as in the 1998 Ethiopian land certification programme (Katz, 2010), Kenya’s 2012 reform (Parliament of Kenya, 2012), and Malawi’s national land policy in 2000s (Ministry of Lands, Physical Planning & Surveys, 2002). They often do so with disruptive effects. Further, barriers sometimes remain which prevent vulnerable groups from accessing land, thus in part muting the intended effects of the reform.

As an example of disruption, in the land redistribution of Zimbabwe’s fast-track land reform in the 2000s, qualitative research from 16 resettlements in 2007 reveals that the rural poor did gain from the redistribution, but they were not the sole beneficiaries: 49.9 percent of the people who received land were rural poor, while 18.3 percent were urban residents and 16.5 percent were civil servants (Scoones et al., 2011). In addition, President Mugabe’s cronies were reported to have grabbed land intended for redistribution (BBC News, 2003; Meldrum, 2003). This heightened tensions in the country with very visible results: for example, Mugabe’s supporters often invaded lands held by white farmers, and killed, assaulted, and sometimes raped them or their farmworkers (Human Rights Watch, 2002). Since land redistribution programmes often become politicized, efforts to identify likely points of tension and ease them can help avoid costly social disruption. Implementing redistribution programmes on a voluntary basis, as opposed to having them fully state-led, which is becoming increasingly common, may help to ease tensions.

As an example of barriers to vulnerable groups accessing land remaining in place even after reform has been implemented, Benjaminsen et al. (2009) describe some of the problems confronting Mali’s land reform—which mirror some of the experiences in Malawi’s 1967 reform (Peters and Kambewa, 2007).
For both reforms, while disadvantaged people were the intended beneficiaries of the reform, relatively wealthy, powerful, and well-informed people often benefitted most. The process of land registration can be excessively expensive and benefitting from the reform may require literacy and even money for making bribes—resources that poor and vulnerable groups often lack (Benjaminsen et al., 2009; Toulmin and Quan, 2000). Similarly, in Botswana’s tenure reforms, with the help of a highly decentralized system of land administration, the well-connected political elites and cattle-owners obtained the most valuable land (including that which had deep wells), and they effectively restricted other people’s access under the new tenure system—furthering inequality of access rather than easing it (Peters, 1984; Peters, 1994). Many earlier tenure reforms similarly failed to protect equal access to land for disadvantaged groups. For example, in Kenya’s 1950 land titling programme, vulnerable groups including women (especially widowed or unmarried women) confronted increased insecurity because they were rarely title-holders, and the weakened customary tenure system could no longer guarantee their access to land through kinship ties (Toulmin and Quan, 2000). Similarly, single women were often overlooked when land was allocated in Zimbabwe’s pre-fast track land redistribution, given the gender bias of land administrators, and in the 1990s divorced women could no longer use communal land in Tanzania and Zimbabwe—thus heightening their vulnerability (Deere and Doss, 2006; Izumi, 1999; Jacobs, 1996). Even if land reforms require women to be treated equally, they may conflict with provisions in the inheritance law and customary practice, and thus fail to improve women’s welfare (Deere and Doss, 2006; Toulmin and Quan, 2000). Given the evidence that women’s land ownership results in higher expenditures on food and education in Ghana (Doss, 2006), land reforms with special attention to women’s land ownership have strong implications for food security and children’s welfare. Thus, ensuring that women’s rights to access land are protected in the context of a land reform—including by designing reforms that address traditional norms and customs that are unfavorable to women rather than being undermined by them—is critical for many dimensions of household welfare.

4 EVIDENCE FROM SUB-SAHARAN AFRICA ON THE IMPACTS OF LAND REFORM

Both land redistribution and land tenure reform have the potential to increase agricultural productivity. Here each of their likely impacts is discussed, as well as the mechanisms through which they are borne out.

