Land and Rebellion: Lessons for Counter-insurgency

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Recent years have seen the United States and its allies embroiled in major counter-insurgency campaigns in Afghanistan and Iraq, and lesser operations in such countries as Yemen and Somalia. These battles against local insurgencies are only the latest in a string of such conflicts that have erupted in nearly every developing region since the end of the Second World War. Sharply debated at home and abroad, they raise the fundamental question of what the counter-insurgents can reasonably hope to achieve in violent settings, even when they deploy an array of military, political and economic instruments. What are the ‘moving parts’ that foreign powers can manipulate in their effort to force or encourage violence-reducing reforms in these societies?

Answering that question requires, at a minimum, a theory of what is causing the violence to begin with, along with a theory of how to end it. This essay explores these issues from an historical perspective, focusing on land reform, which has been at the heart of many post-war insurgencies. Following the Second World War, US policymakers came to believe that land inequality was a leading cause of conflict in such countries as China, the Philippines and Vietnam, as well as ongoing social turmoil in several Latin American states. The communists, it seemed to them, had successfully
seized upon the grievances of rural peasants who worked as tenant farmers, and insurgents like Mao Zedong, and later the Viet Minh and Viet Cong, placed land reform at the very centre of their revolutionary programmes. Not to be outdone, Dean Acheson, US President Harry Truman’s secretary of state, proclaimed in 1952 that ‘land reform is absolutely foremost in our whole international policy.’

If undoubtedly hyperbolic, there was still a grain of truth in Acheson’s assertion, as the US had not sat idly by while communist movements exploited the issue. In both Japan and Formosa (now Taiwan), American officials had pressured local regimes to put in place sweeping land-reform programmes; they would later do the same in South Korea. Indeed, an inter-agency committee that had been formed by President Truman in 1951 was charged with determining the type of agricultural reforms that could ‘lessen the causes of agrarian unrest and political instability’ around the world.

The US also encouraged other countries to act on land reform. It promoted a United Nations resolution on the topic in 1950, alongside studies and meetings by such UN groups as the Economic and Social Council, and the Food and Agriculture Organization. An Inter-American Conference on Agriculture, which focused on land reform, was convened in the same year. As the US representative to the Economic and Social Council put it in 1951, ‘we in the United States recognize that the attainment of peace and stability depends to a considerable degree on immediate and positive steps to correct systems of land tenure which exploit the workers.’

Despite all this post-war activity, by the early 1960s, Harvard development economist J.P. Gittinger could write that American efforts at land reform had stalled. ‘Hindsight’, he argued, ‘suggests that more vigorous support [for tenure reforms] would have been fruitful’ in a number of countries. In Vietnam, the US would be slow to embrace the cause of land reform, despite admonitions to do so from the World Bank, among other organisations, dating back to at least the mid-1950s. As US National Security Council staffer Robert Sansom put it, ‘the Americans offered the peasant a constitution; the Viet Cong offered him his land and with it the right to survive.’ By the time that Saigon proposed a major reform in 1970, it was too late; Americans had grown tired of the long war there and Washington
was preparing to exit that country through a process of ‘Vietnamisation’.

Why did land reform succeed in some places and falter in others? What lessons might be drawn from that history for the use of economic instruments in counter-insurgency operations more generally? Land reform exemplifies the challenges that a great power like the US faces as it seeks to influence, much less alter, the political economy of other nations. Even when faced with a violent insurgency, local elites will fight reforms that would deprive them of their major sources of income or rent. If foreign military power serves the interests of those elites, through actions such as protecting their assets from insurgent attack, they may have even less incentive to adopt redistributive policies.

