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Land Confiscations and Land Reform in Natural-Order  
States

By

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# Land Confiscations and Land Reform in Natural-Order States

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## Abstract

Social scientists argue that post-World War II land reforms in East Asia were critical ingredients in the region's strong economic growth, but pay little attention to how large-scale land confiscations might affect the security of property rights in each country. A review of the history of large-scale land confiscations in early modern Europe, the United States and Hawai'i provides a foundation for understanding the nature of modern land reform policies. The key insight is to recognize that East Asian states after World War II were natural state social orders in which new governments confiscate and redistribute property to bolster their coalition's position and weaken opponents. In East Asia, land confiscations after World War II followed the pattern observed elsewhere, with victors taking and redistributing land from the losers of the war and subsequent civil wars primarily to bolster their newly installed political coalition and to maintain social order.

**Keywords:** property, revolution, war, land, confiscation, natural state, open-access order, limited-access order

**JEL:** Q15, N41, N43, N51, N53

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## 1. INTRODUCTION

Throughout his illustrious career at the University of Hawai‘i, Jim Roumasset has emphasized to multiple generations of graduate students the possibility of identifying and implementing Pareto-improving policy changes for a wide range of important national policies. Politicians and economists in developing economies argue that properly designed policies to redistribute agricultural lands could be Pareto-improving, i.e., make both landlords and tenants better off. Social scientists’ discussions of land reform, however, have generally focused on whether the reform benefits the relatively poor recipients of the confiscated land or contributed to the country’s economic growth instead of on whether a land reform is Pareto-improving. For example, Lipton (2009) in his encyclopedic review of modern land reform programs, concludes that “at least 1.5 billion people today have some farmland as a result of land reform, and are less poor, or not poor, as a result” (p. 8). Virtually all economic historians and development economists studying the rise of the economies of South Korea, Taiwan, and Japan after World War II have listed land reform as a critical ingredient in each economy’s success. Land reform may also have been necessary for the political success of post-war governments, as it helped them fend off potential challenges from communist or socialist parties with land reform at the center of their agendas.

One less emphasized feature of the East Asian land reforms is that landlords throughout the region resisted reform, in part because they anticipated that they would ultimately receive little compensation (Otsuka, 2012). In fact, all land reforms programs carried out in China, Taiwan, South Korea, North Vietnam, and Japan in the decade following the end of World War II involved massive land confiscations, with the vast majority of owners receiving little or no

compensation. Land reform programs in both Taiwan and Korea initially confiscated agricultural lands controlled by Japanese colonizers and corporations and then transferred property rights to tenant farmers. In Taiwan, the land reform program redistributed agricultural lands from Taiwanese and Chinese landlords to tenant farmers. The government paid compensation to landlords by tapping proceeds from the government's sale of confiscated Japanese corporate assets. The 1949 communist victory in China's civil war led to the largest land reform in modern history in the early 1950s. The new national government confiscated all agricultural lands from landowners in China, paid no compensation to them or their families, and executed between one and three million landowners. Land reform in North Vietnam proceeded in a similar fashion. In Japan, the Supreme Command of the Allied Powers initiated a land reform program in 1947 in which the national government seized agricultural lands from both resident and absentee landlords and resold them to tenant farmers. Compensation was determined by capitalizing the annual rents paid in 1938, payable to the landlord with 30-year fixed-rate government bonds. Not only was the ex ante compensation specified by the law inadequate (given the substantial inflation in Japan that had occurred since 1938), but the ex post compensation was even lower given the unexpected high inflation that prevailed after the land reform measure was enacted.<sup>1</sup>

From the perspective of early modern and modern global history, the post-war land confiscations in East Asia were far from extraordinary. Confiscation of land and other assets from the losers of international and civil wars has long been the historic norm; winners typically redistributed land

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<sup>1</sup> See Dorner and Thiesenhusen (1990) for an overview of land reform in East and Southeast Asia; North et al. (2012) for an analysis of post-World War II land reform programs in South Korea and the Philippines; and Ramseyer (2012) for new perspectives on post-World War II land reform in Japan.

to build a new governing coalition that reflected the new distribution of power in the society at the end of the war. Analysis of these types of redistributions is facilitated by the distinction made by North et al. (2009) between a limited-access order (“the natural state”) and an open-access order. Limited-access orders are the norm in history and exist to solve the problem of violence in society. They do so “by forming a dominant coalition that limits access to valuable resources ... to elite groups. The creation of rents through limiting access provides the glue that holds the coalition together, enabling elite groups to make credible commitments to one another to support the regime, perform their functions, and refrain from violence” (p. 30). The distribution of rents is heavily influenced by groups’ and individuals’ violence potential and by established networks of unique personal, family, and group relationships. A change in a country’s ruler often necessitates that additional rents be created for or transferred to the ruler’s supporters. In pre-industrial revolution societies, this was usually accomplished by transferring property rights to valuable lands.

