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**A.I.D. SPRING REVIEW OF LAND REFORM, JUNE 1970**  
Second Edition, Volume II

**COUNTRY PAPERS**

**LAND REFORM**  
**IN**  
**IRAN**  
**IRAQ**  
**PAKISTAN**  
**TURKEY**  
**INDONESIA**



**AGENCY FOR INTERNATIONAL DEVELOPMENT**  
**DEPARTMENT OF STATE**  
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AGENCY FOR INTERNATIONAL DEVELOPMENT

· SPRING REVIEW

LAND REFORM

in

IRAN

by

Kenneth B. Platt  
FPC, AID/Washington

June, 1970

Country Papers represent the views of their authors and are not generally intended as statements of policy of either A.I.D or the author's parent institution.

SR/LR/C-18

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Land Reform In Iran, 1900 - 1969

I. Summary

The Iranian national land reform program which became effective in early 1962 was an outgrowth of long efforts toward change in a pattern of land ownership and use rights which had stagnated agricultural production and created severe maladjustment of social and political structures. The reform originally treated redistribution of land rights as the key element in a) removing undue political and social power from the landlord class, b) improving the social and economic status of the peasant class, and c) achieving increased agricultural production by encouraging increased farm level capital and labor inputs. These objectives have been supported by organizing a peasant farmers' cooperative structure, supplying enlarged production credit, and extending improved genetic stocks and technologies to farmers.

The reform has gone through two stages: 1) Expropriation and distribution of lands in excess of one village per owner; 2) expropriation and distribution of lands within a one-village limit that were in excess of prescribed hectareage limits, with the remainder then either a) leased to tenants for 30 years, b) sold to tenants, c) tenant use rights bought by landowners, d) divided with tenants on farmer crop-share ratios, or e) pooled with tenants into jointly managed farm units. Two further stages are in process: 3) conversion of 30-year leases to peasant ownership, and 4) conversion of distributed peasant ownerships into large farm corporations for sake of more rapid and efficient physical reorganization and use of land and water resources.

Results from the first two stages have been satisfactorily positive; the third and fourth stages have not progressed far enough to be evaluated. A large majority of all peasant farmers have benefitted directly from the reform thus far, but the fourth stage seems to be a reversal of individual benefit for sake of gains thought to be available through large-scale mechanization.

Although deep-seated political and social pressures generated the force necessary to enable the reform to be carried out, the Shah has supplied and continues to supply an indispensable continuity of purpose and determination.

## II. Pre-Reform Period

### A. Introduction - Economic Background

Between 1953 and 1959, the great influx of American economic, technical and military assistance, together with the rapidly expanding national revenues from oil, brought dramatically visible new developments in Iran which were felt "to the uttermost parts of the Kingdom." A multitude of structural projects - irrigation works, canneries, sugar factories, textile mills, hospitals, clinics, schools, highways, airfields, harbors - came into being. Principal cities were modernized. Substantial dry-farm areas were converted from animal to mechanized farming. Malaria and other ancient scourges were brought under control. Locust invasions were fought off with squadrons of airplanes delivering the materials of battle. Tehran mushroomed with new construction and swarming vehicular traffic. Subsidized bus and train fares encouraged a vast flow of travelers to and from all parts of the country.

Under the impact of these developments, the stagnation of agriculture became ever more conspicuous. The fact was plain that Iran's agriculture was archaic and must be changed. How to achieve that change in face of the existing institutional obstacles and opposing interests was another matter. To understand these adequately we must look briefly to the history of land ownership and use in Iran.

Property rights in agricultural land have never been secure in this ancient country, and still are not soundly based.<sup>(20)</sup> Over the centuries they have been treated with small respect at each change of national command. Historically, whole regions were dealt out to favored individuals at a fee, with tax collection privileges and public service and public order obligations attached. The system gave rise to many oppressive obligations of tenants to landlords that were not finally abolished until enforcement of the land reform law of 1962.

Because Iran is predominantly a land of great distance between/agri-cultural development until recent times tended to be self-sufficient area-by-area. The arts of production fitted to this pattern changed little over the centuries.

Thus Iran brought to the 20th Century a feudal type of land tenure and a medieval agricultural technology. The system prevented capital accumulation by tenant farmers, while discouraging landlords from investing in further improvements of land and water resources. Many landowners had moved away from the land and lost their managerial and technical skills. Meanwhile, the 75% of total populations still bound to the land and to the primitive hand labor techniques of the past were unable to produce enough food for the nation.

On the eve of land reform, a backward view disclosed that from remote times the rise and fall of empires had had little effect on the relative

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(20) Lambton, Ann K. S. Landlord and Peasant In Persia  
Oxford University Press London 1953 pp. 187-9

position of the peasant farmer. The coming of modernization to non-agricultural activities had only worsen his position by raising the costs of government and of living without bringing compensating increases in farm income.

Looking forward at that time, the prospects for beneficial change, except through land reform, were not promising. As seen then<sup>(26)</sup> such things as representative and honest government, cheap production credit, and skilled and adequate technological support could not in themselves solve the problem:

"In short, land reform, with transfer of ownership from landlords to owner-operators as its central aim, is and must be the essential foundation for the economic, political and social emancipation of the Iranian rural population. By the same token it is the essential foundation for modernization of Iranian agriculture and the healthy and vigorous growth of the general economy."

The need for reform lay not so much in the villainy of landlords as in the nature of Iranian agricultural development. Over most of the country farming is only possible with irrigation of at least part of the land, and irrigation is only possible with substantial capital outlay. Stream diversions for individual farms were feasible on only an insignificant fraction of lands; large diversions required group effort and funding. The ghanat in particular - a tunnel anywhere from  $\frac{1}{4}$ -mile to more than 20 miles in length, bringing water from a deep underground source - required a heavy advance investment.

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(26) Platt, Kenneth B. "Land Reform As A Factor In The Economic Development Of Iran" Staff memorandum, A.I.D. Mission to Iran. Tehran, 1962.

Because few areas in Iran have streams with sufficient summer flow to meet irrigation needs, approximately 46,000 ghanats were developed from some time in the pre-Christian era until 1952.<sup>(8)</sup> Typically, a ghanat was developed by a man with enough capital to pay for the labor involved and to wait out the two to several years required for construction. Upon completion of the tunnel and delivery of a flow of water, the owner determined how much land could be irrigated and recruited enough farmers and others to come and settle there as his tenants. This might be anywhere from 10 or less families to more than a hundred, depending on the water resource developed. If a large source had been found at not too great a distance, the owner could recover his investment and get a good profit after enough years; if the source was meager he might never recover his investment.

Even in dry farm areas where the land could be simply plowed and planted, drouth hazard dictated development of companionate lands under irrigation wherever possible. And throughout Iran defense against marauders dictated walled communities under strong leadership, in due time evolving into a pattern of dominant strong families exercising centralized ownership prerogatives even over what once may have been communities of small individual ownerships. Only an estimated 20-25 percent<sup>(15)</sup> of total farm

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(8) Bahramy, Taghi Agricultural Geography Of Iran  
Tehran University Press, 1952 p. 120 (Persian language text)

(15) 1960 World Census Of Agriculture  
FAO, Rome 1966 Volume 1/a pp. 88-101

lands in Iran, consisting mostly of isolated patches in mountain valleys too small to tempt either the wealthy or the rapacious, escaped this pattern.

