

# Agrarian Reform Programs in Selected Asian Countries: *An Overview*



**A**grarian reform legislations, policies and programs in Asia were the direct result of *occupation forces* (Japan, Taiwan in the 1950s); *revolutionary governments* (China, 1950s), *military dictatorships seeking popular support* (Philippines, 1972), *popular movements and public pressure* (Philippines, 1988) or *responses to breakdowns in centralized planning systems* (Cambodia after 1995). However, the mere presence of policies does not always lead to effective implementation.

## Source

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The following is a brief summary of past land/agrarian reforms in the different Asian countries and regions based on *three broad categories of agrarian systems*:

Dominant Agrarian Structures	Countries & Regions
<p><b>Type 1: Industrialized economies:</b></p> <p>Most of these countries and regions have implemented land reforms in the post-World War II period, mainly under totalitarian regimes or by occupation forces. These areas have since undergone agricultural modernization and rural industrialization, with a lesser segment of the population currently involved in agriculture.</p>	<p>Japan, Taiwan, South Korea, and until recently, China</p>
<p><b>Type 2: Emerging market economies:</b></p> <p>These are countries where collectivization of agriculture was earlier introduced under “communist” revolutionary governments. Collective farms were later broken up into family farms or else usufruct rights given to farming families. There is a fairly equitable distribution of resources and a large segment of the population is involved in production. These countries are gradually being opened to market forces.</p>	<p>China, Vietnam, Cambodia, North Korea, and Central Asian Republics</p>
<p><b>Type 3: Feudal and traditional agricultural economies:</b></p> <p>These are countries where traditional patterns exist with a feudal or semi-feudal character, with lands held by absentee owners or corporations. Past land reforms have been left largely unimplemented, except for a few (Philippines, Kerala, and West Bengal in India). A large portion of the population is involved in production, mostly subsistence agriculture, on small, family-size farms. These countries are increasingly exposed to market forces and modernization.</p>	<p>All countries of South Asia (India, Bangladesh, Pakistan, Nepal and Sri Lanka) and most countries of Southeast Asia (Indonesia, Philippines, Myanmar)</p>

## Type 1: Land Reforms in Japan, South Korea and Taiwan

### *Japan*

The land reform program of Japan imposed a ceiling on land holdings of one hectare. The landowners were compensated in cash and development bonds. In the course of the reform the actual tillers were given full ownership rights for the holdings they had previously cultivated and received a subsidized mortgage. Labor productivity increased annually by five per cent and land productivity by four per cent between 1954 and 1968. Key factors for the success of the reform were an existing well-developed extension service, land records and an efficient bureaucracy.



## **South Korea**



A critical factor for the success of the land reform in South Korea has been the equally thorough development and support to local village government to assume the land administration function. Thus, the country has been able to maintain a local dynamic for continuous agricultural and rural development. In the course of the reform 65 per cent of the agricultural land was redistributed. A ceiling on all individual holdings was set at three hectares of good cropland and land in excess of this ceiling was distributed in units of one hectare to former tenants. This low ceiling enabled nearly 76 per cent of the total agricultural households to own land for the first time.

Under the impact of the reform, agriculture achieved an annual growth rate of almost four per cent.

## **Taiwan**

In Taiwan, the land reform was imposed by the Nationalist Government, which had just been exiled from the mainland. The new government thus had no ties, nor any obligation toward the local indigenous landowners. Also important were accurate land tenure data and a non-indigenous bureaucracy. Land ownership ceilings were fixed at one hectare. The former landowners were compensated in industrial bonds, which they invested in the urban-industrial zone. Between 1953 and 1960, the annual production and consumption of inputs was of 23 per cent and 11 per cent, respectively.



## **Type 2: Agrarian Reforms and Tenurial Changes in China, Vietnam and Cambodia**

### **China**

The “people’s commune” system was introduced in the 1950s by the revolutionary government, and this led to overall equity in land distribution. However, in 1978 the Central Committee of the Communist Party of China approved the “*Decision on some issues for speeding up agricultural development*” which laid the foundation for another comprehensive agrarian reform program. The reform was carried out gradually. First, the introduction of the household contract responsibility system which gave the farming family usufruct rights over the land it cultivated; second, the abolition of the organizational system of the People’s Commune which had proved to be of low efficiency; and third, the development of new rural

economic organizations. The results of the reform have been impressive. Between 1978 and 1989 the value of gross agricultural output increased by 88.3 per cent with an average annual growth of 13.5 per cent. At the same time, the per capita net income of farmers rose from 134 to 601 *yuan*, representing an annual increase of 13.5 per cent. This increase in income was partly due to price factors, but 74 per cent resulted from the strong incentives the reform gave

to individual farmers. Furthermore, the increased income led to investments in nonagricultural activities, the establishment of small rural enterprises and the creation of nonfarm employment. As a result of the overall economic growth in rural areas, the number of rural poor fell from 260 million or 33 per cent of the rural population in 1978 to 89 million or 11 per cent in 1984. A report released by the Operation for Economic Cooperation and Development (OECD) in September 2002, makes the point that while poverty in rural China has been reduced over the past 20 years and incomes have grown — with an estimated upswing in 2002 of 4.2 per cent, the gap between rural and urban incomes has widened. In 1985, rural incomes were 54 per cent of the level of their urban counterparts; in 2003, they were less than one-third.