The transition to an open-access order occurs when the personal privileges of elites are transformed into impersonal rights (p. 27). In natural states, formation of economic, social, or political organizations is restricted to elites. In an open-access order, any group may form an organization. “The ability to form organizations at will without the consent of the state ensures nonviolent competition in the polity, economy, and indeed in every area of society with open access” (p. 22). The hallmark of an open-access society is its capability of “sustaining impersonal relationships on a large scale through their ability to support impersonal perpetually lived organizations, both inside the state and in the wider society” (p. 23).

The contrast between a limited-access order and an open-access order is most clearly seen during political transitions due to death of a ruler or a change in the core of support for a ruler. In an open-access order, the rulers are perceived to be temporary and the governance institutions are perceived as perpetual. For instance, the transition to a new U.S. president takes place within the perpetual institutions arising from the U.S. Constitution. In a limited-access order, a transition to a new president or prime minister immediately raises questions on which aspects of the system of rights and privileges supporting the current order will survive and which aspects will change to reflect changes in the sources of support for the new ruler and changes in the underlying distribution of violence potential.

A critical question emerges on the effects of confiscations of land in a natural state: How can a system of de jure property rights in land be sustained after widespread confiscations? As a general rule, state confiscation of private property should lead remaining property owners to reason that if the state has seized property from one group of owners, then their properties could be next. But in the natural state, a government's confiscation of some property, if properly executed, will increase the likelihood that other property owners' de jure rights will be maintained and enforced in the future. This case occurs when the government of a natural-order state redistributes confiscated lands in a manner calculated to bolster the strength of its governing coalition. When done following a process perceived to be legitimate, such redistributions signal to all other property owners that the government has established sufficient order to enforce their de jure rights for a longer period of time. This paper examines this proposition, focusing on government confiscations of land in early modern Europe, Britain's rebellious North American colonies, and Hawai'i.

The early modern period also saw the emergence of limitations on executive power—defined by Acemoglu et al. (2001) as binding constraints on the ability of the executive to confiscate assets from the public. Such limitations are at the core of the political and economic competition that characterizes an open-access state; they include limitations on land confiscation. The paper concludes with a brief discussion of two important cases—Britain immediately after the Glorious Revolution and France after the restoration of the monarchy—in which a cycle of land confiscations was broken, thereby signaling an emergence of new limitations on executive power.

## **2. CONFISCATIONS IN EARLY MODERN EUROPE AND ITS OFFSHOOTS**

Established monarchs, fragile monarchs, and revolutionary parliaments confiscated lands during the early modern period (1500-1800) in Europe and North America (Reynolds, 2010). Revolutionary parliaments are likely to be particularly interested in redistributing rents and property, as they usually face immediate problems with re-establishing order. Most are interested not just in bolstering the strength of their new coalition but also in reducing the strength of supporters of the just overthrown government who, given the chance, could just be waiting on the sidelines to violently overthrow the new regime. The interaction between the 1789-1793 revolutionary governments in France and royalist émigrés organizing in neighboring states to restore a royal government provides a clear example (White, 1995). Monarchs consolidating power tended to confiscate church lands whereas revolutionary parliaments in Northern Europe

and North America confiscated lands from a wider variety of owners—the Catholic Church, the crown, and royalist supporters.

## **2.1 Confiscations of Church Lands by Established Governments**

Church properties were confiscated by rulers throughout Northern Europe during the Reformation, as cities and states acted to reduce the power of the Catholic Church, by then both an ecclesiastical and political opponent.<sup>2</sup> Confiscated properties were transferred to the ascendant Protestant sect in their jurisdiction. Rulers confiscated Jesuit properties in several Catholic countries after members became entangled in the losing side of political intrigues. Governments in countries with Catholicism as the state religion confiscated church and monastic properties when it became in their interest to weaken the Vatican's influence within their countries. Consider now a few specific examples of each type of confiscation.

