

The World Bank's Market-Assisted Land Reform: Obstacle to Rural Justice

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Throughout modern history, land reform has been essential to any comprehensive social transformation of rural societies. Through the redistribution of land, more equity was attained in rural areas and social relations were altered dramatically, as the power of the feudal landlord class was broken. Besides, land reform has been a prerequisite for societies to shed their feudal characteristics and advance to a more developed mode of production.

This modern concept of land reform appeared for the first time during the transition from feudalism to capitalism in Europe. The feudal oligarchy had become a stumbling block to the development of the productive forces. Therefore, the emerging bourgeoisie resorted to redistributive land reform to enable the capitalist development of the European countryside.

During the Russian and Chinese Revolutions, land reform had basically the same characteristics. A fundamental difference, however, was the leadership of the working class, in alliance with the peasantry, in the socialist revolution. Consequently, through land reform, feudal political power was broken to replace it with the worker-peasant alliance, under the leadership of the proletariat, and agricultural development became the motor of socialist construction.

In any case, wherever it has been successful, land reform implied the distribution of land from landlords to the small peasants. Obviously, a confiscatory element is essential in this process, as the landlord class is putting up fierce resistance. Hence, the crucial role of the state or another organ of political power that can wield coercive force in implementing land reform. (Barraclough, 1999)

1 FAO AND WORLD BANK AGAINST LAND REFORM

Vibrant socialist revolutions in China, Korea and Vietnam and strong liberation movements in much of the rest of the Third World characterized the period after the Second World War. The rural masses of the Third World were inspired by the examples of the Russian and Chinese revolutions and agrarian reform. Consequently, redistributive land reform featured prominently in the revolutions of North Korea, Vietnam and Cuba but also in other liberation struggles against colonial and authoritarian rule.

Increasingly, the concept of land reform became ideologically charged because of the socialist threat to imperialism. In Taiwan, South Korea and Japan, for example, the United States actively encouraged and aided land reform in order to avert socialist revolutions. These countries' agrarian transformation shattered old-style feudal rule and consolidated the power of regimes that aligned themselves with US imperialism. Moreover, it enabled their economies to develop concordant to the capitalist development model.

Hence the tremendous influence of the balance of power between socialism and capitalism on the evolving theory of land reform. Therefore, the evolutions in the World Bank's attitude towards land reform can only be understood in the context of the antagonism between the two ideologies that shape world history since the early 20th century.

Already at the founding of the Food and Agriculture Organization (FAO), land reform was recognized as a powerful tool for achieving rural transformation. Moreover, it was understood that the state rather than the market determined redistribution of land. Yet the 1945 Quebec Conference that founded FAO stopped short of wholeheartedly advocating land reform as it merely stated that "recourse to land reform may be necessary to remove impediments to economic and social progress resulting from an inadequate system of land tenure." (Herrera 1997: 54)

National liberation movements and anti-colonial struggles dominated the international political agenda during the 1960s and 1970s. Moreover, the achievements of socialist construction in the Soviet Union and China were in high esteem in the ex-colonies of Africa, Asia and Latin America. Consequently, the FAO gave considerable attention to land reform during this period. In 1966 it organized the World Conference on Land Reform in Rome, followed by the World Conference on Agrarian Reform and Rural Development (WCARRD) in 1979. Both conferences were meant to give member states the opportunity to share their experiences with land reform on neutral grounds in order to "depoliticize" this ideologically contentious issue. (Herrera 1997: 54)

The World Bank, on the other hand, left the initiative to the FAO. It was only in 1975 that the Bank developed a stand on land reform in its "Land Reform Policy Paper." Yet the paper's seeming advocacy of agrarian reform was not translated into actual support for land redistribution. The Bank was too preoccupied with research and projects that had to raise the productivity of Third World agriculture through "Green Revolution" technology and new infrastructure. Prominent US economists were of the opinion that boosting the productivity of poor farmers' fields through the introduction of new technologies would provide new markets and investment opportunities for the industrialized countries' transnational corporations. Moreover, this strategy was deemed to be equally effective in quelling peasant unrest.