## **Vietnam**

Vietnam experienced similar productivity gains from breaking up large collective farms into tiny family units. Laws were enacted in 1981 and 1987 aimed at improving agricultural productivity through increased incentives of individual farmers and recognized land use rights of individual households. These reforms have resulted in an impressive growth of agricultural output, transforming Vietnam from a food-deficit country into a food-surplus country. Rice production increased from 12 million tons in 1981 to 22 million tons in 1992. In addition, there has been a significant increase in the areas under industrial/commercial crops including rubber, coffee, tea, coconut, fruits and vegetables, while the area under crops such as cassava and sweet potatoes has declined.



## **Cambodia**

Unstable and rapid land tenure changes in Cambodia are related with historical antecedents. Previously, land belonged to the State in theory, but actually belonged to the tiller in practice. Much of the land remained unsurveyed, and formal registration coexisted with traditional forms of ownership. In 1975, the Khmer Rouge regime abolished all private property, and all land belonged to the State. After the Khmer Rouge regime collapsed in 1979, the Vietnamese-backed People's Republic of Kampuchea upheld collective property rights and created collective work groups called *krom samaki* — consisting of 12 to 15 families with an allocation of 15 to 25 hectares. In 1989, the Constitution was amended, providing for owner-

ship rights for residential land and possession rights for agricultural land. In 1992, The Basic Land Law was promulgated, reflecting a further shift in government policy from a centrally planned, to a free market economy. However, many officials took advantage of the confusion in ownership to amass large tracts of land. Powerful groups confiscated common property resources; land-grabbing and land concentration increased.

An inventory of land disputes in Cambodia, arising just between 1987 and 2000 shows that there have been 687 recorded cases, involving 37,500 families and affecting 78,990 hectares. Most disputes are reported from the richest agricultural areas, reasonably reflecting population densities. Most frequently, the land was taken by assertion of superior title, abuse of power, fraud and use of violence. Over 80 per cent of those accused of taking other peoples' land are in positions of power — government officials, military officials, and businessmen. In March 1999, the Cambodian government set up a National Land Dispute Settlement Commission. Subsequently, Land Dispute Settlement Commissions were established in every Province and Municipality. (A typical case involved about 50 families in dispute over approximately 75 hectares of rain-fed rice land that they had farmed for 10 years or more against someone in a powerful position with some kind of official sanction to evict the current occupants.) However, central government and its agents significantly contribute to the level of land disputes, making it difficult, if not impossible, for provincial authorities to be able to resolve these cases. Landlessness among farmers is on the rise because of the combined effects of the market economy and the wholesale privatization of previously common resources such as forests and wetlands. Recent studies also show that distress sales among farmers are increasing.



### **Type 3: Agrarian Reforms in South and Southeast Asia**

#### ***South Asia***

Governments in Bangladesh, India and Nepal have formulated various land legislations since the 1950s to the 1990s. Although their political contexts vary, land-related reform policies in South Asia had many common patterns. They included: (1) attempts at providing greater tenurial rights to sharecroppers, (2) regulating sharecropping and tenancy arrangements; (3) establishing minimum wage for agricultural labor and *benami* (proxy) transactions; (4) abolition of the *Zamindari* system, which operated through multiple layers of rent-seeking intermediaries between the *Zamindars* (landlords) and the actual cultivators; (5) redistributing *khas* (State-controlled) lands; and (6) imposing ceilings on land ownership and then distributing the surplus lands among the landless and poor households. In general, many of these reforms failed because of several factors, including: land ceilings were set too high (among the highest was 17 hectares per household in Nepal, when the average farm size was less than one hectare); and heavy influence of the landowning elite in State administrations, and their ability to

maintain a strong patron-client relationship at local level. Overall, land reforms have had limited impact in South Asia. In India, barely 1.2 per cent of cultivated land was redistributed in the past 50 years (from 1950 to 2000), according to a 2002 Assessment of Rural Poverty in Asia and the Pacific by the International Fund for Agricultural Development (IFAD).