The typical Iranian farming community in which land reform was needed, therefore, frequently was one which had been created by the enterprise and resources of its owner or his ancestors, or had been held together and enabled to survive through the assumption of control by one or a few dominant leaders. The general picture was one of legitimized current ownership fitted to the governing natural and historic circumstances. For one man to own a whole village or even several villages, therefore, was not in itself grounds for approbrium. Rather, it was the conditions of tenancy under this ownership structure, and the general stagnation of production under the system, which called for reform.

On the tenants' side, balancing the capital and management contributions of the owner in creating the village, was the fact that only the labor of men such as they could bring the creation to completion and continue it in use. Further, that labor had been notoriously underpaid.

By 1960 the historic community insecurity had virtually vanished, but the economic difficulties of new land development were even greater than in the past. New development of ghanats had been almost totally abandoned. Developments proceeding under private initiative through deep well pumping was seriously depleting long-established ghanat flows; private pumping

from large streams was injecting interfering uses into areas intended for planned public projects.

In sum, on the economic side, pre-reform Iranian agriculture had fallen far behind the other sectors of the economy, and had become a serious drag on the general advancement.

## II. Pre-Reform Period

### A. Introduction - Political Background

The current land reform program in Iran took definite form only in 1961, but its roots date back much further. Marxist ideas entered Iranian thinking early in the 20th Century, <sup>(36)</sup> and scarcely could have omitted the fundamental precept of revised land tenure. ~~The~~ ground for land reform already had been made fertile then by the peasant oppressions growing out of the increasing extravagances and tax demands of the decaying Qajar Dynasty and the parallel transition of Persian landlords from patronal to exploitive character. <sup>(7)</sup>

In a Gilan rebellion of 1919 many landlords were killed or driven off, and their lands distributed to the peasants (37, pp. 213-17). A similar rebellion occurred in Azarbaijan. Following the 1921-22 suppression of these rebellions, Iranian communist intellectuals openly espoused agrarian revolution until their activities were outlawed in 1931, and continued subrosa until World War II (36, preface), despite imprisonment of most of their leaders in 1937. Over the same period, government administrations took the beginnings of positive action toward land reform.

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(37) Zabih, Sepehr The Communist Movement In Iran  
University of California Press, 1966 p. 2

(7) Avery, Peter Modern Iran E. Benn London, 1965 p. 46

Avery (7, p. 235) notes, in relation to the British-Russian rivalry in Iran, that the two Iranian leaders who took power in 1921 turned their attention to overcoming internal deficiencies:

"- - - Reza Khan knew that salvation lay in developing the country from within. . . The idea was repugnant to him, that Iran must somehow survive simply because it was of so much importance to people like the British that they would never allow it to be obliterated. His Iran would survive because it had a right to do so and was capable of surviving by its own effort.

"Sayyid Zia - - also thought that Iran must save itself. His panacea for regeneration was the revival of agriculture and individual craftsmanship. - - The Sayyid began with the proposal that land should be distributed more equitably. Given to those who tilled it, he believed more would be produced because its new beneficiaries would put out more effort. This belief has persisted until in the last 10 years land reform has become the major internal political issue."

Similarly, Cottom (11) has stated:

"All but the blind could see that Reza Khan was speeding up a profound social revolution. He was doing more to give Iran a bourgeoisie power base than the communists had any right to expect - -."

Upon attaining supreme power in 1924, Reza Shah soon began concrete measures toward a new and forward outlook of his country. "Elementary and secondary education was expanded 6-fold, and a system of universities and technical schools was inaugurated." (7, p. 255). Veiling of women was abolished; men were ordered to wear Western style clothing. A modern railway was built from the Persian Gulf to the Caspian Sea. Mills and factories were erected. Brigandage in outlying areas was put down, dissident tribal leaders subjugated, and a national spirit fostered.

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(11) Cottam, Richard W. Nationalism In Iran  
University of Pittsburg, 1964 p. 189

The need for land reform was recognized, and attempts were made to deal with it. (9) In the process of Reza Shah's determined consolidation and modernization drive, the lands of various powerful rebels were seized and added to the already extensive State Domains. Substantial State holdings in Sistan Province were sold in small lots in 1937 (20, p. 246) with provisions intended to improve conditions of peasant tenants. This distribution failed for lack of sufficient government integrity and follow-up. Similar distributions elsewhere in the country likewise failed, but they set the stage for later more constructive developments in land distribution.

When the present Shah, Mohamed Reza Pahlavi, took the throne in 1941 upon the forced abdication of his father, he was in too weak a position to pursue programs distasteful to the powerful conservative landowning and religious leaders. War conditions and the ensuing post-war crisis of Russian occupation and sovietization of Azarbaijan Province, further deferred the attainment of a strong position. By 1951, however, the young Shah was well enough established to initiate the distribution-by-sale of a large aggregate of Crown lands inherited with the throne. Favorable valuation and pay-out terms were granted, cooperatives formed, and credit extended.

This program was announced as an example for other large landlords to follow. It found few emulators. During the political turmoils of the

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(9) Banani, Amin The Modernization Of Iran, 1921-1941

Mossadegh era, the program was temporarily reversed by government action, but it was restored again in 1954 and carried to a voluntary termination in 1961.

The political struggle during this period may be seen as having passed the stage of whether there was to be a land reform, and now centering on what form it was to take and who was to get the credit. (11, pp. 270-300). At this point the ascendancy of the Shah began to emerge. Cottam states: (11, pp. 270-300)

"The Mossadegh government [1952-53] did have a positive program. - - Some programs materialized, the most important of these being agricultural reform. . . There is no evidence to indicate that either Zahedi or the Shah ever proposed [1953] to follow the kind of policy needed to attract Mossadeghist support. - - The pulling of the teeth of Mossadegh's agricultural reform and the placing of conservative members of the oligarchy in most policy-making positions underscored - - that the imperialists would once again work through the least progressive elements of society.

"The Shah had no difficulty in removing [Zahedi] from office and establishing a personal dictatorship. The oligarchy acquiesced - - because the Shah did not - - seriously challenge the social and economic position of the thousand families. - - - He steadily reduced their political power, however, - -. In order to provide long-term stability for his regime he needed the support of a much larger sector of the population. - -

"The Shah gave several speeches in 1954 promising fundamental social reforms and demanding that the landowners distribute their lands among the peasantry. . ."

A law passed by the Majlis in 1954 and activated in 1956 provided for the systematic survey, classification and sale to small farmers on favorable terms of all remaining State Domains agricultural lands. Flaws in the financing provisions of this law, together with tangled title problems and the natural instincts of the State Domains Administration for

self-perpetuation, held the pace of disposal of these lands to such a low level that up to June 1961 only 47 villages had been distributed out of a total of 1330, and in 1962 it was estimated that at this pace more than 100 years would be required to complete the program (27). Much was learned, however, that was put to good use in framing the approach to the later distribution of private lands.

The violent and unforeseen overthrow of the government of bordering Iraq in 1958, in the mist of a vigorous and widely heralded program of national development stressing particularly new land and water resources development and the planned creation of large numbers of new small farms, no doubt alerted the Shah still further to the urgency of reform needs in Iran, though there is no evidence that it impressed the landlords. The constant barrage of Persian language radio broadcasts from Russia attacking the monarchy, the landlord class, and the Iranian government as obstacles to the rights of the people, found many receptive ears, sharpened by the detailed accuracy and close currency of facts, figures and incidents in Iran cited. These broadcasts served as a further stimulus to reform thinking by both the governed and the governing.