Redistributive policies change the distribution of productive assets—predominantly land, but possibly with additional impacts on other asset accumulation—and can also be conducive to growth, as models show (Aghion, Caroli, and Garcia-Penalosa, 1999; Bardhan, Bowles, and Gintis, 2000). Cross-country regressions support the theory literature, suggesting that higher inequality in land ownership is associated with slower growth (Birdsall and Londoño, 1997; Deininger and Squire, 1998; Deininger and Olinto, 1999). Empirical evidence suggests that redistributive land reform enhanced agricultural productivity and accelerated the movement of labour out of agriculture in Japan, South Korea, and Taiwan (İşcan, 2018). One mechanism through which land redistribution may promote growth is by reducing average farm size—provided that institutional and market conditions are such that an inverse relationship (IR) between farm size and productivity holds. The evidence for an IR, both global and for SSA specifically, is explored in the next sub-section.

Land tenure reform that secures access to land for the rural poor has the potential to encourage agricultural investment. For example, improved security of land tenure has been shown to predict a higher likelihood of making certain agricultural investments in Ghana (Besley, 1995), Malawi (Place and Otsuka, 2001), Niger (Gavian and Fafchamps, 1996), Rwanda (Ali, Deininger, and Goldstein, 2014), and Uganda (Place and Otsuka, 2002). However, this relationship between tenure security and investments depends heavily on the type of investment and context. For example, Abdulai, Owusu, and Goetz’s (2011) study of Ghana finds that farmers with more secure land tenure are more likely to invest in tree-
planting, mulch, and manure on owner-cultivated plots for which they have full land rights. In contrast, Place and Otsuka (2002) find that changes in land tenure systems have no effects on tree-planting in Uganda, because tree-planting was used as a strategy to enhance tenure security over land technically not owned by the users. Though likely to affect investments, tenure security may not have a significant impact on productivity or efficiency, as documented in Ethiopia (Gavian and Ehui, 1999; Pender and Fafchamps, 2006), Madagascar (Jacoby and Minten, 2007), Malawi (Place and Otsuka, 2001), Rwanda, Ghana, and Kenya (Place and Hazell, 1993), and Uganda (Place and Otsuka, 2002). Hunt (2005) suggests that deficiencies in credit markets, and increased sales to large landowners with a large proportion of land idle, contribute to the null findings of land registration’s effects on efficiency in Kenya. Moyo (2011) also notes how a shortage of agricultural inputs, such as fertilizers and irrigation facilities, has often been a barrier to gains in agricultural productivity during the course of Zimbabwe’s three decades of land reform.

Land redistribution reforms have strong implications for poverty reduction. Before appealing to political violence in land expropriation, the market-based redistribution programme in Zimbabwe in the early 1980s was successful in improving the amount of land cultivated, crop revenue, livestock, and household expenditure of beneficiaries (Hoogeveen and Kinsey, 2001). Perhaps surprisingly, the fast-track land reform begun in 2000 also yielded positive outcomes: numerous family farms were created, new settlers made significant investments in their plots, and the total agricultural production of these smallholders increased over time (Moyo, 2011; Scoones et al., 2011). Though it is not possible to observe the counterfactuals of continuing previous larger-scale or commercial farming, land redistribution in Zimbabwe clearly improved the lives of smallholder beneficiaries. Similarly, studies of market-led land redistribution in Malawi find that the redistribution increased the amount of land beneficiaries had, as well as their total maize production and incomes (Datar, Del Carpio, and Hoffman, 2009; Mendola and Simtowe; 2015). An evaluation of South Africa’s ongoing land redistribution programme also reveals that the per-capita consumption of beneficiary households increased by 25% on average (Keswell and Carter, 2014).

Despite the benefits of redistribution for beneficiaries in terms of improved consumption and production, it is unclear whether this can translate into tangible improvements in smallholder livelihoods. For example, in Malawi, land redistribution reduced beneficiaries’ access to education and health facilities, as they usually moved to more remote areas to access land, which had relatively limited social services (Datar et al., 2009; Mendola and Simtowe; 2015). This is especially concerning given that the poor generally have the highest demand for publicly-provided services, since they cannot afford private variants of these services (e.g., private education and health facilities) (Kosec, 2014). This accordingly highlights the importance of complementary policies to ensure high-quality rural service delivery in order to ensure that land reforms do not harm the poorest individuals in other dimensions, such as access to public services.