## **India**

**Land Reform in West Bengal.** The Indian situation differs from State to State. Among the more notable land reform programs were those of West Bengal, India. It has had a positive impact on agricultural production, poverty alleviation and economic growth. It covered under its three components more than four million households representing 59 per cent of all agricultural households. A total of 1.04 million acres, constituting eight per cent of arable land was redistributed to 2.54 million households, representing 34 per cent of all agricultural households, while 1.1 million acres were covered by the tenancy reform benefiting 1.5 million households or about 20 per cent of agricultural households.



During the period 1980-81 until 1998-99, the average annual growth of food grain production was 4.2 per cent compared to 2.5 per cent for all other major states. Vegetable production has more than doubled from 5.2 million tons in 1995-96 to 11 million tons in 1999-2000. Per capita calorie intake has increased from 1983-84 to 1993-94 by 9.6 per cent in rural West Bengal while at the same time it has decreased in rural India as a whole by 3.1 per cent. More important than agricultural growth itself, land reform has also contributed to the well-being of West Bengal's rural population including the poorest sections of the society. The proportion of the population below the poverty line declined from 60.5 per cent in 1977 to 25.1 per cent in 1997, a drop of more than 35 percentage points. In addition, important changes of a social and political nature have taken place.

## **Philippines**

Various coalitions of farmer groups, social movements and NGOs have kept the pressure for land reform in both advocacy and program implementation. Generally recognized as the first historic agrarian legislation was the 1963 Agricultural Land Reform Code which abolished and replaced the share tenancy system with the leasehold system. The second major legislation came with the imposition of martial law in 1972, when all rice and corn lands in the country were placed under land reform; all tenants and lessee in lands above the seven-hectare ceiling became amortizing owners, who would own their farms after a 15-year amortization payment

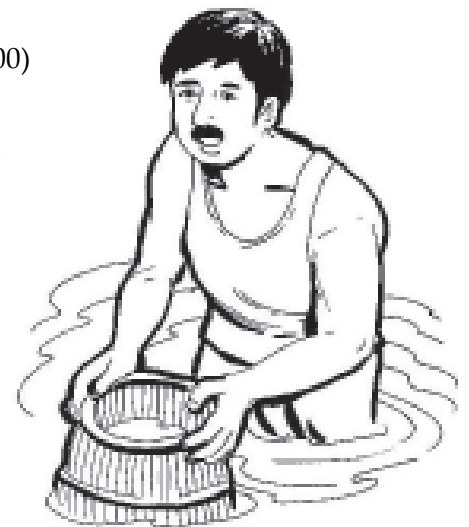


scheme. The third landmark agrarian reform legislation followed the ouster of the Marcos dictatorship and the restoration of democratic processes in 1986. As a result of a strong peasant lobby, the 1988 Comprehensive Agrarian Reform Law (CARL) was enacted, based on the “land-to-the-tiller” principle. The program has a total target scope of 8.1 million hectares. About half of this consists of agricultural lands for distribution to landless farmers and farm workers, while the other half consists mainly of forestlands which will be covered by tenurial (user) rights to upland dwellers. As of 2005, according to government data, 83 per cent of the total target has been achieved. However, the remaining lands to be covered consist mainly of private lands, *haciendas* and large plantations where there is strong landlord resistance.

## **Indonesia**

The country’s earlier agrarian reforms were stopped, and in fact, there has been “reverse land reform” or massive land consolidation over the past 30 years. There are two “old” agrarian reform policies: the 1960 Basic Agrarian Law and the 1962 Land Reform Programme. These involved the imposition of land ceilings and the redistribution of private and State lands. However, with the political turmoil in 1965 and the rise of the Soeharto dictatorship, agrarian reform was stopped in 1966-67. As a result, redistributed lands were recovered by original landlords or fell into the hands of third parties. Instead, the ensuing Soeharto period (1967-1998) emphasized large-scale exploitation of natural resources, privatization and deregulation to stimulate private sector participation and growth. In summary, various legislations created and protected access to land, mining and timber by big corporations at the expense of peasants, small producers and indigenous peoples. Data compiled by the Consortium for Agrarian Reform (KPA) shows that while 30.2 million peasant households held only 17.1 million hectares of agricultural land, large-scale concessions have been given to private companies, to wit:

- 2,178 large plantation companies control around 3.52 million hectares land, for an average of 1,600 hectares per company (2000)
- 555 companies hold 264.7 million hectares of mining concession areas, or an average of 477,000 hectares per company (1999)
- 620 production units of forestry concessions control over 48 million hectares of forestry land, including Perhutani (2.6 million hectares of land which is classified as State forest areas in Java); this yields an average of 77,500 hectares/concession unit (1999).



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