This point is of particular importance at the present time, as the counter-insurgency campaigns in such countries as Afghanistan and Iraq have been based in part on the premise that foreign economic assistance can play a significant role in stabilising local governments and ‘winning the hearts and minds’ of the civilian population, whose support is deemed critical to military operations of this type. Reflecting on these wars, then US Secretary of Defense Robert Gates stated plainly in 2008 that ‘over the long term, we cannot kill or capture our way to victory’. Counter-insurgency specialist David Kilcullen, in reference to this type of conflict, has asserted that ‘development ... by civilian agencies will ultimately win the war’. But development that favours local elites, such as schemes that enrich them through lucrative contracts, is unlikely to quell the insurgent campaign, and may instead help to fuel it.

This essay examines the following hypothesis: the more inequitable the distribution of land, and the higher the proportion of GDP contributed by agriculture, the more likely it is that a conflict will occur. This suggests that where the elites’ major asset is land, they will fight hard to prevent its redistribution. Conversely, where mobile capital is their major asset, elites may be more likely to negotiate redistributive schemes, as they can move a large share of their holdings outside of the country, effectively preventing its confiscation.

That distinction between different types of assets – land versus mobile capital – has potentially important implications for foreign aid and the lev-
verage that the US can hope to gain over domestic elites through its economic programmes. In particular, it hints at the greater difficulty that may be encountered in influencing the political economy of agrarian societies. This hypothesis is similar to that advanced in literature on the ‘natural-resources curse’, which argues that oil-dependent nations are particularly likely to suffer from violent conflict. In such cases, when one asset dominates the local economy, the question of who controls it and earns rents from its exploitation shapes domestic politics. A central issue for organisations such as the World Bank and other foreign bilateral and multilateral donor agencies is thus their ability to influence distributive politics, particularly those of resource-based economies.

The economics of counter-insurgency
Since the end of the Cold War, there has been renewed attention on the grievances that generate localised conflicts, including civil wars, rebellions and insurgencies. According to Christopher Blattman and Edward Miguel, 20% of nations were involved in violent internal conflict at the turn of the millennium, and many of these wars had persisted for many years, if not decades. Economists have taken a deeper interest in these conflicts not only because of the severe damage inflicted on societies in the short term, due to lives, incomes and assets being lost during the fighting, but also because of the possible long-term effects of sustained bouts of violence on a nation’s growth trajectory.

Academics have tested a wide variety of propositions relating countries’ economic and social structures to their propensity for civil war, including their levels of poverty, inequality, dependence on natural resources (especially oil) and ethnic fractionalisation. Practitioners have also offered hypotheses about these relationships based on their experiences on the ground. Robert Schaefer has argued that ‘insurgent groups attempt to win the support of the population by promising a better life through a better distribution of state resources’, suggesting that inequality is a prominent driver of internal conflict. As a consequence, he writes, ‘most successful counterinsurgencies have focused on meeting the economic and political needs of the populace in order to win back support for the government’.
The U.S. Army/Marine Corps Counterinsurgency Field Manual asserts that the government must ‘eliminate as many causes of the insurgency as feasible’; of course, knowing what those causes are is not always a straightforward proposition. Since at least some of the causes or grievances may well be economic in nature, however, counter-insurgency campaigns have often relied on the use of economic instruments, among other tools of government policy. As former RAND Corporation analyst Benjamin Schwarz wrote of US counter-insurgency policy, ‘the key to defeating insurgents lies in the winning of popular support … The key to winning the population’s support, in turn, lies in redressing its legitimate grievances by carrying out fundamental reforms.’

One way to think about a counter-insurgency campaign is as a contest between the government and the insurgents for the hearts and minds of the local population. The government needs the population to tell them where the insurgents are living and operating; the insurgents need the population in order to survive. To the extent that a counter-insurgency effort really is about the acquisition of information, requiring the population to provide intelligence about insurgent activities if it is to succeed, economic instruments may play a significant role in this process. In the short term, the government and its allies may exchange money and goods for information from civilians, while in the longer term, as the counter-insurgency campaign succeeds and economic growth returns, the insurgents may face an increase in the opportunity cost of recruiting new fighters as the chances of getting a job and earning a good income improve.