Generally speaking, the role of international organizations in promoting and supporting land reforms was rather marginal and contradictory. Although they formally endorsed land reform in conference declarations, researches and policy statements, their actual support for it was ambivalent. Moreover, agrarian reform was advocated within the constraints of the "Washington Consensus," the straitjacket of liberalization, privatization and deregulation imposed by the International Monetary Fund and the World Bank on the Third World. (Barraclough 1999) Actually, the World Bank actively contributed to the ebb of land reform with its structural adjustment programs that curbed public spending and its imposition of the neo-liberal paradigm that is inherently opposed to policy interventions aimed at achieving social equity. (Riddell 2000)

2 THE WORLD BANK'S OBNOXIOUS LAND REFORM IDEOLOGY

Ironically, it is the World Bank that has put agrarian reform back on the international agenda since the mid-1990s. This development warrants suspicion because it is obviously related to major changes in the global political and economic context. Now the Cold War is over and China has taken the capitalist path, the Bank thinks it can easily take advantage of the popularity of land reform among the world's poor and launch its own land reform ideology without objections. Unsurprisingly, it has stripped the concept

of land reform from any reference to actual state-led land distribution and replaced it with its own brand of “market-assisted land reform.”

Traditionally, the World Bank used to be interested in land reform because of two reasons. It has always acknowledged that reforms can be justified in order to thwart people’s protest. Land reform or even the semblance thereof, could therefore be useful to undermine peasant movements that rise up against the powers that be. Moreover, it could make unproductive investments in protection (e.g. security guards, fencing) unnecessary.

But also the World Bank’s preoccupation with productivity used to be a motivation for its interest in tenure arrangements. Mainstream economists recognized that, to a certain extent, feudal relations of production could be a hindrance to productivity. On the other hand, the Bank also acknowledged the advantages of feudalism, especially the cheap and unorganized labor force.¹ It was not hostile therefore to the introduction of more “modern” relations of production and complementing feudal exploitation with semi-feudal arrangements where this would be more advantageous to transnational corporations. As the Bank never endorsed the complete overthrow of feudalism, however, this position should not be confused with genuine support for land reform.

2.1 The 1975 Land Reform Policy Paper

When the World Bank formulated concrete advice in the 1975 “Land Reform Policy Paper,” its major recommendations were: (1) formal land titling as a precondition of “modern development”; (2) the abandonment of communal tenure systems in favor of freehold title and sub-division of the commons; (3) widespread promotion of land sales markets to bring about efficiency-enhancing land transfers; and (4) support for land redistribution on both efficiency and equity grounds.

Basically, these recommendations want to do away with customary communal tenure systems that are deemed to be backward. Moreover, these common lands are traditionally used for the production of food crops and are thus incompatible with the World Bank’s model of export-oriented agriculture to service the needs of the industrialized countries. Privatization of land ownership would provide a more favorable environment for cash crop production. (Riad El-Ghonemy 1999) It likewise serves the objective of debt servicing since the proceeds of public land sales are used to generate state revenues which are channeled to the international creditors. (Chossudovsky 1997: 64)

Breaking up communal lands and promoting active sales markets merely benefit big landowners and create a stratum of rich entrepreneurial farmers who are able to venture into capital-intensive farming. This reflects the World Bank’s “betting on the strong” paradigm. Poor farmers, on the other hand, are being displaced, as there is no place for them in this highly competitive environment. (Huizer 1999) It is clear, therefore, that these recommendations are not even hinting at land reform as a means of wiping out feudal exploitation in the countryside.

¹ In the words of World Bank economists: “With share tenancy, tenants receive only a fraction of their marginal product. It is therefore difficult to motivate tenants to work hard enough, a phenomenon that is known as ‘Marshallian inefficiency.’ Share tenancy relations are still more efficient than wage labor however. They may be an ‘optimal choice,’ given the constraints faced where markets for credit and insurance are incomplete.” (Deininger and Binswanger 1999: 248-249)

2.2 Adjusting To Intensifying Imperialist Globalization

During the 1990s, the World Bank reviewed its Land Reform Policy Paper and started pushing market-assisted land reform as a concrete alternative to redistributive land reform. The Bank maintains that the key principles of the 1975 policy paper remain valid but there are some adjustments:

“First, the 1975 World Bank land reform policy recommended that communal tenure systems be abandoned in favor of freehold titles and the subdivision of the commons. Today it is recognized that some communal tenure arrangements can increase tenure security and provide a (limited) basis for land transactions in ways that are more cost-effective than freehold titles. (...)