Iranian newspapers during this period carried frequent items on alleged plans and actions of the government of a reform nature, or on examples of primitive hardships and neglect supposedly endured by villagers. The fact that many such reports were pure fabrications only heightened their

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(27) Platt, Kenneth B. Completion Report, Project O30, A..D. Mission to Iran  
Tehran, 1962

effect in fanning into open flame the smoldering popular impatience and discontent over the dearth of real progress. Student riots in Tehran and other university cities, a textile workers' demonstration in Isfahan, and renewed brigandage in outlying areas were some of the manifestations.

Another focus of popular resentment was the notoriously rigged procedures applied in national Majlis elections - the only elective process in Iran. This resentment took form in a broad protest against the Eqbal government of 1961 over inaction on promised increases in teachers' salaries. One teacher was killed in police action against the demonstrators, following which the Eqbal government was replaced, amid renewed promises of land reform.

At this point, with a Majlis-approved land reform law of 1960 still unactivated, the pressure for meaningful steps toward reform had been built to high level. All signs pointed to both a public demand dangerously approaching general revolt, and an advancing determination of the Shah, at least, to bring about such a reform, but with the powerful landlord class and other conservative elements still strongly resisting.

## II. Pre-Reform Period

### B. Land Tenure Structure

#### 1. Characteristics

The land tenure structure of Iran before reform was characterized by a wide range of land ownership sizes, with a relatively few private owners plus the State and religious endowments holding very large estates, a large number of single-village and part-village ownerships, and a still larger

number of individual small farm ownerships. Within this ownership frame, tenancy was a strongly dominant feature, with crop-sharing the usual mode of rent payment. Only in the Caspian rice area, Iran's richest farm lands, were cash or other fixed rentals commonly found. Written tenancy arrangements were rare.

Tribal land areas of major extent did not fit into this general framework, largely because they included relatively little cropland. Under a heirarchy of khans or sheikhs, clan chiefs and subchiefs, most tribal lands were allotted to individual families on a use-right basis, but with ownership vested in the tribe as a whole.

The level of tenancy was estimated by West (35) at 60% in 1958. "Of those cultivators who own their land," wrote West, "63% have less than  $2\frac{1}{2}$  acres, 25% have  $2\frac{1}{2}$  to 7 acres, and only 12% have more than 7 acres. The following table shows the approximate distribution of land ownership by size groups as estimated before reform.<sup>(15)</sup> In referring to these figures it must be kept in mind that land ownership statistics then existing were not based on accurate or complete records. For example, references up to the time of reform commonly spoke of a total of 45,000 villages in Iran, whereas later reports spoke of more than 50,000 villages. The Land Reform Law defined the village in terms of local recognition of that status, but there was such dispute between owners, peasants and officials in actual designation. The distinctions separating the very

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(35) West, Quentin M. Agricultural Development Programs Of Iran, Iraq, And Sudan Foreign Agriculture Report No. 112, Foreign Agriculture Service, USDA, 1958 p. 5.

Distribution of Land Holdings in Iran,  
By Size and Tenure

(Before Land Reform)

	Total Holdings				Owner-Operated Holdings			Holdings Rented From Others	
	Number	%	Area (ha)	%	Number	Area (ha)	% Area	Number	% of Number
	(000)		(000)		(000)	(000)		(000)	
Under 2 ha	748.8	40.0	571	5.0	347.7	221	1.9	328.4	17.5
2 to under 5	474.5	25.3	1,554	13.7	138.1	442	3.9	283.5	15.1
5 to under 10	340.0	18.1	2,413	21.2	76.8	541	4.8	218.8	11.6
10 to under 20	223.8	11.9	3,054	26.9	41.4	562	4.9	158.3	8.4
20 to under 50	77.7	4.1	2,209	19.5	15.6	479	4.2	53.8	2.9
50 to under 100	8.4	.4	564	5.0	2.4	166	1.5	5.2	.3
100 to under 500	3.8	.2	684	6.0	2.0	386	3.4	1.6	.1
500 and over	.3	.02	307	2.7	.2	179	1.6	-	-
TOTALS	1,877.3	100.0	11,356	100.0	624.3	2,976	26.2	1,049.4	55.9

Tenure distribution of total holdings

	<u>Number</u>	<u>Area</u>
Owner-operated	33.3%	26.2
Rented from others	55.9	62.2
Mixed tenure	<u>10.8</u>	<u>11.6</u>
	100.0	100.0

small properties/settlements between villages and "hamlets" (Lambton, 21, p. 219) or "farmlands" (Khatibi, 18, p. 86) were often ambiguous. Khatibi shows 53,966 villages and 18,884 "farmlands".

Lambton (20, p. 259) has pointed out that the large landowners of Iran in the pre-reform period were not a hereditary landed aristocracy on the European feudal mode, the establishment of such a class having been prevented by the recurrent insecurities and ownership forfeitures already described. Many were men of urban origin who had bought land for reasons of social prestige and/or political power. A common characteristic was that they were mostly absentee, and took little direct interest in the management of their estates. For this they hired managers or bailiffs, who constituted a burdensome and divisive group between landowners and tenants. Lambton also notes (20, p. 271) that the large proprietors tended to be concentrated on the best lands of Iran.

Some peculiarities of Islamic land rights philosophy imposed serious adverse effects on usual conditions of tenancy. The doctrine of "root rights" gave to the planter the right to use the products of his plantings as long as the roots remained alive. Because of this, landlords usually did not allow tenants to plant trees, grapes, alfalfa, or other long-lived crops. Another doctrine recognized continuing use rights in land farmed for several consecutive years. To guard against the establishment of such rights, landlords commonly rotated their tenants to different plots of

land each year. The result of these two practices was to prevent tenants from improving the land in any lasting way, while encouraging them to exploit it to the fullest. Infestations of perennial weeds were neglected, stony fields left unimproved, use of fertilizers minimized, erosion neglected. In one dryfarm section between Mianeh and Tabriz: large portions of the land surrounding a village whose Persian name means "Black Earth" were observed in 1959-60 as being progressively abandoned due to erosion having washed away all the topsoil.

The deleterious effects of the rotation practice in preventing resource maintenance and capital accumulation have also been noted by Christjanson.

(10)

II. Pre-Reform Period  
B. Land Tenure Structure  
2. Changes

There was relatively little change in the basic land tenure structure over the 1900-1960 period. The efforts of Reza Shah to break the power of certain powerful tribal leaders between 1925 and 1940 included allotments of some tribal lands into individual holdings, but the attempt to settle nomadic tribal families by this means met little success. A greater impact on tribal land use came from the shift of large areas in the Moghan Steppe and Gorgan Plains from grazing use to dryfarm wheat production during the 1950-60 period for reasons of immediate economic advantage. This shift

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(10) Christjanson, Baldur H. "The Agrarian Based Development Of Iran"  
Land Economics, Vol. 36, No. 1 February 1960

covered the best of the winter and spring grazing areas of large number of tribal livestock, without providing compensating feed resources. Former family use rights tended to be usurped upward in the tribe in this process, at the same time that grazing possibilities were destroyed.