The impacts of land redistribution also depend on the right beneficiaries being selected, and there being a fair and efficient process for selecting them. Clear criteria of eligibility are crucial, and policymakers should be clear about the motivation for and consequences of including or excluding each possible criterion. Given that many land reforms are highly politicized, unclear criteria can provide political cronies with opportunities for land-grabbing, as was the case in Zimbabwe (BBC News, 2003; Meldrum, 2003). Mistargeting of welfare programmes has been shown to destroy social capital and stimulate crimes (Cameron and Shah, 2013), with potentially similar outcomes in the case of a land reform. The administration of land redistribution also matters: a community-based, decentralized approach seems to be more efficient and participatory than a centralized one—though it is important to consider that local political elites may gain more control over the land in a decentralized than centralised approach, thus hurting vulnerable and less politically-connected groups. For example, this occurred in the tenure reforms of Botswana (Peters, 1984; Peters, 1994), Mali (Benjaminsen et al., 2009), and South Africa (Lastarria-Cornhiel, 1997).
Like land redistributions, land tenure reforms can benefit the poor in various ways. Quantitative and qualitative evidence suggests that secured land tenure is associated with higher levels of income in Kenya (Lesorogol, 2005) and Malawi (Chirwa, 2008)—though it had null impacts in Mozambique (Chilundo et al., 2005), consistent with a large body of literature documenting that tenure security is likely to have no effect on productivity and efficiency, as discussed before. Qualitative evidence also shows that, after the land registration in Malawi, individuals benefitted from leasing out their land and from the facilities built by the communities on their communal land (Chirwa, 2008). Secured tenure also contributes to improved welfare in other respects, such as increased food availability and higher BMIs of children in Ethiopia after the 1998 land certification programme (Ghebru and Holden, 2013), and lower perceived insecurity and fear of displacement in Kenya (Lesorogol, 2005). Particularly, land tenure reform is likely to improve land access for married women, and its effects on investment are stronger for female-headed than for male-headed households in Rwanda (Ali et al., 2014), and increase the land rental market participation of female-headed households in Ethiopia (Holden et al., 2011).

Theoretically, land tenure reform can improve rural livelihoods by increasing access to credit, since formalized land rights allow the use of land as collateral. However, existing empirical evidence shows that this effect is not conclusive. While there is evidence from The Gambia that individuals with more secured tenure gain greater access to credit (Hayes, Roth, and Zepeda, 1997), there are null findings for Ghana, Kenya, Rwanda (Place and Hazell, 1993), and Tanzania (Pinckney and Kimuyu, 1994). The insignificant relationships identified in these latter studies may stem from the fact that informal sources of credit—i.e., personal relationships instead of formal titles—have long been the dominant sources of credit in rural SSA for a variety of reasons (Petracco and Pender, 2009). Further, when a land plot is small, and thus a loan would be relatively small, formal financial institutions might be disincentivized to take on the fixed costs associated with making a loan. Any credit constraints in rural areas are likely to mediate the impacts of tenure reforms on rural livelihoods by hindering or helping investments—including, for example, the likelihood of diversification into non-farm activities (Smith et al., 2001). This may ultimately contribute to continued reliance on subsistence farming (Petracco and Pender, 2009). Evidence from South Africa that formal banks have a greater presence in areas with higher rates of land titling provides hope that a tenure reform in South Africa could actually increase the supply of credit (Chisasa, 2014).

5 EVIDENCE ON THE FARM SIZE-PRODUCTIVITY RELATIONSHIP

Redistributing land and carrying out land tenure reforms stand to powerfully impact the farm size distribution. Land redistribution does this almost by definition; transferred parcels are often themselves either fragmented or combined during the transfer process, and their transfer often creates new smallholders. Land tenure reform, by changing the laws, regulations, customs, and institutions governing land use and ownership, changes opportunities and incentives to own and operate land, and thus is also likely to lead to land transfers, which can substantially impact the farm size distribution. Particularly when land reforms—in whatever form they take—are aimed at reducing inequality of access to land and providing land to individuals that previously lacked it, farm sizes tend to decline, on average. Understanding the implications of declining average farm sizes and land productivity is therefore a crucial aspect of understanding the likely impacts of land reform.