Economic instruments can therefore be expected to play a prominent part in various facets of a counter-insurgency effort. They can be used to address at least some grievances directly by raising the incomes of the local population and by providing them with private and public goods, such as jobs, healthcare and education.

Yet the limitations of these instruments must also be acknowledged. If Schaefer is right to focus on the distributional conflicts that fuel insurrections, or the question of who gets what share of the pie – rather than factors such as absolute levels of poverty and deprivation – then the effectiveness of these economic tools may be blunted. That issue provides a key to any anal-
ysis of the economics of a counter-insurgency campaign. Is such a war on some level a distributional conflict? If it is, to what extent can foreign assistance alter the distributional equation? The quest for land reform brings these questions into especially sharp relief.

Land and conflict
For rural societies, conflicts over land ownership and tenant rights are often fundamental to shaping the political landscape. Samuel Huntington described this relationship in the following way: ‘where the conditions of land-ownership are equitable and provide a viable living for the peasant, revolution is unlikely. Where they are inequitable and where the peasant lives in poverty and suffering, revolution is likely, if not inevitable.’ According to research by land-reform expert Roy Prosterman and his colleagues, ‘landless peasants have provided the rank and file support for most of the great 20th century revolutions – those, in particular, of Mexico, Russia, China, and Vietnam.’ Scholars Michael Albertus and Oliver Kaplan have also ‘linked land and land reform to rebellion’ in El Salvador, Nepal, the Philippines, Zimbabwe and South Africa. A more extensive, if incomplete, list of countries in which land inequality has been coupled with violent conflict is provided in Table 1. (The table does not, however, include Mao’s tenant uprising in China or the Cuban Revolution, which also had rural roots and involved land inequality as one of the prominent issues that bound together those who opposed the Batista regime.)

A recent report by the United States Agency for International Development (USAID) states that issues over the distribution of land have ‘been part of the dynamic of violence in many places including Uganda, Angola, Rwanda, Burundi, Tajikistan, Kyrgyzstan, Papua New Guinea, urban Peru, and Amazon River regions in Brazil and Colombia’. Data on land inequality are unavailable for many of these places, however, and compiling an exhaustive list of cases that could provide the basis for serious cross-country empirical analysis remains a major challenge facing scholars of land and conflict.

Reflecting on the data-collection issue from what might be called a sociological perspective, Yale professor Stathis Kalyvas has detected what he
calls an ‘urban bias’ in the study of civil war. As it is much easier to collect both quantitative and qualitative data in urban settings, the concerns of city dwellers have often been privileged by researchers. Ronald Herring argued some years ago that the data problems concerning rural life in the developing world were so overwhelming that scholars had little choice but to pursue case-study research.

Because of this lack of data, large-N studies that examine the political and economic consequences of land inequality are also lacking. Still, as Nicolas Pons-Vignon and Henri-Bernard Solignac Lecomte, researchers at the Organisation for Economic Co-operation and Development (OECD),

### Table 1. Land inequality of countries that have experienced internal conflict since 1960

<table>
<thead>
<tr>
<th>Country</th>
<th>Land Gini coefficient</th>
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<tbody>
<tr>
<td>Algeria</td>
<td>0.65415</td>
</tr>
<tr>
<td>Argentina</td>
<td>0.83034</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>0.418816</td>
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<tr>
<td>Côte d’Ivoire</td>
<td>0.422942</td>
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<tr>
<td>Chad</td>
<td>0.344966</td>
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<tr>
<td>Chile</td>
<td>0.918497</td>
</tr>
<tr>
<td>Colombia</td>
<td>0.788843</td>
</tr>
<tr>
<td>Democratic Republic of the Congo</td>
<td>0.270801</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>0.815654</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>0.798417</td>
</tr>
<tr>
<td>Egypt</td>
<td>0.584724</td>
</tr>
<tr>
<td>El Salvador</td>
<td>0.805133</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>0.382135</td>
</tr>
<tr>
<td>Guatemala</td>
<td>0.84806</td>
</tr>
<tr>
<td>India</td>
<td>0.619087</td>
</tr>
<tr>
<td>Indonesia</td>
<td>0.464375</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>0.792084</td>
</tr>
<tr>
<td>Pakistan</td>
<td>0.570168</td>
</tr>
<tr>
<td>Peru</td>
<td>0.864945</td>
</tr>
<tr>
<td>Rwanda</td>
<td>0.407886</td>
</tr>
<tr>
<td>Senegal</td>
<td>0.384546</td>
</tr>
<tr>
<td>Sierra Leone</td>
<td>0.477429</td>
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<tr>
<td>South Africa</td>
<td>0.648911</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>0.639763</td>
</tr>
<tr>
<td>Uganda</td>
<td>0.589619</td>
</tr>
<tr>
<td>Tanzania</td>
<td>0.444011</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>0.607165</strong></td>
</tr>
</tbody>
</table>