**Henry VIII's Monastic Confiscations.** Henry VIII's confiscation of monastic properties (1536-1540) was triggered by his 1534 confrontation with the Pope over his divorce. However, the confiscations should be viewed more properly as a fundamental component of his drive to consolidate his government's power. The likelihood of opposition by members of contemplative orders to his policies of church reorganization was clearly a factor behind the confiscations. On the other hand, the attack on the special corporate privileges of the church was far more expansive than could possibly be explained by potential opposition from the orders' members.

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<sup>2</sup> Some early confiscations in England during the fifteenth century may be traced back to the Black Death and the subsequent sharp decline in the number of people residing in some monastic houses.



Henry's commission of Richard Cromwell to compile the *Valor Ecclesiasticus*, a report containing an exhaustive inventory of church assets, not only served to establish their value and identify which assets might be sold, but also the full scope of the corporate body that Henry was reconstituting.<sup>3</sup> The abolition of the papal tax, the imposition of a new direct tax to support the clergy, and the sale of the confiscated monastic properties served not just to sever the Church's corporate bodies from the Vatican, but also to fundamentally reintegrate them within the corpus of the several British crowns.

**Joseph II's Monastic Confiscations.** While some state-led reorganizations of Catholic corporate bodies were not founded on severing their linkages with the Vatican, they were ultimately just as far-reaching as the British reorganization. Upon assuming the Hapsburg throne in 1780, Emperor Joseph II began a comprehensive program to reorganize the operations of the Roman Catholic Church and its properties, both in central Austria and Hungary.<sup>4</sup> The emperor confiscated and resold the majority of Austria's monasteries during the 1780s and reorganized church corporate bodies to weaken their linkage with the Vatican and tie them more closely to the Austrian state. While revenues from the sale of the monasteries contributed substantially to the Austrian fisc, the restructuring of the church also had roots in the consolidation of military power around the monarch during both Marie-Theresa's and Joseph's reigns as well as in the

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<sup>3</sup> Their sale also enabled Henry VIII to bypass Parliament's consent for additional tax revenues to fund his wars. See also Habbakuk (1958).

<sup>4</sup> Confiscation of church properties in the central lands of Austria in the late 1780s was preceded in the 1770s by the dissolution of a number of religious orders, including the Jesuits. The Portuguese government confiscated Jesuit monastic lands in 1761 after Jesuits were implicated in an assassination attempt on King Joseph (Maxwell, 1995).

constant strategic interaction between cities and regions in Italy controlled by Austria and the Vatican. Like Henry VIII's confiscations, Joseph II's takings were preceded by an exhaustive inventory of church personnel and assets that not only facilitated confiscations but also identified the full scope of the corporate body being reconstituted.

## **2.2 Confiscation of Lands by Revolutionary Parliaments**

Van Zanden et al. (2012) charted the rise of parliamentary governments in Northern Europe and their fall in Southern Europe during the seventeenth and eighteenth centuries. Some economists view the establishment of parliamentary representation in Northwest Europe as arising from the demands of newly enriched Atlantic Coast merchants for limitations on executive power (Acemoglu et al., 2005). In numerous instances, however, revolutionary parliaments were noted for their seizure of crown, royalist, and church lands. The most prominent examples are England in 1649-1651, France in 1789-1793, and Britain's rebellious North American colonies in 1775-1786.

**The Interregnum Confiscations in Great Britain.** The Long Parliament's confiscation of crown, church, and royalist lands came near the end of a decade of civil war. The victors in England's Civil War tried and executed King Charles I and confiscated properties of the crown and of the crown's prominent supporters. Three successive legislative measures in 1649, 1650, and 1651 put into force the confiscations. Lands were sold at auction to a restricted group of buyers, and proceeds were primarily used to pay wage arrears of the large standing army present at the end of the war and to retire some of the growing national debt. The authorities found the

lands difficult to sell, however, in part due to a perception of a non-trivial probability that a Stuart might return as monarch and attempt to return the confiscated lands to their owners.<sup>5</sup>

**The Loyalist Confiscations in North America.** After declaring their independence from Great Britain in 1776, the revolutionary state governments quickly moved to confiscate lands of Loyalists and all who would not pledge allegiance to the revolution. The extent of confiscations varied across states, with all states confiscating some property (Moore, 1994; van Tyne, 1959). Most states sold confiscated properties at auction, with proceeds dedicated to replenishing their war-depleted treasuries. The 1783 peace treaty between Britain and its former colonies provided that the Congress of the Confederation [of the newly independent states] “shall earnestly recommend” that each state legislature “provide for the Restitution of all Estates, Rights, and Properties, which have been confiscated belonging to real British Subjects.” All state governments ignored the treaty’s recommendation. They neither returned confiscated lands nor allowed Loyalists to continue in residence unless they took a loyalty oath.