Second, although individual titling has great potential to increase investment and productivity, several preconditions must be satisfied for this to be a desirable intervention. (...) Title should be area-based (...) and fit within a broader strategy of rural development. Otherwise, imperfections in other factor markets may undermine or even eliminate the advantages from possession of title (...).

Third, the earlier skeptical view of land rental markets has given way to a recognition of their critical role as a means for providing the poor with access to land. The removal of remaining restrictions on land rental is therefore a top policy priority. (...)

And fourth, a growing literature has made the case for redistributive land reform on efficiency and equity grounds. Most of the land reforms undertaken during the last 20 to 30 years, however, were politically motivated and have not lived up to expectations. Recently, a new approach has emerged: encouraging community-managed agrarian reform based on voluntary negotiation. (...) This approach can help to overcome long-standing problems of asset distribution and social exclusion, which are key factors to rural violence.” (Deininger and Binswanger 1999: 248-249)

One doesn't have to be an expert in “Bankspeak” to strip this quotation from its charitable vocabulary and translate this as:

1. The existence of communal tenure arrangements does not necessarily run counter to the “free market” and neocolonial trade relations.
2. Giving land titles to individual farmers is a tedious and expensive undertaking. It is better to leave big landholdings intact and pacify the peasants with so-called rural development projects.
3. If we can convince peasants that what they need is not “land” but only “access to land,” we might as well convince them that they should just rent it and stop nagging about land reform.
4. It is hard to deny that redistributive land reform, where it has been implemented, has been beneficial to the poor but don't expect the World Bank to care about that. Anyway, shrewdly packaging land transactions as “community-based initiatives” should be enough to keep the peasants in check.

The World Bank is honest enough to admit that the small farmers' interests were not among the reasons to review its land reform policy. Instead it justifies policy adjustments because of the advance of global neo-liberal economic policies, the end of the Cold War and the Bank's eagerness to further undermine Third World countries, or in its own words: *“In many developing countries today, far-reaching macro-economic reforms have removed distortionary policies, the ideological divide has narrowed or disappeared,*

and the need to tackle structural issues has greatly increased the demand for policy advice.” (Deininger and Binswanger 1999: 248)

For the World Bank, agrarian reform should be just another tool to submit rural economies to the demands of imperialist globalization or, more precisely, to the needs of monopoly capital in the industrialized countries. Therefore, state programs that might distort the “free market” like the delivery of social services or land reform programs are taboo and there should be no restrictions whatsoever on the monopoly control by landlords and transnational corporations on agricultural land.

Moreover, now the Cold War is over, the World Bank erroneously thinks that it can easily curb peasant unrest through spin-doctoring the liberalization of land markets as agrarian reform. That is why its renewed interest in agrarian reform is focusing on Brazil, Colombia and the Philippines among others. These countries have strong and militant peasant movements that are successfully advocating and even implementing genuine land reform through armed or unarmed struggle.

2.3 Enter Market-Assisted Land Reform

The World Bank’s revived land reform ideology is packaged as “market-assisted” or “negotiated” land reform. This model has nothing to do with actual distribution of land but with “dynamizing” land markets. Its main features are:

1. Negotiations about land prices between landlords and peasants on a “willing buyer, willing seller” basis.
2. The role of the state is limited to providing technical and financial assistance under the form of grants or loans.
3. There are neither explicit targets for land distribution that will be eventually achieved nor a fixed time-scale, nor retention limits.
4. The market-assisted approach is demand-driven. Instead of the government deciding who will benefit from the reform, the potential beneficiaries have to take the initiative.
5. It is focusing on productive projects, as farmers have to come up with a specific project before they can get financial assistance for their land purchases.
6. It aims to maximize the involvement of the private sector, including NGOs. (Deininger 1999; Banerjee 1999)

How market-assisted land reform works in practice can be seen in Brazil where the World Bank and the government have embarked on a 150-million-dollar pilot program known as "Cedula da Terra" in 1997, followed by the one-billion "Banco da Terra" project. Brazil is not only among the countries with the most unequal land distributions in the world. It is also home to one of the world's biggest and most militant peasant movements for genuine land reform: the Movimento dos Trabalhadores Rurais Sem Terra (MST). This organization of landless peasants is waging a courageous struggle for land since 1985 and has already implemented numerous successful land occupations.