Sources: for land-inequality data, see Lennart Erickson and Dietrich Vollrath, ‘Dimensions of Land Inequality and Economic Development’, IMF, August 2004; for conflict data, see Correlates of War, ‘Intra-state War data set (v4.0)’. 
have noted, this rural gap in the literature

is surprising, as land is not only an essential source of livelihood in rural areas characterized by a scarcity of productive assets – and thus potentially one of the assets worth fighting over – but more generally a central element in the varied and complex social relations of production … within which conflict between individuals and groups are bred.

Fortunately, there are signs that this knowledge gap is now closing. To be sure, one must be open to the possibility that land inequality is not a major source of social grievances, despite the ample number of assertions found in the relevant literature on rebellion. David Mason cited El Salvador and Peru as countries in which local insurgencies flared despite major land-reform efforts. For him, the failure of land reform to quell conflict was due to the fact that the governments of these states (supported heavily by the US, at least in El Salvador) deployed significant levels of violence that undermined their political support. Many countries with unequal distributions of land – including many in the industrial world today – are not experiencing violent conflict, suggesting that land inequality is unlikely to be the sole causal spark behind civil unrest.

In contrast to Mason, Albertus and Kaplan argue that it is not land reform per se that may heighten grievances between groups receiving different kinds of treatment, but rather land-reform programmes that have been only partially carried out. In their view, it was not the absence of reform, nor the manner in which military operations were undertaken, which prevented the government from quelling conflict in such Latin American states as Colombia. Instead, it was the perceived unfairness of the reform, its partial nature that benefitted some but not others. Of course, this type of ‘unfairness grievance’ plays a central role in many analyses of the roots of rebellion. That finding potentially has broader implications for economic- and social-policy interventions across the board, which are now increasingly structured around the gradual rollout of programmes based on the accumulation of evidence from randomised controlled trials.

Although the academic battle over the deep sources of insurgency rages
on, it is nonetheless apparent that policymakers have, at various times, taken quite seriously the threat that land inequality poses to political stability. That this concern has recently emerged again in policy circles can be seen in publications and workshops on land and conflict by such organisations as USAID, the OECD and the United States Institute of Peace. For that reason alone, it may be useful to explore some cases in which land inequality appears to have been a central grievance of tenant farmers and that grievance helped to fuel insurgencies against regimes whose stability was deemed to be vital to the national security of the US.

Three cases in that set include the Philippines, South Vietnam and El Salvador. In each of these countries, Washington initially pressed for ‘revolutionary’ land-reform measures as a way to quell the insurgency. As these conflicts dragged on, however, and as the US became more closely intertwined with local elites as the lesser of the political evils, these demands were either watered down or abandoned.

