

STEVE HENDRIX:

Good morning to everyone. I'm Steve Hendrix with the U.S. Agency for International Development (USAID). I am speaking in my personal capacity and my opinions do not necessarily reflect those of the U.S. government or USAID. I think Arthur Domike open our discussion by really hitting the nail on the head when he said that land reform is a profoundly political notion. It's revolutionary in nature.

In a sense, it's really designed in his paper to outflank revolutions, putting a gloss on his papers, but I think that's right. And Tom Carroll underscored the idea that land reform has been very controversial, and we heard this morning from Sampaio there in Brazil on the urgency of the land question, really today.

And in my current work, I'm working with fragile states and conflict, and really the vulnerability of democracy in the region, and looking back at the land reform experience, there was this notion that somehow land reform would contribute to political stability and democracy, and therefore could be used as a counter insurgency tool at one time, or an anti-revolutionary force.

And while that idea had currency amongst a number of authors, I think it was probably Roy Prosterman of the University of Washington Law School who really put that theory on the map in his work in Vietnam and then later in El Salvador.

The Prosterman Position, if we can call it that, is something that is difficult to prove or disprove. In a nutshell, it

might go something like this: that in an effective land reform program, you will reduce the appeal of revolution. But then that really begs the question what is an effective land reform program?

In fact, I doubt we could come with a single definition of a land reform strategy and I think some of Silvio Santana's observations this morning on the institutional constraints and bottlenecks, are, go to the core about that, and some of John's comments about the comprehensive nature of serving a very small group of beneficiaries.

In El Salvador, some of the critics would argue that the land reform that was carried out there was not far-reaching enough, so you couldn't really say that the Prosterman hypothesis or thesis was even tested there.

And that's probably the case in most agrarian reforms in Latin America and the Caribbean that have been carried out to some degree and in some degree, not. So in short, our experience doesn't really prove or disprove Prosterman's view, and his theory remains just that, a theory.

We do have a great deal of anecdotal evidence that supports the conclusion that land access policies, or agrarian reform and land reforms have had some impact on social stability. Usually it is the landless peasants that provide the rank and file support for most of the great 20th century revolutions, and here you can think of Russia or Mexico or even China or Vietnam.

Land reforms have played a similar role in some other lesser conflicts in Cuba, Ethiopia, and Bolivia, and even in failed insurgencies in places like Kenya, Malaysia, and the Philippines. It was also a factor in the civil war in Spain, and even the overthrow of the Shah in Iran. In nearly all cases, land reform has been undertaken when the have-nots began to threaten direct action, or at least political action, if land reform is not forthcoming.

And so Prosterman is right when he says that land reform nearly always has some sort of counter revolutionary flavor. Theoretically, formal landowners have significant incentives to participate in democratic society, while insecure landowners have less to lose from engaging in anti-societal behavior.

Samuel Huntington, before his recent anti-immigrant remarks, argued that a suffering peasantry "is profoundly revolutionary. When peasants own land of their own, in contrast, they are generally conservative forces in politics." So perhaps the general consensus of a lot of the literature seems to be land reform has not gone far enough to prevent conflict.

We know that in El Salvador 1% of the landowners still own about 41% farmland, while 64% of farm workers are landless or nearly landless. These studies argue in conclusion that land reform, if it had taken place earlier, might have prevented some conflicts.

Martin Diskin, the professor at MIT, seemed to argue in the case of El Salvador, that land reform, in his point of view,

would de-radicalize the peasantry. But land reform, he argued, was never properly implemented because it didn't take, it didn't include all the other factors. Diskin seemed to say that land reform should have included all the other factors of integrated rural development.

So land reform probably plays some factor in political stability. To say revolutionaries gain their support espousing formalization of the land reform may go too far. But certainly, agrarian reform and land formalization might be elements of a broader strategy to promote stability and development, and reduce incentives for insurgencies.

It's interesting that Jeffery Sachs' new book on the end of poverty barely mentions agrarian reform at all. He focuses mainly on education and healthcare, which may be other elements of the integrated rural development package. I've been spending a lot of time recently looking at Venezuela, and there was attempted coup, and Venezuela's not our only case. There was an attempted coup in January in Peru. We've had an irregular change of government, to use a euphemism, in Ecuador. We've had another irregular change of government in Bolivia. In Nicaragua, this week, President Bolanos offered to turn over power and step down. So there, we are at a critical juncture in time.