On sizeable tracts of Crown lands in Mazandaran Province, introduction of cotton farming was accompanied by importation of laborers from Sistan to augment the local supply. The imported families, being both more aggressive and also determined never to return to the starveling existence from which they had come, within a few years began driving the rightful owners off some areas of the distributed Crown lands. In adjoining Gorgan, substantial areas converted from grazing to mechanized wheat production, or from animal-draft to mechanized wheat production, left the great majority of small owners with little practical function in the production process.

The tenure problems in these change-of-use situations had not been dealt with up to the time land reform was initiated. Another and similar displacement of traditional tenancy occurred on long-established dryfarm lands in East Azerbaijan during the 1950-60 period, when tractor plowing was introduced. Landowners making this change retained part of their former tenants as day laborers, but of course provided much less work for them than when the land was tilled with animal power. Tenants totally displaced were left to shift for themselves; for most this meant migration to cities.

In the environs of Tehran one large estate owner divided his land with his tenants, giving them the same share of land they had formerly received of crops. The owner guaranteed the water rights on the irrigated land so long as this land was not sold or leased. The owner got as his share the land adjacent to the highway, clear of all claims by the tenants. The transfer proved highly advantageous to all concerned, and the owner was proceeding with similar transfers on properties distant from Tehran, before land reform began. A very few other adjustments of this sort were said to have occurred.

The Crown Land and State Domains land sales already mentioned were significant tenure adjustments favorable to tenants. Their overall significance, however, lay more in the principle they illustrated than in their scale, the combined lands involved being only between 5% and 10% of the total farm lands of Iran. Except for these and the very exceptional land division cases just mentioned, nearly all changes occurring in the immediate pre-reform decade were unfavorable to tenants.

- II. Pre-Reform Period
  - C. Land Resource Information
    - 1. Land Availability

In pre-reform years, Iranians commonly thought of their country as having an abundance of potential new agricultural land. This view was far from realistic. The annual crop areas already in use marked the practical limit of land use in any one year with existing water supplies and water-use

practices. Trust was placed in deep wells to tap water resources not theretofore exploited, and indeed not a few successful wells had been installed. Pumping costs, however, limited the use of many of these wells to high-priced specialty crops rather than general cropping.<sup>(24)</sup> Meantime, other wells had demonstrated that many areas of good land were underlain with salt water. Still other wells threw as much land out of production as they brought in, by taking water away from ghanats.

A common argument by opponents of land reform was that the government should finance new land developments on which to settle the tenant farmers of Iran. That this approach was quite unworkable, even had funds<sup>been</sup> available, is indicated by the following figures on land availability and use cited by Dehbod (12), in 1963, at which time no significant change from the pre-reform situation had occurred:

"Of the 164,000,000 hectares total area of Iran, 22,500,000 ha. are used for agriculture and other purposes as follows:

Annual cultivation	6,400,000	hectares
Artificial pastures	130,000	"
Orchards, woodlots and gardens	325,000	"
Fallow	4,800,000	"
Natural pasture	6,745,000	"
Available for easy development	4,100,000	"

Considering that the fallow lands lie adjacent to the annual cultivated area, where presumably all available water resources already have been brought into use, only the area classed as "available for easy

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(24) Osgood, O. T. "The Economics Of Water In Development Of Irrigated Agriculture In Iran"  
FAO Mission to Iran Tehran c 1961 Mimeo p.1

(12) Dehbod, Abolghassem "Land Ownership And Use Conditions In Iran"  
CENTO Symposium On Land Development, Tehran, 1963. P. 59

development" can be counted firmly as potential new cropland, save for the possibilities of wells on the fallow lands.

The remaining unutilized cultivable lands of Iran can only be developed at high unit cost. I have estimated elsewhere (28) that water resource limitations, salt problems and other limiting factors probably will hold further irrigation development to not more than 1,200,000 hectares within the foreseeable future. This would be about 150% of the present fully irrigated area. Dryfarm land area, on the other hand, must be expected to decline as the economy advances, because some 15 percent or more of such lands now in cultivation are only marginally productive and not capable of economic improvement. (28, p. 17). These lands must be expected to fall out of production as better employment opportunities for their present subsistence users arise elsewhere in the economy.

In terms of a land reform program, therefore, the lands already in cultivation were the only area realistically available for distribution.

## II. Pre-Reform Period

### C. Land Resource Information

#### 2. Classification

The land classification information available before land reform was of a general nature only. Illustrative of this, the Plan Organization in 1961 revised the official estimate of total irrigated land to 2.3 million hectares, from an estimate of 2.5 million hectares used the year before; the estimate of grazing areas was revised from 42 to 25 million hectares. (25)

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(28) Platt, Kenneth B. Land Development And Use Problems In Iran  
Unpublished manuscript prepared in 1963 p. 49

(25) Plan Organization, Government of Iran: Second Draft, Third Plan Frame, Agricultural Section, January 1, 1961. p. 4

A national soil survey begun in 1952 had been completed to reconnaissance level on 1,528,000 hectares at the end of 1960 (31), or about 13.5% of the cultivated land. Detailed studies had been completed on only 17,750 hectares. These surveys were of little, if any, use in executing the land reform program.

Notwithstanding the dearth of documented technical information, there was a generally adequate working knowledge of the relative productivities of lands in different producing areas, and of particular localities within the areas, based on tax records, rental rates, land sale values, crop specialization, and established reputation. Locality by locality, such other value factors as susceptibility to drouth, reliability of irrigation water supplies, soil salinity or drainage problems, etc., also were well known.

This overall knowledge was sufficient to enable the Land Reform Organization to establish differential land value ratings by area when expropriation was carried out and, later, to establish differential ceilings for hectarage of land authorized to be retained by landlords in the different areas.

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(31) Information for Soils Department, Irrigation Bongah, Ministry of Agriculture, Tehran, to author March 1961.

II. Pre-Reform Period

C. Land Resource Information

3. Identification And Titling

The cadastral information available in Iran before land distribution was sketchy, incomplete and uncoordinated. Existing surveys were of varying competence, but their chief shortcoming was that each was an independent unit survey, there being no national system of officially located and authorized geographic reference points to which they could be tied. Reference points actually used were local landmarks, often of ambiguous location or identity. Overlaps and omissions of area on supposedly adjoining surveys were common. A government survey started in 1926 was never finished (20, p. 183).

The seriousness of the defects of this unconformed system was reflected in a 1959 request of the Ministry of Justice for AID Mission assistance in performing a reliable and systematic national cadastral survey, when the Minister stated that 50% of the time of the entire staff of the Ministry was taken up with land title litigation (29)

The existing surveys showed the outlines and approximate total area of each registered ownership, but not the internal subdivisions. The approach used to circumvent this deficiency in identifying the individual plots allotted to tenant farmers in the land distribution is discussed in III-D-5.

