

## Saving Asia from the ground up

By Andy Zieminski  
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For some development authorities, one good deed—to land—could change the world.

Giving even small amounts of land to the landless in India and ensuring property rights for Chinese farmers has the potential not only to improve the lives of hundreds of millions, but also to help close the rural-urban gap in two vast countries where years of rapid growth have disproportionately benefited the cities, said Tim Hanstad, president of the Seattle-based Rural Development Institute.



A cow devoured trash next to an industrial area outside New Delhi. Dramatic economic growth was disproportionately generous to India's cities, forging a glaring rural-urban gap and a population of 17 million landless families.

Mr. Hanstad and others argue that the lack of clear rules regarding land ownership has locked many of India and China's 1.5 billion rural residents into deep poverty, blocking them from contributing significantly to each country's booming economy.

"Really what land reform is about in both countries is creating or broadening an ownership society," Mr. Hanstad said. It is "a way to get the poor hitched on and give them a real stake" in economic development.

The nonprofit institute's work echoes the research of Peruvian economist Hernando de Soto, who argued in books and surveys that clear property rights—giving even the poorest rural peasant clear ownership of his tiny plot of land—are the foundation for free markets, prosperity and honest government.

"The starting point, the genesis of a market society, is property rights, because it relates to the issue of what belongs to whom," Mr. de Soto said in a 2003 interview with National Review magazine.

"Once you determine that, you know who starts with what poker chips. And once people see that the law protects rights that they already have, then people begin to believe in the rule of law," he added.

### India's landless

Many of India's estimated 17 million landless families are forced to live and work on other people's property, earning very little. Agricultural wages for men in rural India averaged

between \$1 and \$2 a day in 2003, according to the country's labor bureau, and women earned even less.

Starting in 2001, Mr. Hanstad and his organization have advised state-level Indian officials on "micro-land ownership" programs for these largely impoverished families.

Land-reform efforts in India began in earnest in the 1960s but ran into trouble because the government tried taking too much land from people for redistribution, Mr. Hanstad said. "Those approaches started with the assumption that in order to give meaningful benefits to people, you had to give them a full-sized farm," he said.

Institute researchers found instead that with plots of land as small as a tenth of an acre, once-landless families could satisfy nearly all of their fruit and vegetable needs, sell surplus produce, raise livestock and win greater standing in their community.

Micro-land programs in three Indian states spend a combined \$13 million a year buying land from willing sellers and distributing it to families, according to the Rural Development Institute, which has worked on global land reform since the 1960s. The programs are designed to involve 12 million people in those states.

Many families participating in the oldest program, started in the state of Andhra Pradesh in 2004, are able to sell about half of the food they grow, Mr. Hanstad said.

Some development scholars caution such programs cannot fully meet the challenges of poverty and unequal growth on their own.

Such land reforms can at best be a short-term solution for rural Indian poverty, not a permanent solution, said Swaminathan Aiyar, an economist with the Cato Institute, a libertarian think tank.

With 800 million rural residents and only 400 million acres of arable land in India, "you really need to get people out of the countryside," he said. The future of Indian agriculture requires widespread irrigation, technology investments and large-acreage farms similar to those found in the U.S. heartland, Mr. Aiyar said.

### **China's challenge**

In China, where nearly all rural land is owned by village collectives, farmers have only weak claims to the land they work, depressing both rural incomes and productivity, said Roy Prosterman, a University of Washington law professor and founder of the Rural Development Institute.

A major 1998 law required these collectives to give 30-year contract rights to individual families to manage their farms as they wish. The law was meant to curb rampant "readjustments" — when local bureaucrats periodically moved land rights from one village to another to reflect shifting populations — and seizures by the state for construction and infrastructure projects.



A Chinese farmer offered horse rides to tourists. Even as tourism grows in the nation, the plight of its rural residents has not improved. A 1998 law designed to secure the land rights of family farmers has been implemented on a haphazard basis.

But implementation "stalled," Mr. Prosterman said, with only 40 percent of the country's 190 million rural families having received such contracts by 2005.

A study his organization conducted that year found that farmers with full documentation under the 1998 law were twice as likely to add a greenhouse, orchard, fish pond or other long-term investment to their land.

He estimated that full implementation of the 30-year contract system could boost agricultural production by 70 percent and rural incomes by 85 percent, a figure based on the gains made the last time China experimented with stronger individual property rights in the early 1950s.

But even for those with legal protection, violations remain common.

When local officials intent on building a highway or factory take land from farmers, despite their contractual rights, the farmers often receive scant notice and inadequate compensation, Mr. Prosterman said.

The state-owned People's Daily reported in January that government officials confessed to taking 494,000 acres of land from farmers every year and that such seizures were the leading grievance behind the country's 87,000 popular protests reported in 2005.

This "indicates a growing popular demand for greater official accountability and transparency, to which the Chinese government needs to respond," said Sharon Hom, executive director of Human Rights in China.

A new property law in effect Oct. 1, which codifies private property rights for the first time and allows extension of the 30-year contracts, is "unlikely to provide a comprehensive solution to the problem of land seizures," Ms. Hom said.