According to MST, the World Bank project is undermining agrarian reform in Brazil. Participants in the World Bank project must agree to steep interest rates on the land loans and must forgo all existing Brazilian programs in favor of yet another credit scheme. In many cases, they are not told of these conditions until it is too late. Moreover, this approach is increasing land prices, which were already far beyond reach of the poor.

Worse still, landowners who could have been forced under the government program to turn over idle tracts can now hold on to all but their most degraded plots. And those worst parcels of land, ill suited for productive use, can now be sold for cash. The net effect of the program is therefore not the distribution of land to the landless but the increasing concentration of land in the hands of the landed elite.

Obviously, the World Bank has launched the program to subvert the MST's success among the rural poor. For its part, MST has exposed the World Bank program as an attempt to thwart land reform altogether as it relieves the Brazilian government of its constitutional obligations to ensure an equitable land distribution. (Stedile 1999; Schwartzman 2000)

3 MARKET-ASSISTED LAND REFORM IN THE PHILIPPINES

Because of the peasants' unrelenting clamor for land and rural justice, the Philippine government has been implementing agrarian reform programs since the 1930s. Conforming to the US agenda in the Philippines, most of these programs encouraged modifications in tenancy relations and resettlement in Mindanao and Palawan, where land was still abundant. Such programs had to boost productivity and expand the area planted to export crops that were needed for the US market.

Although the US allowed the Philippine government to follow the Import Substitution Industrialization strategy after the Second World War, it was kept on a shorter rein again since the early 1960s. President Macapagal, who was elected in 1962 thanks to CIA support for his campaign, lifted exchange controls and devalued the peso. The Land Reform Code Macapagal launched in 1963, promoted leasehold tenancy but had obviously not the intention to break up the landlords' land monopolies. Complementing feudal with more "modern" semi-feudal forms of exploitation, the law only provided the framework for an increasingly export-oriented, import-dependent and foreign-dominated rural economy.

Although some "liberal" US advisers advocated land reform in order to avert a resurgence of massive peasant uprisings, US and World Bank programs were dominantly geared towards productivity-enhancing interventions in the Philippines' backward agriculture. (Putzel 1992) Hence their enthusiastic support for the International Rice Research Institute (IRRI) and the application of "Green Revolution" technology.

In 1972, the World Bank implicitly endorsed Ferdinand Marcos' imposition of martial law with a deluge of loans and financial aid packages. Support programs for agriculture were limited, however, to rural infrastructure and irrigation programs. Only after a 1975 World Bank mission to the Philippines concluded that "the rationale for land reform is that it would help raise productivity," the Bank provided a modest \$66 million in loans to extension programs of Marcos' bogus land reform program. But in 1978 the World Bank already decided to redirect its efforts exclusively to productivity programs. (Putzel 1992: 136)

3.1 CARP: The Precursor Of Market-Assisted Land Reform

After Marcos' ouster in 1986, the Aquino government was compelled by the strength of both the armed and legal movement for genuine land reform to come up with its own agrarian reform program. In a surprising departure from its past indifference, the World Bank advocated a far-reaching program for redistribution of agricultural land. Probably this move had to clear the Bank's image as it had been identified too much with the Mar-

cos dictatorship. Moreover, the Bank knew full well that the agrarian reform program the Aquino government had in the pipeline was far from an effective redistributive program. (Putzel 1992: 289)

Aquino's Comprehensive Agrarian Reform Program (CARP) was never meant to distribute land to the poor and landless peasants, let alone shatter feudal rule in the countryside.² The provision to provide the landowners with just compensation already reveals the intention to implement agrarian reform without disturbing the status quo. (SENTRA 1997)

CARP's distorted definition of agrarian reform³ and the law's actual provisions reveal its unmistakable bias in favor of landowners and agribusiness. CARP includes non-land transfer schemes like leasehold arrangements, production or profit sharing and the infamous stock distribution option. The non-land transfer programs provide the landlords with elegant options to implement agrarian reform without distributing a morsel of land and retaining full control over their lands and the lives of their farm workers. For landowners who want to get rid of some less productive farm lots anyway, the law provides incentives for voluntary offers for sale or the voluntary land transfer scheme that lets them negotiate the price directly with the farmers. (Batara 1996)

CARP clearly echoed many of the recommendations of the World Bank's 1975 Land Reform Policy Paper. For example, it relies on sales operations to "distribute" private land to the farmers. In addition, its first priority was not parceling big private landholdings but the titling of public lands and settlements that were already tilled by farmers or the formal privatization of the commons.