**Confiscations during the Early French Revolution.** During the early phases of the French Revolution (1789-1791), the National Assembly, composed of representatives from each of the three estates, passed a series of confiscatory measures. On 3 August 1789, the Assembly eliminated all remaining feudal privileges and obligations, including the tithe dedicated to support the church clergy and the pope; the clergy, nobles, and the pope were not compensated for the lost stream of revenues. From the middle of August through October 1789, the Assembly

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<sup>5</sup> See Habakkuk (1962) for a fascinating discussion of “doubling” debt and the use of doubled debt to secure land purchases during the Interregnum.

debated whether or not it should confiscate church lands in order to remedy France's deteriorating public finances.<sup>6</sup> Doyle (2002, pp. 131-132) noted a fierce debate on whether or not the sale of such vast lands would depress prices. Proponents argued that the sale of church lands would adhere buyers to the new regime, thereby lending it some stability. Opponents countered that the sale of such lands violated Article Two of the Assembly's earlier *Déclaration des Droits de L'homme et du Citoyen*, which proclaimed property as one of the "natural and imprescriptible rights of man," and that such sales would destabilize the new government.<sup>7</sup>

On 2 November 1789, the Assembly passed and the King authorized a law mandating the confiscation of all properties belonging to the Catholic Church in France. Clergy were to be partly compensated for their loss of revenues by becoming salaried employees of the state. Church lands and monasteries were to be sold at auction, with proceeds to be used to pay off a portion of the national government's large public debt. A law of 14 May 1790 established a secure title for these lands and rules for their auction by governments of the newly constituted *Départments*. Sales commenced in August 1790 and were made at robust prices to a "large cross section of society," thereby providing "a political base to reduce the future danger of expropriation" (White, 1995, pp. 235-241).<sup>8</sup>

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<sup>6</sup> See White (1989) for a sweeping discussion of the *ancien régime*'s finances.

<sup>7</sup> "The aim of all political association is the preservation of the natural and imprescriptible rights of man. These rights are liberty, property, security, and resistance to oppression."

<sup>8</sup> White (1995) provides a lucid discussion of the economics underpinning the confiscation of land to finance France's national debt as well as an analysis of the *assignat* currency issued against the confiscated lands.

**Confiscations by Ruling Chiefs in Hawai‘i.** Now consider an example from an entirely different cultural context: the redistribution of land by new rulers of polities in Hawai‘i. La Croix and Roumasset (1984, 1990), Roumasset and La Croix (1988), and Kame‘eleihiwa (1992) provide accounts of property rights redistributions in pre- and post-contact Hawai‘i, in which rights to rents from some productive agricultural lands were directly redistributed to a group of ranking chiefs who could constitute a stable core of support for a ruling chief (*mō‘ī*) who had recently assumed power. Fornander (1969, p.300) related that "[i]t has been the custom since the days of Keawenui-a-Umi on the death of a Moi (King) and the accession of a new one, to redivide and distribute the land of the island between the chiefs and favorites of the new monarch." Following this ancient practice, King Kamehameha (who united all but one of Hawai‘i's competing island polities in 1795) extensively redistributed rights in land to the chiefs in his conquering army after taking control of islands governed by rival chiefs. The lands were redistributed after elaborate discussions and ceremonies conducted by *kahuna*, the priests of the state religion.

After the death of Kamehameha in the spring of 1819, the structure of property rights evolved to reflect fundamental shifts in the underlying power structure. Power transferred to Kamehameha's young son, King Liholiho, and Kamehameha's wife, Queen Ka‘ahumanu. The two faced competition from another ranking chief, Kekauaokalani, the son of Kamehameha's brother who had been named as the second heir. The scenario that two factions would form and a civil war would ensue was not improbable. To consolidate their power base among the ranking chiefs, Liholiho and Ka‘ahumanu redistributed rights to earn income from the sandalwood trade to ranking chiefs. The transfer of property rights to sandalwood income further secured Liholiho's coalition, as the chiefs

supporting him now had bigger stakes in maintaining him in power. When the revolt by Kekauaokalani came, it was quickly crushed.