5.1 Global evidence

There is a large literature on the relationship between farm size and land productivity, with important implications for South Africa and its land reform programme. The bulk of the evidence suggests that the nature of this relationship depends critically on the relative factor endowments of a country. In labour-abundant, developing countries, there tends to be an IR, where small farms are more productive than larger farms. In contrast, there is a direct relationship (DR) in many developed countries (Lipton, 2009). This comes from the fact that smaller farms have an advantage in managing labour (e.g., in seeking and screening workers, allocating tasks, training, and supervising), while large
farms have an advantage in managing capital (e.g., hiring or buying a tractor). This may manifest itself as small farms having a higher percentage of land area cultivated (Kay, 1998), a higher cropping intensity on cultivated land (Agrawal, 2000), or a higher-value cropping pattern (e.g., using land for labour-intensive staples, vegetables, trees, and grazing) (Boyce, 1987; van den Brink et al., 2005). As a result, even if small farms and larger farms have identical yields for a given crop, an IR may be found. It is consequently not surprising that Lowder, Skoet, and Raney (2016), using a panel of data from the agricultural censuses of a large number of countries, show that average farm size in high-income countries increased markedly during 1960–2000 while that of low- and middle-income countries declined over the same period.

Despite the evidence on the benefits of small farms in developing country contexts, there are some caveats to be noted. First, small and larger farms can be complementary, providing good reasons for their co-existence. For example, medium-sized farms tend to adopt innovative new technologies first, since they are less risk-averse. Small farms learn from them and adopt later, often becoming more likely than the medium-sized farms to adopt new technology like high yield varieties (Boyce, 1987, Mearns, 1999) and fertilizer (Asaduzzaman, 1980)—ultimately contributing to an IR. Allowing such benefits to trickle down by having some medium- and/or large-sized farms may thus be important. Second, if small farmers are sufficiently risk-averse that they will not adopt technological innovations or make investments with high payoffs, then this can be a drawback of having small farms. Assumptions of greater risk aversion among small farmers are indeed made by a number of models (e.g., Hazell and Roell, 1983; Lyne and Ortmann, 1996). However, institutions that help small farmers cope with the risk, ranging from crop and weather insurance to storage and credit access, could ease such concerns (Lipton, 2009).

Despite ample research suggesting an IR between farm size and productivity, there is also a wealth of recent research suggesting that the IR is eroding in the face of new developments. For example, Deininger et al. (2018) use a large panel dataset from rural India spanning 1982 to 2008 to show that the IR between farm size and output per unit of land weakened significantly during this time period. They highlight key reasons for the shift: the substitution of capital for labour in response to non-agricultural labour demand, and the fact that hired labour became more efficient than family labour between the late 1990s and the late 2000s. It is thus critical to take market and family structure developments into account when considering the likely impacts of farm size on productivity.

5.2 Evidence from sub-Saharan Africa

Empirical evidence from other African countries is especially useful for understanding the likely impacts of declining farm sizes in the South African context. Despite global evidence supporting an IR for developing countries, Africa presents some more nuanced findings. Sender and Johnston (2004) refer to the “astonishingly weak” evidence for an IR in Africa. Rada and Fuglie (2018), considering total factor productivity as their performance measure, note that small farms in Africa still generally face relative productivity advantages. However, they also highlight how economic and market growth are leading the smallholder advantage to attenuate, yielding a gradual shift toward constant and eventually increasing returns to size. Partially shedding light on reasons for an inconclusive relationship between farm size and productivity in Africa, Ali and Deininger (2014) show for the case of Rwanda that the existence of an IR hinges critically on whether family labour is valued at shadow wages or at village-level market wage rates; it disappears when the latter are used. An IR, resulting from market imperfections, was also found in Kenya (Collier, 1983), and Zambia (Kimhi, 2003). Apart from market imperfections, price uncertainty has also been proffered as an explanation for an IR relationship in Madagascar (Barrett, 1993).

Regardless of an IR or DR, Jayne et al. (2003) find that farm sizes in Southern and Eastern Africa are decreasing over time, and access to land is strongly correlated with household income in small family
farms, implying the potential of poverty reduction through a land redistribution programme targeting the landless.