The power base of this new movement is the marginalized poor, those who lack employment, those who have been excluded from the benefits of democratic society and a globalized market economy. And I think, in the case of Venezuela, Hugo Chavez has been able to market to that particular group, those who don't have a title to land, although they've been occupying

the land for 30 years. He markets to those who have never had a national identity card let alone a passport. Those who do not benefit from what they perceive to be an exclusionary economic and political structure. The World Bank, and IDB, and USAID studies on cost benefit analysis of land tenure regularization and the increases on agriculture productivity have not captured the growing public dissatisfaction with inept, corrupt governments and exclusionary markets.

I thought Silvio put it rather succinctly when he asked the question, what is the cost of not doing land reform? Often, abandoned land and marginal productivity is considered not cost-effective for land registry or title. But it's precisely this type of land that the poor often occupy and use, and it's that kind of situation that can be used to fuel revolutionary fervor, even a coup. For example, in Ecuador, it was those individuals who supported Colonel Gutierrez that made him president who lacked title to land and had few other resources. Later, it was these same disadvantaged groups that had Gutierrez removed. In Bolivia, some of these groups identified with Evo Morales, the possible future presidential candidate. The original base of the Colombian guerilla movement also used these same people, the landless and those without title. They were told that they would get title to land if they participated. These are latent problems with land that are not going to go away unless we bring them to the surface and deal with them forthrightly.

I'm not saying that land titles have to be computerized or fancy or expensive documents, but governments have to give out something, some sort of paper to evidence ownership, to let people know that they own what they own. While the poor

have been motivated to support candidates like Hugo Chavez, traditional groups in democratic society, and in particular in Venezuela, have really been apathetic.

Voter abstention in Venezuela was over 50% in each of Chavez' first three victories, allowing him to consolidate power. Chavez' share of the vote is actually increasing with each election as he mobilizes the landless and land poor peasants to show up and cast ballots.

Chavez wins election after election, and we can no longer dismiss him or his like in other countries as crazy madmen or aberrations. Venezuela is leading a movement, but this movement is not limited to Venezuela. It is not an aberration, and we see examples of this in Peru, Bolivia, and Ecuador.

Venezuela's influence in promoting this agenda in the Andes has a separate dynamic, from what's going on in Brazil. Brazil has its own major problem with the landless and the resource poor, and Silvio underscored the environmental and biodiversity problem, which are also latent in Brazil, but has similar echoes in places like Colombia and Venezuela.

Given that the Amazon of Brazil captures much more area than similar regions in the other countries, environmental impacts are probably going to have an even greater influence in Brazil.

Just to conclude, it's interesting, working on conflict, fragile states, democratic vulnerability today, and having this retrospective, because I think 30 or 40 years ago, we

didn't have a lot of the answers, but we had to create policy and we had to get the job done.

Over time, in retrospect we see that we didn't have all of the inputs and all the information we needed to have, but we made some progress. We accomplished some things. We made some mistakes, and we have the opportunity to learn from them.

And yet, we're in a situation now where, given the dynamic situation, and the crisis and the vulnerability of democracy across the region, we also lack information. We don't have all the tools that we would like to have to create effective policy.

We can avoid some of the lessons learned, like Silvio mentioned, about bottlenecks in the process, but maybe it's putting words in Silvio's mouth, but I almost sense a nostalgia for an easier time, when we had more answers than we have today. Political action is required today.

The reality is we have a crisis, a vulnerability today, and what I am reminded from the experience that, from the Alliance For Progress, is that, and I think this came through in Tom's paper, that it was precisely when we were gearing up for the, during the Vietnam War and were expending massive amounts of resources a world away from the Western Hemisphere, when we had great problems with Social Security and Medicaid and other governmental programs, we launched the Great Society.

It was in that exact context that we also launched the Alliance for Progress. I think that that is an incredible statement, given our current political situation. Land remains an unsolved issue. Our context is changing. John outlined all of the various factors that are changing, and we might add all of the context of globalization and macro economic adjustment that has taken place over the last 20 years.

There may be, as Jeffery Sachs points out, other interventions as part of the integrated rural development model that make come first before land, I don't know, maybe healthcare or education. But certainly we don't have the answers we need. We're in a dynamic situation. Policy has to be formed now on the basis of our best judgment, our best intuition.

We need to be informed by the successes and failures of the past, but we cannot wait. We need action now to respond to the urgency of democracy in the region, and I think this group of distinguished panelists and the others mentioned earlier offer us a vision for the future and some lessons learned, some real wisdom, and we ought to take advantage of that. Thank you.