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(29) Platt, Kenneth B. "Some Policy Problems In Iranian Land Reform - A Functional Appraisal" AID/Iran Staff Paper Tehran, 6/65 p. 13

II. Pre-Reform Period

D. Rural Production And Productivity

In the decade before land reform, Iran shifted from an export to a deficit position in production of wheat, its principal food crop. Yields of all crops were extremely low, reflecting not only the primitive and inefficient tillage practices, but also poor seed, low fertilizer use, lack of weed, pest and disease control, mismanaged irrigation, and field losses sustained in harvesting. The national average wheat yield for the 1943-1947 period was 13.3 bushels per acre, including irrigated lands (17). Christjanson in 1960 noted wheat yields "in the neighborhood of 10 bushels per acre under irrigation." (18) Sugarbeet yields averaging only 6 metric tons per acre for the whole producing area of one sugar mill were reported to the author in 1959 and 1960. A generally low state of soil fertility prevailed, due to the practice of removing from the fields all crop residues and all cattle and horse manures to use for fuel.

It was commonly said in the drouth-fringe areas of the western and southern provinces that farmers could expect to lose their wheat seed one year out of five, barely get it back one year, and obtain yields of 3 to 5 times their seed in the other three years. Lambton (20, p. 277) reports a seeding rate of about 330 lb. per acre on irrigated land in a village of central Iran, with a return of 7 to 1. This reference also gives a detailed list of yield-to-seed ratios from 49 locations, of which 16 are as low as

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(17) Hadary, Gideon, and Karim Sai Handbook Of Agricultural Statistics Of Iran American Embassy, Tehran, January 1949 p.10

4 or 5 to 1 and only 6 are above 20 to 1, on irrigated land. (20, p. 364-5) Comparable figures in U.S. practice are seeding rates of 45 to 75 lb. per acre and yields of from 20-100 to 1 on dryfarm land, and 75-150 to 1 under irrigation.

West in 1958 reported index figures of total agricultural production showing an average annual growth rate of 1.6% over the 20-year period 1935-39 through 1956. (35, p. 7) FAO Production Yearbook Volume 22, or 1968, presents index numbers of food production reflecting an annual increase of nearly 4.0% for the 1952-61 period.

## II. Pre-Reform Period

### E. Rural Population, Employment And Unemployment

The population of Iran still is predominately rural and agricultural, but the balance has been shifting rapidly toward the urban side over the past three decades. The following table summarizes representative figures:

Year	Rural-Urban Population Balances In Iran				
	Total Production (thousands)	Rural Population (thousands)	Per Cent	Urban Population (thousands)	Per Cent
1940 (25, p. 3)	16,550	12,885	77.7	3,695	22.3
1960 (18)	22,256	14,600	65.6	7,656	34.4
1967 (18)	24,590	15,000	61.0	9,590	39.0

a/ Centers of over 6,000 population

Labor force distribution between agricultural and non-agricultural showed a lower preponderance on the agricultural side, but about the same rate of shift. The figures for labor distribution are:

(18) Khatibi, Nostratollah "An Analysis Of Iranian Agricultural Production, 1960-66" CENTO Conference On National And Regional Agricultural Development Policy Istanbul, 9/67

Year	Iranian Labor Force Distribution			
	Agricultural		Non-Agricultural	
	Number (thousands)	Percent	Number (thousands)	Percent
1956 (19)	3,324	53.8	1,762	46.2
1956 (18, p. 64)		56.0		44.0
1966 (18, p. 64)		47.6		52.4

In the late 1950s underemployment in Iranian agriculture was commonly estimated at around 50%, on the premise that half the total agricultural population could be removed without reducing agricultural production and without requiring offsetting inputs of labor-saving equipment or of production-raising elements such as fertilizer and improved seed (28, p. 11). Actually, much of this underemployment was seasonal, and there were other seasons when nearly all available labor was employed, though the off-season periods of idleness were not less severe because of this.

## II. Pre-Reform Period

### F. Income Distribution

Estimates of farm income in Iran before 1962 are based on much presumptive evidence and not a little sheer guesswork, notwithstanding the agricultural census of 1960. Consequently the estimates cover a wide range. Christjanson (11) mentioned "an estimated per capita farm income of about \$100 per year, - -". Dr. Arsanjani stated: (6)

"The Iranian peasant does not make, on the average, more than \$100 a year. It is by no means the value of the peasant's work which amounts to \$100. What he earns may be three to four times that sum, but the landowner, peddler, and broker exploit him and leave but very little for him. . ."

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(19) "Labor Conditions In Iran" Labor Digest, No. 32 3/63

(6) Arsanjani, Dr. Hassan "Implementation Of Iran's Land Reform Program" Tehran, March 1962 p. 11

Gittinger, (16) after two years of close study of the agricultural economy of Iran estimated that: "On the average each cultivator's family earns a gross annual income of around \$250, or roughly a per capita income of \$50- --." This figure checks closely with a later one of about \$65 per capita which was current in Iran in 1964-65, in the author's observation.

Most farm income was from crops, with livestock keeping other than for draft and burden being discouraged by landlords. The customary land rent was a crop share. Shares were based in a general way on the five elements of production: Land, water, seed, draft power and labor. In theory each of these elements received an equal share, but in practice there were wide variations, for which the reader is referred to Lambton's detailed coverage. (20, pp. 306-29) In most areas the landlord furnished at least the land and the water, for which he got 40% of the crop. Quite often he also furnished the seed or the draft power, and thus took another share. Where the tenant was able to supply only his labor, his share was only 20% of the crop. On dryfarm land the landlord commonly received only 20%, and sometimes as little as 10% of the crop.

For most perishables, a value share in cash was required. In some areas the tenants got as much as 3/4 of wheat and barley crops where they furnished both seed and draft power. In rice production tenants commonly

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(16) Gittinger, J. Price Planning For Agricultural Development: The Iranian Experience

got from  $\frac{1}{2}$  to  $\frac{2}{3}$  of the crop if payment was by shares; in the Caspian area assured water supplies enabled fixed rents of either cash or kind to be set.

In addition to the crop shares or values paid for the landowner's production inputs, the tenant also commonly was obliged to deliver these shares to the village granaries. In many localities landlords required a quota of contributed labor from tenants, and in Sistan a heavy labor levy was made to maintain the public canals. Where tenants kept livestock, annual dues of fixed quantities of products might be levied. Various annual or special occasions such as the New Year, a marriage or a birth in the landlord's family, etc., called for substantial gifts from tenants.

The distribution of land income between landlord and tenant in pre-reform times was not necessarily distorted in favor of the owner, but the combined sum of rents, credit costs, special levies, etc., when applied to the meager gross income of the tenant from his small and obsolete operations, simply did not afford him an acceptable economic margin above subsistence. The small added income eked out from incidental handicrafts such as rug weaving, wood carving, etc., which also were at subsistence levels of return, did not materially affect this position.

## II. Pre-Reform Period

### G. Supplementary Services And Supplies

#### 1. Information

Agricultural research and extension, other than veterinary and related biological research, had only rudimentary beginnings in Iran prior

to their promotion under the AID Mission program which began in 1951. The Iranian Agricultural Extension Service was launched in 1953 with 10 provincial supervisors, 10 provincial extension specialists, and 120 local agents. (23) By 1961 the Service had grown to a total staff having more than 600 agents in contact with farmers.

Up to that time there were still many problems in making the Service effective, including a severe shortage of transportation at field level. Much additional training of agents, especially in practical information directly useful to farmers, was needed. The philosophy of extending a service to rural people instead of ordering or condescending to them had only very weak roots. The agent-farmer ratio of roughly 1 to 5,000 was so wide that only a small fraction of the farm technology information need was being met.