5.3 Initial evidence from South Africa

South Africa has an exceptionally high unemployment rate—27.3 percent as of 2017 (World Bank, 2017)—making it a setting in which labour-intensive farming such as that typically found on smaller farms may be especially promising. Despite the country’s history of policies favouring relatively large mechanized farms (van Zyl, Binswanger, and Thirtle, 1995), empirical analysis of the farm size–productivity relationship in this setting has supported the existence of an IR (Wiig and Øien, 2013; Øien, 2010). In particular, Wiig and Øien (2013) use Quality of Life Survey data from 2005 and estimate—in their preferred specification which controls for geography, land value, organisational form (individual or collective), and access to irrigation—that a 10 percent increase in farm size is associated with a 4.86 percent reduction in the value of crops produced per hectare (statistically significant at the 1 percent level). They are careful to note that their estimates are correlations rather than necessarily causal evidence of an IR. However, they also underscore how the results clearly indicate that small farms are more productive than larger ones, and provide further supporting evidence of an IR using qualitative research carried out through visits in 2009 to 31 farms affected by land reforms. This recent evidence supports earlier evidence from the period 1975–1990 presented by van Zyl, Binswanger, and Thirtle (1995); they show that there is a robust negative relationship between farm size and efficiency in the commercial farming areas of South Africa that grows even larger when policy distortions that tend to favour larger farms are removed. Aliber and Hall (2012) relatedly call for the South African government to support a large number of smaller farmers and help them become sustainable commercial smallholders (what they refer to as “accumulation from below”) rather than supporting a few selected farmers to become large-scale commercial farmers (what they call “accumulation for the few”).

As South Africa’s land reform gets more fully underway, its exact implications for farm productivity will become clearer. The reform will change not only the distribution of farm sizes, but also the identity of individuals controlling land—who may vary substantially in their levels of working capital, access to credit, and relevant human capital. The reform will furthermore affect the quality of infrastructure as well as markets for goods and credit by influencing both public and private incentives to invest. This points to the need to look beyond merely implications for farm sizes to understand the overall impacts of the land reform for productivity.

Evidence on the farm size-productivity relationship in South Africa is still nascent, and the slow progress on implementing reform leaves many questions about how productivity is likely to be impacted. However, global evidence, as well as evidence from SSA specifically, points to several key lessons:

- **The development of a credit markets matters, and underdeveloped markets may dull the impacts of land reform on productivity.** When smallholders can be supplied with the inputs they need to make critical investments, fragmenting farmland and thus reducing the median farm size may be a good policy. However, if the land reform and any accompanying policy measures fail to allow access to credit, then fragmentation of farms may lead to a crisis of underinvestment.
- **Unequal access to credit at the start of a reform can actually exacerbate inequalities in land ownership when a land reform leads to more developed land markets.** Large landowners enjoy greater access to credit, allowing them to continue to acquire land from the smallholders—potentially failing to reduce inequality of access. Policies which safeguard the rights of vulnerable groups, and ensure that they have access to credit, are thus likely to be critical.
6 RURAL SERVICES AND THEIR IMPACTS ON SMALLHOLDER PRODUCTIVITY

Until now this paper has discussed global experiences with land reform to date, including their impacts on key economic and welfare outcomes and lessons learned for how to carry out land reform. One of the key lessons emerging from numerous countries’ experiences is the need for complementary rural services to support smallholder productivity following land reform. This raises the natural question of what specific concerns and constraints are faced by smallholder farmers in the South African context, and how can they be overcome through improved service delivery and market linkages. This section offers a broad view of some of the challenges faced, and considers the types of policies and interventions that might successfully address them.

Smallholder farmers in South Africa account for 92 percent of the farming population (StatSA, 2017) but contribute only 8 percent of total turnover (Figure 1). They face a number of rural services and institutional challenges which need to be addressed to allow them to overcome their challenges to raise income and escape poverty. The discussion below explores these challenges and what could be done to help smallholders overcome them.

