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Political Economy of Development
London School of Economics

“The Paradox of Land Reform, Inequality, and Development in Colombia”

Monday, February 26, 2018
12:00 – 1:00 p.m.
Ostrom Workshop, 513 N. Park

Over two centuries, Colombia transferred vast quantities of land, equivalent to the entire UK landmass, mainly to landless peasants. And yet Colombia retains one of the highest concentrations of land ownership in the world. Why? We show that land reform’s effects are highly bimodal. Most of Colombia’s 1100+ municipalities lack a landed elite. Here, rural properties grew larger, land inequality and dispersion fell, and development indicators improved. But in municipalities where such an elite does exist and landholding is highly concentrated, such positive effects are counteracted, resulting in smaller rural properties, greater dispersion, and lower levels of development. We show that all of these effects—positive and negative—flow through local policy, which elites distort to benefit themselves. Our evidence implies that land reform’s second-order effects, on the distribution of local power, are more important than its first-order effects on the distribution of land.

Jean-Paul Faguet is professor of the Political Economy of Development at the London School of Economics, and director of the MSc in Development Management. He is also chair of the Decentralization Task Force at Columbia University’s Initiative for Policy Dialogue. He works at the frontier between economics and political science, using Q2 methods to investigate development transformations. Recent publications include Is Decentralization Good for Development? Perspectives from Academics & Policy Makers (Oxford, 2015), and Decentralization and Popular Democracy: Governance from Below in Bolivia (Michigan), which won the W.J.M. Mackenzie Prize for best political science book of 2012 (website).