The Iranian Extension Service had also an inherent handicap in the generally urban-oriented background of its staff. The entire enrollment of the agricultural college was drawn from urban centers. The practical agricultural training included in the college curriculum was both too little and too late to materially change the urban outlook of the student, particularly because actual feet-in-the-dirt farming was viewed in the Iranian culture as the most menial of occupations. The Extension agents drawn from the college, therefore, were unable to "speak the language" of

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(23) Nichols, Andrew J., "Development Of The Agricultural Extension Service", AID/Iran Mission Staff Paper 5/57

the farmer, and were likely to be scoffed at and embarrassed in their work. Not surprisingly in these circumstances, many focused their efforts more on getting transferred to an urban post than on helping peasant farmers learn how to use new production methods.

There was in this situation a strong pressure for the extension agents to work primarily with or through landlords. The predominance of tenancy and the predominant holding of the better lands by large owners added to this pressure. Main emphasis was on contacts with village groups, with maximum use of audiovisual materials to offset the 85% illiteracy rate. Most villages also had central radio reception which was used to advantage. Printed materials were mostly poster-type displays. Newspaper distribution was not applicable.

It is a tribute to the leadership of the agency, and to the new spirit with which the staff were untiringly imbued, to note that despite all handicaps a substantial number of capable and dedicated extension agents emerged.

Veterinary and biological research at the Razi Institute was well established before the arrival of AID, and continued to be performed at a high level of competence. Plant science research connected with the Agricultural College had produced few significant findings before AID arrival. With AID assistance, research was expanded in plant breeding, seed improvement, variety testing, disease control, fertilizer response, irrigation methods, etc.

The AID/Iran program financed training in the U.S. for 256 Ministry of Agriculture and Agricultural College staff members in the fields of agricultural research and extension and agricultural cooperatives, in the decade of its operations before land reform. In addition, an advisory team from Utah State University was maintained in residence at the College for some 8 years. Through these assistance inputs a large proportion of the personnel of both the Ministry, the College, and the Agricultural Bank, as well as most graduates of the College over this period, had the benefit of at least an exposure to new findings and methods in agriculture.

## II. Pre-Reform Period

### G. Supplementary Services And Supplies

#### 2. Credit

The Agricultural Bank of Iran had its beginnings in 1930, and in 1953 was established as a separate institution, with authorized capital of 1,500 million rials. (1) A government revaluation of its monetary reserves in 1958 provided an additional 3,500 million rials for the Bank, giving it total assets in 1960 of about \$65,000,000 equivalent.

The Bank's responsibilities included loans to agricultural cooperatives at 3% interest for relending to members at 6% interest. Direct loans drew 6% interest, plus an additional 3% penalty charge on overdue loans. By 1961 there were 711 co-operatives with an aggregate membership of 293,140 and share capital of 151 million rials (\$1,987,000). (18, p. 66)

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(1) Ahari, Hossein, and V. Webster Johnson The Agricultural Bank Of Iran In An Expanding Economy Kayhan Press, Tehran 6/61 p. 25

In 1961 the authorized capital of the Bank was doubled to 10 billion rials (\$131.6 million), of which 48% had been paid in (32). At that time it was noted that:

"Although, according to estimates, 45% of total national income comes from agriculture - - - nevertheless not more than 6 to 10% of institutional credits are allocated to agriculture. - - Non-institutional credit sources are supplying 90% of the credit of agriculture. Private moneylenders, the major short-term source, charge interest rates of 120% to 150%."

Other agricultural credit sources mentioned in this report were landlords - "some good, some ruinous;" rural cooperative shareholder funds (minor); government agencies like the tobacco, cotton and sugarbeet bongahs;\* and the Agricultural Machinery Development Department. The last-named source subsidized farm machinery imports, and up to March 1961 was reported to have brought in 5,841 tractors, 938 combines, and 10,040 sets of other equipment. The 1960 loan status of the Bank was reported as:

Size Of Loan	No. Of Loans	Per Cent	Amount Loaned (thousands Rials)	Per Cent Of Total
Under 100,000 Rls (\$1316)	33,245	94	803,916	62 (49.6) <sub>a/</sub>
Under 200,000 "			1,363,396 <sub>a/</sub>	78
200,000 & over "			356,342 <sub>a/</sub>	22 <sub>a/</sub>
Total loans			1,619,730	100

a/ Computed by author

While the above table is incomplete and internally inconsistent, it does show that somewhat less than 6% of the borrowers received 22% of the total funds reported loaned.

(32) "The Agricultural Credit System Of Iran" Mimeographed report, undated and unidentified, but evidently issued in 1962.

\* A bongah is a semi-autonomous government agency, generally authorized to generate and expend its own funds, not depending on annual appropriations.

In a report analysing the Bank's operations in 1961, Wilkey (36) commented on the small-loan program:

"So our present status is that the Bank has learned how to loan and collect with the rank and file Iranian farmer approximately that small amount which has ordinarily been provided (at high cost) by the village moneylender - -."

As of June 1961 there were 95 branch offices (1, p. 26) of the Bank covering all provincial capitals and most county-equivalent centers. Bank service to small borrowers was improved in 1959 with institution of a supervised credit program through the cooperatives with emphasis on in-kind loans of fertilizers, seed, etc., for which the Bank fielded a staff of 80 supervisors with jeeps. (1, p. 52) In 1960, 70% of the 156,984 loans made were to co-operatives. (1, p. 33)

The foregoing review indicates that a) only a small fraction of farmers' credit needs were being met by institutional sources in the pre-reform period, b) the Agricultural Bank small loan program had proved the feasibility of institutional loans for subsistence needs but contributed very little to agricultural production, and c) the cost of credit at non-institutional sources was so high as to preclude borrowing more than token amounts for production purposes. In short, the credit system functioned to only a very small degree to increase agricultural production, and such contribution as it made was almost entirely through large landowners.

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(36) Wilkey, John J. "Contribution Of The Agricultural Bank To Land Distribution" AID/Iran Mission staff paper, Tehran, 3/61

II. Pre-Reform Period

G. Supplementary Services And Supplies

3. Supplies

A system of seed multiplication and livestock increase stations was established in the 1950s under the Ministry of Agriculture to get improved genetic stocks into use by farmers as rapidly as possible. Unfortunately, an Iranian budgetary requirement that each such station support itself, put pressure on the stations to demand premium prices, and thus greatly restricted the general distribution of the improved stocks.

Commercial fertilizers came into use in significant quantities only shortly before land reform. Arsanjani (6, p. 11) remarked in 1962: "Up to five years ago the amount of chemical fertilizers used was 20 tons per year; now it is 30,000 tons."

Pesticides had been introduced in significant quantity only recently also, under stimulus of the AID program. Manufacture of pesticides in Iran, mostly arsenicals, was started in 1930 but stood at only 123 tons in 1947. (17, p. 95)

Farm machinery imports went through several unsuccessful starts in the post-WW II period as dealerships in various American and European lines foundered on the rocks of the quick-return demands of Iranian investors, because they were not floated on enough depth of financing and manufacturer-commitment. Within Iran these failures resulted in an equal number of "orphaned" equipment lines for which repair parts no longer could be obtained.

To overcome these difficulties the Agricultural Machinery Development Department was set up. In the case of fertilizers and pesticides, a Chemical Bongah was created. Both these agencies dealt almost exclusively with large landowners, having no facilities for handling the financing and distribution needs of small users.