![Figure 1: Farm size groups and their contribution to value of agricultural turnover](source)

6.1 Up against commercial farmers and increasing quality requirements

Studies have shown that limited access to agricultural markets is one of the key constraints contributing to low productivity of smallholder farmers in South Africa (Bitzer et al., 2016; DAFF, 2012). One reason for this pattern is the low profit smallholder farmers obtain from local markets, which in turn reduces their financial ability to buy the agricultural inputs required to enhance productivity. Unlike other countries in SSA, smallholder farmers in South Africa compete with well-advanced commercial farmers. The latter are characterized by high productivity, efficient postharvest handling, and elaborate vertical linkages with the largest supermarkets (namely, Shoprite, Pick n Pay, Spar, and Woolworths) and large consumers (Hall and Cousins, 2015). The supermarkets and largescale consumers require large volumes, which cannot be supplied by individual smallholder farmers, who experience economies-of-scale challenges in competitive agri-food markets like those of South Africa. Consistent with global trends, the increasing middle-income population is demanding higher food quality and processed food – further squeezing smallholder farmers out of the food market (Bitzer et al., 2016). For example, Jooste (2001) observed that small-scale communal cattle producers lack sufficient volumes of uniform cattle to sell to prime markets. Lack of reliable market information is also a major constraint which smallholder farmers in South Africa face (Benson et al., 2001).
6.2 Weak market institutions and poor access to road and other market infrastructure
Most smallholder farmers in South Africa are located in former homelands, where market infrastructure and institutions are weak, which leads to high transaction costs and postharvest losses (DAFF, 2012). Additionally, access to market information is limited, which leads to farmers receiving low prices and consequently low returns to their investments. Smallholder farmers also tend to sell their produce at farmgate and at local markets (Figure 2), thus lowering the prices they receive relative to those selling in formal markets and cities.

Figure 2: Marketing channels across farm size groups

Source: Authors’ calculation from the General Household Survey (2016)

6.3 Low human capacity
The level of education and bargaining power of smallholder farmers in South Africa are both low, further limiting their capacity to participate in the highly competitive South African market (DAFF, 2014). What can be done to address these challenges?

In the short-term, the South African government is investing in efforts to organize farmers into cooperatives (DAFF, 2014), an approach which has been shown to improve their bargaining power and access to prime markets, and to reduce transaction costs (Markelova and Mwangi, 2010). Collective marketing allows smallholder farmers to pool and share resources, thus lowering transaction costs. Farmer groups could also help address the high quality and certification requirements for the domestic and exports market. Efforts to vertically link farmer groups with supermarkets and large consumers could also help enhance access to prime markets. An example of such efforts paying off comes from Southwestern Uganda, where potato farmers were successfully vertically linked with the fast food chain Nando’s, with stores located in Kampala (Kaganzi et al., 2009). The farmers established a contractual agreement with Nando’s and were able to honour its quality and quantity requirements for 14 years — obtaining prices which were more than 2.5 time higher than those in traditional roadside markets. The same approach could easily be achieved in South Africa.

In the long-term, there is a compelling need to improve market infrastructure—especially roads and storage—in areas where smallholder farmers are located. Improvement of post-primary education in rural areas needs to be improved as well, as do agricultural marketing extension services; both of these could help enhance smallholder market participation.
LESSONS FOR SOUTH AFRICA’S LAND REFORM

This paper has reviewed the experiences of several countries with land reform. Some potential lessons have been suggested at various points in the text. We end by trying to generalize some of these. As emphasized in the introduction, it is always difficult to know how well policies that worked in one country will transplant to another. The lessons raised here, as well as others that arise from the reading of the text, would, if adopted, require further investigation to turn them into implementable policies in South Africa.

The first general lesson brings together four particular lessons highlighted earlier:

- **Land reform is a process, not an event.** Almost all of the countries reviewed had several land reform episodes. Various reasons explain this: design and implementation flaws in earlier programmes; political struggles between competing interests; and the success of an initial reform changing the terrain in such a way that new policies were appropriate.

- **There is no single, right approach.** Not only is it not the case that one approach could work in all countries, but it also seems that different approaches can be adopted simultaneously within a single country.

- **A flexible, decentralized and pragmatic approach is best.** China’s experience shows the stark contrast between a decentralized, flexible and pragmatic approach and a centralized and inflexible one, but a similar lesson emerges from many of the other countries.

