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**Why It Is so Difficult to Change Land for Peace? Experience from  
the Land Transfer Program in El Salvador**

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**Abstract**

It is widely acknowledged that the agrarian question led to the civil war and remained a central issue during the twelve years. In this form the Land Transfer Program (PTT of its words in Spanish) was a central element of the peace agreements. This program aimed to incorporate the former guerrilla and army into civil life through the provision of land. The land was transferred per market prices to the former combatants and rural dwellers of the conflict areas. Due to limitations in time and organization, the land was transferred in collective form. There is wide evidence that the land transferred is not being used for agricultural purposes, but it either lies unused or it is being sold even without land titles with a clearly lower price as a result. This apparent sign of a market failure has been attributed to the poor definition of property rights on land and as a solution a titling program has been prescribed by international donor organizations.

The paper presents results from empirical research work from August 2000 to April 2001 in rural areas of El Salvador and compiles information from a census household information of six randomly selected villages of PTT Beneficiaries, 86 structured interviews of randomly selected households and groups and expert interviews. The data have been analyzed with a regression of type Logit to prove the probability of the several determinants influencing the outcome of credit, investment and income on single households. Further analysis comprises frequency analysis to sort out the most relevant characteristics of the households.

The analysis of the data shows that while assessing the results of land titling programs, the results do not meet the expectations, hence many of the expected benefits have not occurred. The reasons vary, among them we found: **(a)** the granting of land titles proceeded in some cases slowly and in others has not even been completed; **(b)** land titling did not lead to the reallocation of land to the “most efficient”; and **(c)** no direct relationship exists or can be observed between ownership of land and productivity and or conservation goals.

**Keywords:** Agrarian reform, credit, institutional change, property rights reform