Anyway, the World Bank never provided any financial support for actual land acquisition but channeled its funds to CARP's so-called extension programs that only benefited the landed elite and agribusiness corporations. Under the Aquino presidency, it enthusiastically funded the nucleus estate management system, a plantation set-up centered on a corporation with small farmholdings dependent on the center for financing, inputs, management, marketing, processing facilities and other technological support. Obviously, this was not a land reform program but a means of further expansion of agribusiness control of land and people. (Putzel 1992: 354)

Since the mid-1990s, the World Bank supports President Ramos' brainchild, the Agrarian Reform Communities (ARCs). In the ARC program, clusters of small farms are encouraged to venture into cash crops and subsequently integrated with agribusiness corporations. Much like the nucleus estates, ARCs have nothing to do with land reform as they are providing landlords and TNCs with business opportunities and increasing control on the rural economy. The ARC concept is also a face-saving measure of the government to divert the attention from CARP's failure to provide land to the landless through the establishing of a few showcase communities. (Batara 1996)

When CARP was due to expire in 1998, the government claimed a 57 percent accomplishment rate (4.6 million hectares) and extended the program for another 6 years, pur-

² In her speech on the occasion of CARP's launching, President Aquino herself acknowledged that CARP was far from a redistributive land reform program saying, "Let us see the program not as taking of property from some and giving it to others."

³ Republic Act 6657, Section 3: "Agrarian reform means the redistribution of lands (...) and all other arrangements alternative to the physical redistribution of lands such as production or profit-sharing labor administration and the distribution of shares of stock (...)."

portedly to process the remaining balance. Yet closer scrutiny of government data reveals that this figure refers to the number of certificates processed by government agencies and does not reflect actual ownership of the land by the so-called “beneficiaries.” Also lands under non-land transfer programs are considered covered by land reform and many certificates were not even distributed or did not result in the actual installation of the beneficiaries on the land.

Moreover, the bulk of the lands supposedly distributed were government-owned and public lands. The reported accomplishment of distribution of private agricultural lands stood at less than 50 percent of the total target of 2.9 million hectares. Actually, only 4 percent of these private agricultural lands were “distributed” through compulsory acquisition while the rest was bought from the landlords at market value.

In short, after 10 years, CARP hadn’t even made a start with the breakup of big landholdings or the landlords’ domination of the Philippine countryside and didn’t show any intention to do so. According to the 1998 Annual Poverty Indicator Survey, 68 percent of the households who had at least one member working in agriculture did not own land other than their residence, and only about 3 percent acquired land through CARP. At the same time, as almost all public and other less controversial lands were already covered, CARP was supposed to start tackling the more contentious estates of big landlords and corporations where the exploitation of the peasantry was much more extreme.

It is in this context the World Bank recommended to halt compulsory acquisition schemes altogether and to focus on the market-oriented provisions of CARP. In its 1996 Philippines country report “A Strategy to Fight Poverty,” the Bank observed that land distribution in the Philippines was not more unequal than in a number of other countries after all. Moreover, it said, “*comprehensive rural land reform, as currently structured, is bound to remain contentious, expensive, and administratively complex,*” and CARP “*has yet to make a dent in rural poverty.*” Therefore, the report comes to a mind-boggling conclusion that seems to vindicate the Filipino peasants’ skepticism about the elite’s concept of democracy: “*The administrative complexity of land reform probably cannot be resolved in the context of a government-administered program executed in a democratic society.*” (World Bank 1996)

The same reasoning was echoed in the Bank’s 1997 report “Philippines: Promoting Equitable Rural Growth.” This report also praises experiences with market-assisted land reform in Colombia and makes more concrete recommendations, including the completion of CARP through a “process of market-assisted land reform” for holdings below 24 hectares. (World Bank 1997) This would lessen the burden the bloated CARP bureaucracy had become on the government’s budget and would be acceptable for the landed elite. Besides, CARP was already market-friendly by design and only needed some fine-tuning to align it with the World Bank model. As market-oriented land reform could be implemented within the framework of the existing government program, the World Bank didn’t even have to resort to pilot programs like in Brazil and Colombia.