**Land reform as counter-insurgency policy**

Following the Second World War, land reform played a central role in US policy towards Japan and the Asian nations that Tokyo had colonised before and after Pearl Harbor, including Taiwan, Korea and later the Philippines. Revealing their Jeffersonian roots, American officials believed that small-hold farmers provided an economic and political base for democratic, capitalist societies. According to Kenneth Parsons, in Japan, ‘the military occupation helped shape … land reform ideas … and General MacArthur put the full power … of his administration behind this program’. Land reform was popular in that country partly because the landlord class was associated with Japanese militarism, and the US felt compelled to promote the issue quickly because it feared the growing power of the communist movement there, especially in light of Mao’s success in mobilising tenant farmers in China. In other words, if the US did not promote land reform, the communists would.

Building on the political success of the land-reform scheme in Japan, the US supported similar programmes in Taiwan and Korea. Like Japan, these countries had the politico-economic advantage that they were industrialis-
ing, meaning that landlords who were compensated for their land had the option of investing those funds in new, export-oriented firms, while surplus rural labour could migrate to the cities and find new employment opportunities. These local elites were also motivated to invest in industry by the fact that Washington provided generous amounts of foreign aid in support of such investment; in Taiwan, US foreign aid comprised 34% of gross capital investment, and an American-assisted push to attract foreign direct investment provided yet further economic possibilities for both capital and labour.32

Riding on the back of these impressive land-reform programmes, the US next turned its attention to the Philippines, where ‘the first major application of land reform as a strategic weapon against an Asian revolutionary movement took place’.33 The Philippines had witnessed almost continuous insurgency campaigns since the arrival of the Spaniards in the sixteenth century, and in the post-war era these insurgent groups have included communist revolutionaries operating throughout the country; Muslim separatists in the southwest provinces of Mindanao Island; and, more recently, extremist groups with ties to international terrorist organisations that engage in kidnapping for ransom and other illicit activities in the southern Philippine islands of the Sulu Sea.34

Indeed, the country’s communist movement had been active during the Pacific War as the ‘People’s Army against Japan’ – the Hukbalahap, or ‘Huks’ – which led the Philippine resistance against the occupiers. During the war, many Philippine landlords had ‘collaborated with the Japanese occupation’, but were spared harsh treatment by the US authorities at the end of the conflict. One among them, Manuel Roxas, became the first president of the Philippine republic in 1946, and it was his inauguration that launched the post-war Huk insurgency against his administration.35

Initially, the Huk Rebellion was not primarily a peasant movement; most of its strength came from disaffected urban elites. But after Mao’s victory in 1949, the Huks paid greater attention to the conditions of tenant farmers and seized the opportunity to exploit their plight. Recognising the need for an inclusive set of economic reforms to help counter the Huk movement, the US dispatched a team of experts to the country in 1950, under the leadership
of Daniel Bell, former undersecretary of the treasury.

In their subsequent report, Bell and his colleagues emphasised the poor conditions rural workers faced, writing that ‘the Philippine farmer is between two grindstones. On top is the landlord, who often extracts an unjust share of the crop ... Beneath is the deplorably low productivity of the land he works. The farmer cannot see any avenue of escape.’ Following the report, another US study called for a wide-ranging land-reform programme, modelled on the one carried out in Japan. This programme did not, however, gain political traction in Manila, where the government defended the existing system of landholding. Unwilling to confront a stubborn ally that was facing a fierce insurgency, Washington backed down, calling instead for tenant settlement on virgin lands. By the late 1950s, after the Huk Rebellion was defeated, the US abandoned its land-reform objectives in the Philippines.

This story was in many respects repeated in Vietnam. American advisers arrived in Vietnam in the 1950s and 1960s with an acute sensitivity to local demands for land reform. Many of these same advisers had already worked on land-reform schemes in Japan, Taiwan, South Korea and the Philippines, and these projects, with the exception of that in the Philippines, were generally viewed by foreign observers as successful in their redistributive objectives. In carrying out these reform measures, the US undoubtedly benefitted from the fact that in many East Asian countries after the Second World War, large concentrations of landholdings were associated with Japanese colonists and occupiers, and their redistribution was thus widely popular.