- **Localized solutions are key.** It is important to have a comprehensive overview of the country’s land problems and to design solutions that protect the interests of vulnerable groups and give voice to key stakeholders. The individualized tenure system, borrowed from European countries, does not necessarily work in local contexts, as suggested in Kenya’s titling programme and Zimbabwe’s 1951 reform (Thompson, 2004; Toulmin and Quan, 2000). The reform must take local norms and customs into account, including by considering how they may mediate the impacts of reform.

These points taken together suggest that policymakers should not treat a reform programme as something that needs to be set out in full and written in stone from the get-go. Nor should reforms be held up until everything is in place for a grand design. Particular types of reforms can be phased in over time in different parts of a country. Nor is it necessary to make a binary decision between state led forms, on the one hand, and market assisted ones, on the other. It is possible to take different approaches simultaneously and there can be some advantages in doing so. Flexibility can also lead to greater learning from localized experimentation, so the effectiveness of reforms can improve over time, as a country learns from its own experiences.

The experiences reviewed above also pointed to the importance of democratic politics, both in regard to creating the demand for redistribution and in contributing to its success. Paying heed to local voices is important.

A second general point, related to the first, is that market mechanisms should not be eschewed altogether. Markets can play a role at two levels in the process: in the acquisition and distribution of land, and in the operation of the reformed agricultural sector after redistribution. While willing buyer-willing seller is an unpopular approach in Southern Africa, the Brazilian experience suggests that there are some advantages to using aspects of the market even for land acquisition. This paper’s survey of Brazil suggested that ensuring beneficiaries have access to loans to buy land can be faster than an administrative-led redistribution, that it can ensure land prices are lower, and that it frees up state resources for complementary services. Even if land is expropriated, it may be that a market mechanism can be used to decide who gets the redistributed land.

The Mexican and Indian experiences suggest that allowing the market to work after the reform has certain benefits. Providing farmers with land but restricting what they can do with it and how they can
farm it can reduce the efficiency of post-reform agriculture. While such restrictions often aim to protect poor households from distress sales or other exploitation, their effects on productivity and rural incomes can be negative; they may effectively expand subsistence farming rather than providing growth opportunities for resettled farmers.

After targeting the right beneficiaries, it is important to reduce barriers preventing would-be beneficiaries from accessing land. A land reform should be carefully designed and implemented to ensure the equal access of beneficiaries, such as simplifying titling procedures, as done in Cameroon (Focus on Land in Africa, 2018), and Eritrea (Rock, 2000). Extensive public consultation, especially of vulnerable groups, can be helpful for carrying out a successful, inclusive reform.

The issue of land ceilings is related to this. Experience in other countries suggests that, while land ceilings have been used, they are not always effective. They are intended to create a supply of land for redistribution. However, India’s experience, where loopholes and delays thwarted some of the redistributive intent of the reforms, shows the importance of framing and implementing the legislation carefully. Landowners were able to avoid the restrictions by distributing land to family members, so that the supply of land for redistribution did not in practice increase. There is also some evidence that ceilings in India reduced agricultural productivity.

Finally, all the experiences reviewed demonstrated the importance of complementary support. The impacts of a land reform are determined by the interaction of land policies, resource inputs, markets, and institutions (Scoones, Devereux, and Haddad, 2005). Land policies alone are not likely to have large impacts on smallholder production. Increasing technical inputs in the agricultural sector through post-settlement services, extension, and schemes aimed at increasing smallholder access to credit are vital to improve productivity after the reform—and they should ultimately lead to growth and poverty alleviation (Toulmin and Quan, 2000). Other policies to develop the land market and rural credit market and to strengthen land administration can have complementary effects on a land reform. Both the successes and the failures of various reforms in these countries point to the need for complementary actions to support any reform. Smallholders that lack market access and key inputs cannot productively use a new parcel of land. Successes achieved at various points in Brazil’s land reform process were directly attributable to the concomitant provision of grants for complementary investments; these grants increased access to irrigation and helped contribute to increased incomes as a result. In Russia, many individuals inheriting land shares were quite elderly or lacked the managerial skill to farm land, and this resulted in a frequent failure to convert the shares into physical plots.
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Global land reform experiences: A review for South Africa


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