3.2 CARP Under Estrada: Perfecting the WB’s Market-Assisted Land Reform

Apparently, Horacio Morales, who was appointed DAR Secretary in 1998, had a ready ear for the World Bank’s recommendations. Although he is anxiously avoiding any reference to market-assisted land reform, his administration turned CARP into its local variety. Morales reassured the Bank of his faithfulness to its principles during the Global Development Network’s Inaugural Conference in December 1999, criticizing previous ad-

ministrations for a lack of allegiance to the free market: *"Rather than relying predominantly on markets and using government regulation to facilitate the working of markets and intervention to address clear market imperfections, the Government has in some instances tended to try to replace well-functioning markets."* Hence Morales' new framework for land reform, *"based on a coherent policy framework that puts land reform in the context of well-functioning rural factor markets and emphasizes increases in productivity as the driving force underlying land reform."* (Morales 1999)

Abolishing CARP and replacing it openly with the World Bank model, however, would strip agrarian reform from its social justice connotation and identify it openly with the merciless neo-liberal economics the peasants are all too familiar with. Therefore, DAR has opted to make use of CARP's market-friendly provisions. Since 1998, land distribution through compulsory acquisition has become almost non-existent. Instead DAR advocates negotiated settlements in the context of a "demand-driven" approach.

Administrative Order No. 9, issued in December 1998, gives guidelines for CARP coverage of commercial farms. Instead of land distribution, AO 9 provides for so-called Agri-business Venture Arrangements including contract growing, lease arrangements, management contracts, build-operate-transfer schemes, and joint venture arrangements, all of which involve negotiated settlements and result in the continuation of feudal and semi-feudal, exploitative relations of production.

The joint venture arrangement, also known as "corporative scheme," was further outlined in Administrative Order No. 2 of 1999 and gained notoriety through its application on 4,361 hectares of land in Negros, supposedly owned by Eduardo "Danding" Cojuangco a known crony of both ex-dictator Marcos and current President Estrada. Cojuangco negotiated the arrangement with some handpicked farm workers who established a cooperative for the occasion. Although the "beneficiaries" were promised their parcels of land, the management of the land was brought under a joint venture wherein Cojuangco is the majority stakeholder. In other words, the distribution of titles has become a mere formality as feudal relations are justified and even strengthened by this so-called land reform program.

DAR's catch phrase that agrarian reform should be demand-driven is another indication that it gets his inspiration from the World Bank's spin-doctors. Moreover, it is a clear admission that the government is abandoning the original targets of CARP and will limit itself to cases where the "willing buyer-willing seller" conditions are present. Despotical landlords who are exploiting their tenants to the limits and who are certainly not "willing sellers" have nothing to fear from a demand-driven agrarian reform program.

Morales is also committed to the World Bank's recommendation to liberalize land rental markets. Landholdings under 24 hectares will therefore be subjected to "distribution" or "leasehold arrangements." (Department of Agrarian Reform 1999) As we already know what Morales means with "distribution," we shouldn't expect landlords to feel threatened by this kind of policy statements. Besides, promoting land rent is a far cry from what common sense understands to mean a land reform program.

It is deplorable but not surprising that the World Bank and Morales find allies in many Philippine NGOs. It is a well-known fact that many NGOs have developed a symbiotic relationship with the Philippine government that has made them overly dependent and turned them into mouthpieces of the local elite. Many of these semi-governmental organizations are subcontractors for DAR's programs. Now some of them are doing the legwork to gain acceptance for market-assisted land reform among their less corrupted peers and the peasantry.

The World Bank's representatives were welcome guests at the "WCARRD 20/20: Emerging Trends and Perspectives of Agrarian Reform in Asia" conference sponsored by the Asian NGO Coalition last October 1999 in Tagaytay City, Philippines. This conference slyly opposed the "Brazil experience with market-assisted land reform" to the "Philippine experience with state-led agrarian reform" in order to sow confusion and obscure that CARP already incorporated the World Bank's recommendations long before the Bank launched its market-assisted land reform.

The next public relations offensive is to be expected in the second half of 2000. Philippine NGOs, DAR and the World Bank will sponsor the International Conference on Agrarian Reform from December 5 to 8 in the same venue. In the words of Morales, the aim of this conference is "*to bring together various countries to discuss the contribution of the markets in facilitating land access and poverty reduction, and the scope for involvement of local governments in implementing and financing such interventions.*" (Morales 1999) The conference will also feature a summit by the agrarian reform ministers of Brazil, South Africa, Zimbabwe, Mexico and the Philippines. Undoubtedly, the underlying objective is to unite governments and NGOs on the best strategy to make market-assisted land reform palatable for collaborationist NGOs so they can be used to hoodwink the farmers.