At the time, Western observers of Vietnam shared the perception that land inequality was a major source of the country’s internecine conflict. Although precise data about national land distribution in 1960 do not seem to be available (although there are earlier estimates made by the French, which are probably reasonably accurate), surveys made in several of the most important rice-growing regions of the country, such as the Mekong Delta, estimate that more than 90% of land was farmed by tenants. As World Bank economist Wolf Ladejinsky wrote it one report, ‘when we speak of farmers in South Vietnam, we refer to tenants.’
The available evidence suggests that the living conditions of these tenant farmers were usually quite dismal. Those who had the resources to do so might rent a hectare of land from a landlord’s middleman at the price of 35% of the crop and a fee of 300 piastres, equal to about 15 days’ worth of wages. Since a typical hectare might produce 635–725 kilogrammes of rice annually, this would leave the tenant with around 450kg, or around 1.3kg per day. Given a typical family size of 5.5 members, and the fact that a kilogramme of rice provides about 3,300 calories, this would equate to something like 820 calories per person per day. As rice provided the tenant farmer’s largest share of caloric intake, and agricultural workers need at least 2,000–2,500 calories per day in order to be productive, the crop had to be supplemented by root vegetables such as manioc and sweet potatoes if starvation was to be avoided. As a consequence, the life of a South Vietnamese tenant farmer was brutal and nasty, even when disease and the violence around him did not also conspire to make it short. According to the most recent study based on Vietnamese mortality data, an estimated 799,000 Vietnamese civilians were killed during the so-called American War of 1965–75.

Agriculture was by far the most important sector in South Vietnam’s economy: it comprised approximately 30% of GDP throughout the 1960s. And within that agricultural production, rice was by far the most important crop. Nearly all of the country’s 6.3 million workers were found in the agricultural sector; only 600,000 people found employment beyond the farm gate during the years 1960–63.

The struggle for land reform was a near-constant theme in Vietnam following the Geneva Accords of 1954. Urged on by the US, South Vietnamese President Ngo Dinh Diem began a land-reform programme ‘that was … modest in scope’ in 1956. Diem’s reforms allowed landlords to keep up to 100 hectares of their property, with the rest being purchased by Saigon on behalf of tenant farmers, who then paid the government back over a six-year period. Rents were decreased to a maximum of 25% of the crop. Under the programme, which was effectively halted in 1961, approximately 300,000 hectares were sold to 121,123 tenants, a minute proportion of Vietnam’s tenant-farmer population.

Diem’s modest reforms were generally ineffective. In the early 1960s,
an American observer found that ‘rent controls have not been enforced. Landlords have been able to make arrangements on the side of higher rents in some areas, and the Viet-Cong have forced rents below the specified levels elsewhere.’ Indeed, the promise of land and low rents was one of the major enticements that the Viet Minh and later the Viet Cong held out to tenant farmers.

As the American War intensified in the south, the land-reform effort ground to a halt. This puzzled some close observers of the conflict, such as Sansom, who wondered ‘why the United States, in the 1960s, did not make land reform a centerpiece of its Vietnam policy’. One explanation is that the Washington, in reviewing the experience of the failed Diem reforms, simply decided that changing the structure of land tenure in Vietnam was too hard, given objections to that policy by local elites. The following passage on the absence of land reform, written by William Bredo, an American conducting fieldwork in rural Vietnam during the 1960s, merits a lengthy quotation:

It is rather striking that throughout [the Kennedy and Johnson administrations], no support whatsoever, either financial or in terms of advisory assistance, was given to the Government of Vietnam to help carry through this most fundamental of social measures. This was undoubtedly related to the political weakness of Diem … Yet it must also reflect a lack of awareness of the meaning of the struggle … Throughout the period 1965 through 1968 there seemed to be sharp divisions of opinion within [the Vietnamese government], the US Mission to Vietnam, AID in Washington, the State Department and the White House over what importance to place on the land reform issue … On the US side, for the most part, the forces who preferred the status quo tended to be in the ascendancy … any real progress in completing the land redistribution already enacted would entail losing the political support of the landlords and their affiliates and sympathizers, the high level government officials in Saigon and the countryside, and the army officers who came largely from the landed class. It was assumed that alienation of their support would cause the Saigon Government to fall, and that the struggle against communist penetration and control in South Vietnam would fail. The Government of Vietnam and the US Mission to
Vietnam never seemed to appreciate fully the contribution that could be made to ending the rebellion and its support from North Vietnam by a full scale and sweeping land redistribution program.49