Even prior to the revolt, the king and his family had moved to dismantle the cultural and physical manifestations of the state religion (La Croix and Roumasset, 1984). The introduction of Western military technology to the Islands rendered less important the support offered by the state religion (*'aikapu*) to the existing political order, and the resources used to maintain the network of temples and the voluminous sacrifices to the Hawaiian gods loomed as more of a burden. Violations by the monarch, his family, and ranking chiefs of religious rules mandating that males and females eat separately provided a signal to chiefs and common people that the king no longer considered the state religion to be a key element in the political, economic, and cultural mechanisms that supported his dominant coalition. Within a few weeks, Hawaii's common people (*maka'āinana*) reacted to the news by burning the wooden temple statues (*akua*) and plundering the archipelago's vast network of large and small stone temples (*heiau*). The religious vacuum would prove fortuitous for the protestant missionaries from New England who arrived in Hawaii in March 1820 with a new religion to support the monarch's rule.

### **3. ORIGINS OF EARLY MODERN CONFISCATIONS**

The cases discussed above are somewhat distinct in their origins yet similar in two respects. First, natural states engineered land confiscations to reduce the wealth and presence of an interest that was a vital part of the old but not the new coalition. The Dutch were rebelling against the occupation of Holland by Spain, and their confiscation of Catholic Church properties was due

not only to the emergence of Protestantism in Holland but also to the close links between the Catholic Church and the state in Spain. The revolution in France was as much against the Catholic Church as the monarch, given the status of the Church as France's privileged state religion. Second, the revolutionary parliaments did not redistribute the confiscated church properties directly to supporters but rather sold them at auction. This has its roots in the growing importance of land markets during this period, the diminishing role of land in holding together the natural state's coalition, and in the universal need of new revolutionary parliaments for revenue (North et al., 2009, p. 99).

Confiscations to reduce the wealth of ecclesiastic and political opponents are closely related to the state's recognition that these opponents do not recognize the legitimacy of the government, that they will use their wealth to sponsor its violent overthrow, and that they have enough wealth for the state to consider them to have some reasonable chance of success. Violent opposition to the state's existence is defined as a crime—treason—in both natural-order and open-access states, the penalty for which typically involves some combination of imprisonment, deportation, and execution as well as confiscation of assets. In all five cases considered herein, the Church was viewed either as a direct opponent of the government (England 1536-1540 and Austria 1780s) or as an ally of the deposed government (Holland 1570s, France 1789-1793, and England 1649-1651) whose rule had been sanctioned by divine authority, as represented temporally by the Church.<sup>9</sup>

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<sup>9</sup> Confiscation of the lands of nobles who fled France after the National Assembly voted in August 1789 to eliminate all feudal obligations in France followed the same logic.

#### **4. REDISTRIBUTION AND SALE OF CONFISCATED LANDS**

Another factor common to the three-century-long confiscation of Catholic Church lands in Europe was that governments often opted to resell confiscated lands at auction rather than to redistribute them directly to supporters of the government. In other times and places, rights to residual revenues from confiscated lands have often been directly redistributed to supporters while leaving tenants in place on the land. In some instances, governments chose direct redistribution due to the lack of a well-functioning or thick enough market in land. In other cases, land redistribution took place to reflect changes in the composition of the ruling coalition. William the Conqueror's redistribution of lands in England to his Norman supporters after the 1066 conquest, while leaving Anglo-Saxon landlords in place with some residual claims, is one widely analyzed example (see, for example, North et al., 2009, pp. 79, 96, 105.)

On the other hand, the state's use of land confiscations could undermine its support in the longer run. For instance, in the early 1680s opponents of the Duke of York (James II), on his assumption of the English throne, worried that he would restore the central role of the Catholic Church in Britain and that purchasers of confiscated monastery lands—taken more than 130 years earlier(!)—would be forced to return them. Harris (2006, p. 149) noted that “[t]he reason why William Lord Russell, Whig MP for Bedfordshire, was such a staunch supporter of Exclusion was because most of his estate was from the lands of dissolved monastic institutions,



such as the abbeys of Tavistock (Devon) and Woburn (Bedfordshire) and the monastery of Thorney (Cambridgeshire).”<sup>10</sup>

One of the signs of a transition to an open-access society is that a new ruler refrains from explicitly adjusting the wealth of his or her governing coalition when assuming power. Bogart’s (2011) study of investment in transportation infrastructure in seventeenth- and eighteenth-century England identified the Glorious Revolution—an event widely associated with the emergence of an open-access order in England—as a critical juncture for confiscation of property rights in England. Bogart shows that prior to the Glorious Revolution, rights granted to developers to undertake new transportation projects were susceptible to expropriation, “especially if they were associated with the losing side” of Britain’s Civil War or subsequent Restoration (p. 1081). After the Glorious Revolution, a striking change took place: in most cases, Parliament did not violate developer rights to undertake transportation projects that had been granted by the Stuarts. Bogart found that when rights were violated, “it was linked to [developers’] failure to complete the navigation improvements” (p. 1084).