A relatively few of the Agricultural Bank cooperatives began about 1961 to distribute small amounts of fertilizers, insecticides, improved seeds and other supplies as in-kind loans.

## II. Pre-Reform Period

### G. Supplementary Services And Supplies

#### 4. Infrastructure

The land reform of Iran was a nation-wide program; the infrastructure elements relating to it, therefore, were nation-wide.

Although Reza Shah built a network of roads from Tehran to each of the provincial capitals and to various other principal centers, these roads remained slow routes, by modern standards, until they began to be asphalted in the early 1960s. A great many villages were accessible only by pack trails or cart roads.

Concerning conditions up to 1953, Lambton has written: (20, p. 380)

"Inadequate communications and costly means of transport greatly add to the peasant's costs of production and make it more difficult for him to do anything but sell his goods at the nearest market at whatever price is offered. . ."

The railway system began with a branch line out of Yerevan in Russian Azarbaijan to Tabriz in northwestern Iran, completed in 1916. The present main system was begun in 1927, completed from the Persian Gulf through Tehran to the Caspian by 1941, and from Tehran to Tabriz and Meshed by 1954. (37, p. 11) While serving well for movement of imports and exports, and for internal movement of large aggregates of products to urban centers, this system had little utility for the individual Iranian farmer.

The large number of ghanats constructed from ancient down to modern times (II-A) represented the principal irrigation resource development of Iran up to the time of reform. Despite the fact that streamflow diversions now serve a larger area than do ghanats, the far more difficult and costly ghanat development must stand as much the greater water resource development contribution in the pre-reform period. In terms of total irrigation development up to 1954, "Ghanats supply from 1/3 to 1/2 of the total irrigated area of Iran," according to an FAO study reported at that time.(2) The costs of further ghanat construction by then had risen to where such development had almost ceased. Rising costs of maintenance of existing ghanats, along with the growing disinclination of landlords to put their money into capital improvements of land had led to deterioration of many ghanats, and one of the most difficult problems faced in undertaking land reform was that of how these water systems were to be maintained after land distribution.

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(2) Alizadeh, Hassan, P. Seewald and A. J. Baker, Traditional Practices of Groundwater Supply For Irrigation In Iran, FAO, Tehran, November 1954, p. 4

II. Pre-Reform Period

G. Supplementary Services And Supplies

5. Crop Procurement And Marketing

Crop marketing in pre-reform Iran was unfavorable to the small farmer in every aspect. The difficulties of transportation noted in the preceding section could be elaborated at length. A great share of the total saleable farm produce started to market on the back of a donkey or camel and arrived in severely damaged condition, particularly fruits and garden produce marketed in summer.

Even where trucks had access, animal packing still was widely used for much non-perishable stuff. Truck rates, generally by load rather than by unit weight, were prohibitive for bulky items. The truck rate system also usually forced the small producer to sell to a local merchant who could aggregate enough produce to make up a truckload.

In Tehran, the market for fresh produce of all kinds was under tight control of a combine of powerful dealers, who did not hesitate to use violence against anyone not otherwise intimidated into selling through them. This group had representatives in outlying source points, where they pressured producers and local dealers to sell them at prices much farther below the Tehran market than transportation costs would justify.

The operations of the combine were facilitated by a government practice until after 1960 of collecting portal taxes on all goods moving into urban areas. The tax stations gave the combine an easy way to observe and identify each load of produce, note its origin and value, and follow it

to point of delivery if so desired. Official attempts to break this control had little effect. While the public markets, including some directly sponsored by the Shah, could offer better prices to producers, they could not protect them from reprisals.

Non-perishable items, though not so vulnerable to such tactics, were sold in a buyers' market for the most part. Even in years of short crops and high prices, the pervasive indebtedness of small farmers forced most of them to sell immediately upon harvest, when prices were lowest, if the crop was not already obligated by an advance at a still lower price. There was no general grain market such as operates in Western nations to establish a known central market price level. Rather, dealers' grain stocks were held in a multitude of small aggregations each operated as a monopoly holding, and each transaction in these stocks was an individual bargaining session. Illustrative of this process, in 1963 a team of Iranian government buyers required nearly 5 months to buy 6,000 tons of wheat for an A.I.D. exchange program, and often dealt for as little as 5 bags of wheat at a time.

The government operated a wheat procurement program to maintain a certain minimum stock for urban bread supplies, and for this purpose the supply agency was authorized to pay a specified price. The amounts of wheat bought and held in stock by this agency were kept secret to avoid revealing possible shortages that might lead to hoarding. Releases to millers at the authorized price were made whenever commercial dealer's

prices threatened to raise the price of bread unduly. The net effect of these operations was more to put a ceiling on commercial wheat prices than to put a floor under farm prices. In any case, the procurement agency ordinarily handled not more than 10% of the commercialized crop.

Marketing cooperatives were only beginning to be tried before reform, and had not been very successful. <sup>An exceptional one in the</sup> Varamin area near Tehran did very well for some years, but was destroyed from within by embezzlement. (21)

## II. Pre-Reform Period

### H. Peasant Associations And Power

#### 1. Co-ops And Other Associations

Besides the cooperatives already noted, mention may be made of these organized by the Shah's Development Bank in connection with distribution of the Crown Lands. As of June 1962 there were 156 of these cooperatives, 30 of which were reported to have received almost no funding. (30) Because it was unable to fund its co-operatives properly, the Development Bank at that time was trying to get the Agricultural Bank to take them over.

The history of agricultural co-operatives in Iran up to the time of land reform had been, on the whole, a discouraging one. Miss Lambton has summed up the Iranian experience to 1960. Noting that despite many obstacles some good work had been done, she concluded that: (21, p. 48)

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(21) Lambton, Ann K. S. The Persian Land Reform, 1962-1966  
Clarendon Press, Oxford, 1969 p. 47

(30) Platt, Kenneth B. "The Iranian Land Reform Program From June 30, 1961 To May 25, 1962" AID/Iran Mission staff paper. Tehran, 6/62 p. 22

"- - in the absence of a reform in tenure, the co-operative movement failed to make an impact on the countryside at large."

It is plain from the foregoing that the farmers' co-operatives were not strong enough to exert significant economic bargaining power before land reform, but most of the essentials that would have to be added for success in the future had been learned. There were no other farmers' organizations in Iran.

## II. Pre-Reform Period

### H. Peasant Associations And Power

#### 2. Political Power

As just noted, Iranian farmers in the pre-reform period were not strongly enough organized to exert noticeable political power. Being in the main illiterate, isolated by geography into scores of unamalgamated communities, suppressed and leaderless, they were too concerned with everyday survival problems to have time for much political thought. History perhaps overridingly impressed upon them that their present condition was the allotted fate of their class, time without end.

## III. Land Reform Program

### A. Legislation

The present Iranian land reform law began to take definite shape in the last half of 1959. In September of that year the Minister of Agriculture asked that the A.I.D. Mission prepare to assist on a confidential basis. The original Land Reform Law was passed by the Parliament in May 1960 was greatly watered down from the form prepared in the Ministry. It

limited land ownership to 400 hectares of irrigated land or 800 hectares of dryfarm land for any one individual, but allowed so many exceptions to these limits as to be almost meaningless. Although from the outset it was apparent that this law could not be effective even if enforced, the landlords used their influence to prevent its activation.