No less interesting is the Americans’ delusion that other half measures aimed at raising farm incomes would suffice. Thus, rather than seek to alter the pattern of land ownership, the US sought to develop what would nowadays be called, at least by management consultants, a ‘win–win strategy’, in which both farmers and landlords might find common cause. As Bredo put it,

the hypothesis was, apparently, that the hearts and minds of the peasants could be won by increasing the supply of fertilizer and pesticides, by introducing IR8 rice … and by providing the farmer with more technical information. Introduction of improved technology rather than reform was to be the answer to revolt.

Bredo emphasised that such half measures would not suffice: ‘the farmer suffered a deep feeling of social injustice. He wanted nothing more than to own the land that he farmed.’50 In short, the crucial issue in rural Vietnam was the distribution of land, not its productivity.

But by 1970, America was preparing its exit from Vietnam, leaving the government in Saigon to ponder how it might still win over the tenants in the time remaining. Accordingly, a new, sweeping land-reform measure was launched by President Nguyen Van Thieu. Unlike the Diem-era reforms, this programme was heavily financed by the US. Observers believed that it might still change the course of the war, bringing the peasants over to the government’s side.51

Yet the Thieu regime, which had debated a new land-reform measure for several years (urged on by the New York Times editorial page, which often commented on this issue, if not the US government), was too late. The military situation on the ground would change irrevocably as US President Richard Nixon’s programme of Vietnamisation meant the end of American troops’ involvement. By 1975 South Vietnam had lost the war, and the coun-
try’s elites were trying to flee the country in the thousands; henceforth, land reform would take place under Hanoi’s aegis.

The US sought to apply some key lessons from the Vietnam experience to its next major counter-insurgency test, in El Salvador. Indeed, according to Schwarz, US officials called the latter country the ‘ideal testing ground’ for what they had learned in Indochina about low-intensity conflict. In particular, the US urged the Salvadorean government to act upon the grievances that were fuelling the uprising, which included military brutality, human-rights abuses, land inequality and a lack of political representation. Accordingly, US policy had a three-pronged approach that emphasised military reform, land redistribution and democratisation.

According to Schwarz, the land-reform effort was ‘designed by American experts, financed by American economic aid, and largely implemented by American organizers and technicians’. This substantial investment reflected the belief that land inequality went ‘to the heart of … the conditions that motivate the insurgency’. In the early 1980s, when American involvement in El Salvador deepened, ‘over 70 percent of the land was owned by 1 percent of the population, while over 40 percent of the rural population owned no land at all’. American officials believed that if rural peasants were ‘given a stake in the system … [they] would be far less inclined to join a revolutionary movement’.

The programme was to be carried out in three stages, with the largest farms the first targets for redistribution, followed by medium-sized properties; in the third stage, tenants who had worked land on a customary basis would receive a title to it. Although some land reform did occur during the 1980s, the project was, in Schwarz’s words, ‘far less successful than originally hoped’. Tragically, the military had not yet been tamed and violence against tenant farmers, including assassinations, caused thousands of them to abandon the land that they had claimed. As late as 1991, Schwarz could claim that this violence was continuing, even if it had been reduced. The regime’s undermining of land reform meant that only a relatively small share of the rural population, less than 20%, ultimately took advantage of these programmes.