A second example comes from France’s transition at the end of the Napoleonic Wars to a monarchy, albeit one with more restricted powers than those possessed by the pre-revolutionary seventeenth- and eighteenth-century monarchs. Nobles whose lands were confiscated at the start of the French Revolution petitioned King Louis XVIII to restore the lands to them. His

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<sup>10</sup> In 1686, James established the "Dominion of New England," which administratively merged colonies from Delaware to Massachusetts. The new entity threatened to restructure property rights in New England and led to a vigorous colonial opposition to James.

successor, King Charles X, resolved the issue by paying 988 million francs in compensation, with the quid pro quo being relinquishment of claims to the confiscated lands. (No compensation for confiscated lands, however, was ever paid to the reorganized Catholic Church in France.)

## 5. CONCLUSION

Land redistribution has been regularly observed in developing countries during the twentieth century to benefit particular groups within a ruling coalition. The major reason underlying such reforms is that natural-state governments needed to transfer wealth to various members of their dominant coalition as their influence or the violence potential increased. The bottom line is that such adjustments are *never meant to be Pareto improving* by their very nature. Solidifying a governing coalition often means weakening opponents as well as benefiting allies. Even when the veneer of the law allows for compensation, it is rarely the intent of the natural-order ruler to make such compensation.

Natural-order governments constantly have to negotiate with corporate bodies that have special privileges and will only retain them when doing so is advantageous to the dominant coalition. The above examples have emphasized situations in which a reforming monarch or parliament has taken action to reduce the power of state religions, not only by confiscating their lands but also by reorganizing the relationships between the church's corporate bodies and the state. Such reorganization of religious corporate bodies facilitates the transition to an open-access order by limiting the potential losses that religious organizations might face if a new ruling coalition were to assume power. The Philippines provides a contemporary example: the Catholic Church resists

political reforms because the transition from today's natural state to a limited-access order would entail the loss of its special privileges and influence.

If history is to teach us anything about property rights, it is that property rights in land are never fully secure in the natural state and that land reform programs implemented in a natural state are motivated by consolidating the durability of the ruling coalition rather than implementing Pareto-improving policies that would benefit all parties.<sup>11</sup> Lamoreaux (2011) shows, however, that the same property rights are also not always secure in open-access societies. Their governments regularly encounter situations in which they need to restructure and reallocate property rights in order to accommodate technological and other changes (Bogart, 2011; Bogart and Richardson, 2011). Lamoreaux catalogued numerous examples in the United States in which property has been involuntarily reallocated and owners have received inadequate compensation. For property rights to be perceived as both secure and occasionally confiscated, Lamoreaux argues that the widespread ownership of land in the United States provides a self-enforcing mechanism that “prompts voters to mobilize whenever they think redistribution in favor of the top is getting out of hand” (p. 301).

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<sup>11</sup> One only has to look at a recent study of World Bank-funded land reform efforts in Cambodia to understand this (Thin, 2012). The land reform programs were designed to dismantle a traditional system of property rights in land and to replace it with a de jure system in which properties are surveyed and registered, thereby facilitating their rent, sale, and taxation. The new system suffered from one particularly prominent defect: common people holding lands rights were not confident that they would receive the same treatment from Cambodian courts as the elites holding land rights. In response, a shadow system of property rights emerged that bypassed Cambodian courts and the newly established land registry and reestablished the traditional village system of property rights specification and enforcement.

Top-down land reform in East Asian developing countries is another matter. It would be naïve to believe that when victors in international or civil wars proposed land reform, they thought they were establishing a self-enforcing mechanism to secure property rights in land and fundamentally alter the nature of their social orders. Their goal was to bolster the newly established natural states to ensure that they could effectively maintain order and stay in power in the chaotic political environment seen in most Asian states in the late 1940s and early 1950s.

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