4 LAND REFORM IS THE FRUIT OF MILITANT PEASANT STRUGGLE

Analyzing the World Bank's land reform schemes from a peasant perspective, one cannot but conclude that "market-assisted land reform" is no land reform at all. It is not aiming at enhancing equitable land distribution, breaking feudal rule and advancing backward rural economies to a more developed mode of production. That "market-assisted land reform" is not land reform is actually so obvious that anybody who advocates it, be it from the World Bank, governments or NGOs, risks to be exposed by the peasant masses as an enemy of the peasant class.

The farmers are even more incensed because of the loathsome objectives of market-friendly land reform advocates. The World Bank explicitly mentions that "*this approach aims to replace the confrontational atmosphere that has characterized land reforms with a more collaborative attitude.*" (Deininger and Binswanger 1999: 267) Depicting land transactions between farmers and landlords as negotiations between equals is obviously a distortion of the concept of land reform. Talking about the different "stakeholders" who have to work together to correct "market imperfections" is a pathetic attempt to pervert the true meaning of land reform.

By definition, land reform implies redistributing land to the landless and near landless at the expense of large landholders and others who appropriated most of its benefits before reform. (Barraclough 1999: 48) Land reform, in other words, inevitably pits the peasant class against the landlord class in the struggle for land, as their interests are irreconcilable. Preaching class collaboration with the peasants' foes is tantamount to supporting the cause of the landed elite.

The concept of market-assisted land reform also insults poor farmers as it denies the bigger dimension land has for the rural poor. For them, land is a unique social endowment as it provides them with a livelihood, food, social status, and security in times of distress like illness or old age. (Riad El-Ghonemy 1999) Degrading land to the status of just another commodity that should be subject to the whims of the free market is absurd. But it is also utterly irresponsible as it endangers the very lives of millions of poor farmers and their families.

Worst of all, however, the World Bank's land reform concept is indeed distributing land -- from the poor to the rich. Market-oriented land reform policies support the freedom of the producer and of capitalists in the accumulation of land and income, irrespective of adverse distributional consequences and effects on the wellbeing of the poor. (Riad El-Ghonemy 1999) Such policies are likely to reinforce inequitable agrarian structures by providing large landholders and speculators with additional legal protection. (Barraclough, 1999: 38) As the Philippine experience shows, market-oriented land reform only results in increasing monopolization of land by landlords and TNCs.

The World Bank, in collaboration with governments and NGOs, is openly trying to hoodwink the peasantry in order to intensify exploitation of the Third World's farmers in the context of neocolonial trade relations. Sowing confusion about the true meaning of land reform, it also hopes to undermine militant peasant organizations. Their attempts will surely turn out to be a failure as the peasant masses are well aware of their deceptive nature.

The peasant movement should therefore also expect rising repression. In the Philippines, the government did not only declare total war against the Moro (Muslim) people, but also against any dissent in the countryside. In Brazil, militant peasants are harassed and killed mercilessly because of their determination to effect genuine land reform. In Colombia, the US is preparing its eventual military intervention as it is already arming and training the military while they are employing rightist paramilitary gangs to do the dirty work under the guise of a war against drugs.

Land reform will only be realized through resolute and militant, armed or unarmed struggle of the organized peasantry who will exact a just distribution of land. It is therefore crucial to strengthen the peasant movement at the local and international level. The peasant movement should likewise be integrated with the overall people's movement against the reactionary forces of imperialism.

One step in this direction will be taken by the First International Assembly of the International League of People's Struggle (ILPS) later this year. The ILPS aims to unite trade unions, farmers' organizations, human rights advocates, environmental activists and other progressive organizations and individuals and will provide a venue to come up with a comprehensive people's agenda for international solidarity.

The basic alliance of workers and peasants, united with all democratic and progressive forces, will never be defeated. Militant peasant struggle will bear fruit when it is able to overthrow feudal and imperialist domination and give land to the tiller. This radical and democratic measure will put the people on the path to a world where exploitation shall be a thing of the past.

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