Furthermore, not only did the US seem incapable of managing this
process, but the gaps in its foreign-aid programmes aimed at supporting land reform undermined the limited effectiveness that the schemes might have had for tenants who managed to avoid intimidation. Farmers who received land had limited access to technical expertise, credit and inputs such as fertiliser. As a consequence, they could not increase the productivity of the land or, in turn, their incomes. Land redistribution therefore made only a negligible dent in income inequality.

In short, land-reform efforts in the Philippines, Vietnam and El Salvador failed to live up to the hopes that American officials initially had for them. The politico-economic constellation favouring land redistribution and industrialisation that American occupation forces encountered in Japan, Taiwan and Korea was not in place elsewhere. Facing active insurgencies, the US first tried to use land reform as a way to quell the violence, but when local elites proved intransigent, Washington backed down, increasing the pressure to find a military solution. The conflicts in the Philippines, Vietnam and El Salvador therefore point to the limits of economic instruments in counter-insurgency campaigns, particularly in environments in which local elites depend heavily upon land and natural resources for their income.

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At the end of the Second World War, facing the spread of communism across the Eurasian land mass, and later Latin America, American policymakers embraced the cause of land reform. They backed major reform schemes in Japan, Taiwan and Korea, and put the issue on the agendas of international organisations such as the UN by sponsoring resolutions, studies and meetings. For American officials, land inequality was a central grievance that the communists could easily exploit, and they were not prepared to let them capture the high ground on the issue.

But despite an initial presumption in Washington that land reform was crucial to the success of its counter-insurgency campaigns in such nations as the Philippines, Vietnam and later El Salvador, the US ultimately confronted the limits of such an approach. Why was that case?

Where land inequality is high and land is the elites’ most important asset,
they will fight hard against tenure reform. More generally, where redistributive demands are at the core of an insurgency, foreign powers will find it difficult to respond effectively, especially when the assets of local elites are in the form of fixed rather than mobile capital. This hypothesis is similar to that associated with literature on the natural-resources curse.

A study of land reform thus suggests, paradoxically, both the opportunities for and limits to the use of economic instruments in counter-insurgency campaigns. It is important to understand these limits, and all the more so as generous flows of foreign aid have once again become a major weapon in the arsenals of counter-insurgents. In both Iraq and Afghanistan, foreign assistance has been used to build schools, hospitals and other public goods, and while these efforts have undoubtedly produced tremendous benefits for local populations in terms of better healthcare, education and access to markets, they have also enriched local elites, who have won the bulk of the associated contracts.

Further empirical analysis of the economics of counter-insurgency campaigns, making use of cross-country and time-series data, is a priority for those members of the social-science community that seek to inform how foreign aid is most effectively deployed in fragile and embattled states. Of course, this type of research requires access to the relevant data; data which, unfortunately, are often tightly controlled for many years by government agencies. In the meantime, analysts can profitably exploit the historical record, in which both archival and secondary sources may illuminate the political economy of past conflicts. As this essay has shown, economic instruments have long been used by foreign powers in their counter-insurgency operations, with greater or lesser effectiveness.

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Notes


12 Christopher Blattman and Edward Miguel, ‘Civil War’, *Journal of Economic Literature*, vol. 48, no. 1, March 2010, p. 4.


17 Benjamin Schwarz, *American Counterinsurgency Doctrine and El Salvador: The Frustrations of Reform and the Illusions of Nation Building* (Santa


19 For a game-theory model of a counter-insurgency campaign, see *Ibid*.


28 Albertus and Kaplan, ‘Land Reform as Counterinsurgency Policy’.


32 McCoy, ‘Land Reform as Counter-Revolution’, p. 27.

33 *Ibid*.

34 For a brief historical overview, see Berman et al., ‘Predation, Taxation, Investment and Violence’.


37 McCoy, ‘Land Reform as Counter-Revolution’, p. 29.


I thank Lawrence MacDonald at the Center for Global Development for highlighting this point.


Ladejinsky, ‘South Vietnam Revisited’, p. 245.


For a review and assessment of this programme, see Nighswonger, *Rural Pacification in Viet Nam*.

Ibid., p. 52.