With the overthrow of the Eqbal administration in the spring of 1961 and the appointment of Dr. Hassan Arsanjani as Minister of Agriculture, concern for effective land reform action was revived. Within days after taking office Dr. Arsanjani called a conference of all principal Ministry staff officers to prepare recommended revision of the Land Reform Law, but their product likewise was considered unworkable, and no attempt was made to get it officially approved.

A more drastic revision was undertaken with the Ministry early in November 1961, following issuance of a special decree by the Shah instructing the Prime Minister to change the existing law as necessary to make it practical. This revision was completed in December, and took "a bold and practical new approach to the land reform needs of Iran," with the following key features:

- 1) Adoption of a one-village unit as the limit of land ownership, with elimination of most exceptions;
- 2) Inclusion of landlord-tenant regulations;
- 3) Inclusion of endowed lands under the Law;
- 4) The land distribution system was changed for one of calculated economic units to one of giving each recipient the land being farmed by him as a tenant at the time distribution was made effective for his area;

5) Membership in a co-operative was made a condition of eligibility to receive land;

6) The landlord advisory council system was abandoned, leaving the government the sole agency responsible for determination of policy and regulations under the law; and

7) The provision for joint responsibility of several ministries in carrying out the law was dropped, leaving the Ministry of Agriculture solely responsible.

In course of application the Law was clarified in many details by small modifications and the development of specific regulations. In a January 1963 amendment the ownership limit of one village was reduced to a specified hectarage which varied around the country in keeping with general levels of land productivity, as follows:

Rice land in Gilan and Mazandaran	20 ha. (49 acres)
Land in the environs of Tehran, Varamin, Demavand, Rey, Shemiran and Karaj	30 ha. (74 "
Land in the environs of the provincial capitals, except Kerman, Sanandaj and Zahidan	50 ha. (123.5 "
Land in the govenorates of Gorgan, Gonbad, the Moghan Steppe, and land other than rice land in Gilan and Mazandaran	40 ha. (98.8 "
Land in Khuzestan, Baluchistan and Sistan	150 ha. (370.6 "
Land in any other region	100 ha. (247 "

This new provision gave landlords three options applicable to their retainable lands:

1. Written 30-year leases payable in cash, based on average returns over the preceding three years, and subject to revision every five years;
2. Division of the land with the peasants in the same ratio as the customary crop sharing; and
3. Sale to tenants by mutual agreement.

When the activating regulations for this amendment were issued in July 1964, two more options had been added:

4. Formation of an "agricultural unit" by the landowner and tenants, to be operated jointly; and
5. Purchase by the landowner of the tenants' rights.

The reader is referred to Chapters 3 and 9 of Lambton's The Persian Land Reform, 1962-1966, (21) for a more detailed presentation of this legislation.

In December 1967 a third major legislative measure was passed, providing for the formation of Agricultural Joint Stock Companies, or corporation farms, to be operated by small-farmer groups under government supervision and with government financing. This legislation provided that such corporations might be formed wherever 51% of the landowners in a given area voted in favor of them. Once formed, the corporation was to operate for a trial period of 5 years, during which all farmers in the designated area would be required to participate. The law was intended primarily for irrigated lands, and the initial focus, at least, was to be on lands under government water development projects.

The most recent development, which came in October 1968, was an amendment ordering the conversion of all 30-year lease agreements to sales of the land to the leaseholder. The purchase price is specified as the equivalent of 12 years' rent. If peasant purchasers default, the government will reimburse the landlord with industrial notes, which may be used as credit establish small industries, to invest in government projects, or buy fallow or undeveloped land.

### III. Land Reform Program

#### B. Institutional Arrangements

To carry the land reform legislation into effect, a Land Reform Organization was created in the Ministry of Agriculture. This organization was given the necessary authority to survey and requisition lands, to make the initial 10% cash payment to landlords, to distribute the lands to tenant users, and to form cooperative organizations of the recipients as required by the law. Beginning with a core of about 40 (30, p.11), as land distribution work expanded, men and equipment were assigned from other activities of the Ministry to keep pace with the demand. For direction of the co-operative program, men were brought from the Agricultural Bank.

To draft the necessary regulations, settle questions of interpretation, set administrative policy for the Land Reform Organization, and to deal with administrative as distinct from operational problems, Article 7 of the Law provided for a Council for Land Reform. Besides the Minister of Agriculture as chairman, the Council included the Director of the LRO with the rank of an Under-secretary and four other high-ranking officers of the Ministry. Article 7 also gave the LRO Director the authority to set up a system of provincial offices to carry out the work of the Organization at that level.

The Land Reform Law provided for creation of a system of agrarian courts to assure proper observance of the articles covering landlord-tenant relations on lands not distributed. It specified the minimum rights

and obligations of both parties, with recognition of existing customary rights and relations as having force until ordered otherwise. The prospect was that, through the early years of the program at least, these courts would have special importance because the landlord-tenant relationship would continue to be dominant.

The designation of the Ministry of Agriculture as the only ministry responsible for carrying out the Land Reform Law had the effect of giving the reform program Cabinet-level support, although this support was far from unanimous (see Part III-H). Beyond this, however, the fact that the Law had come into effective being through direct instruction of the Shah to the Prime Minister assured the program of backing from the highest sources of power and authority.

### III. Land Reform Program

#### C. Program Objectives

As already seen, the land reform was part of a more general reform aimed at speeding up the social modernization and economic development of Iran. A carefully evolved concomitant, from the viewpoint of the Shah, was to shift the political support base for the Monarchy from the small traditional ruling classes to a broad spectrum of peasants, workers and other lower echelon elements of the population.

Speaking on the occasion of the first land distribution under the new law, the Shah sounded a more humanitarian note in stating the objectives of the reform: (6, pp. 5-7)

"As you may remember, I told the people who had come to meet me in Tehran following my return from a tour of Azarbaijan in 1946 that it was no glory for me to reign over a people who are poor and probably hungry. The strength of an order or a regime is dependent on the strength and power of the society. In a country where 75 percent of its inhabitants dwell in rural areas, surely the bulk of the monarch's responsibilities should be towards them. Therefore, the land reform law is designed to meet two major purposes:

"One is to establish social justice so that the 75 percent of the rural population of this country can enjoy decent living standards and be free to handle their own affairs. They should own the land that they are tilling, - - - -

"The other objective sought by the land reform law is to increase the nation's agricultural output. When a farmer works on the land which belongs to him, he will work several times harder and this will naturally tend to increase production...."

A broader program was outlined by the Shah in January 1963 as including:

1. Abolition of the existing landlord-tenant regime;
2. Sale of government enterprises to the landlords in exchange for their lands;
3. Creation of a literacy crops to carry basic education to the rural masses;
4. Nationalization of forest lands;
5. Profit sharing for workers in privately owned factories; and
6. Reform of the electoral law.

So far as Dr. Arsanjani was concerned the land reform was intended to break the power of the landlord class and bring social justice and economic betterment to the tenants on their lands. He visualized it as doing away with crop-share tenancy and with the traditional landlord-tenant relationship, which he viewed as the primary obstacle to the welfare of the

small-farmer class. Once in position to reap the full fruits of his labor and enterprise through land ownership, the tenant farmer would be greatly benefited, Arsanjani believed. (6, p. 12)

There were only vague advance measures of the amount of land that would be affected by the one-village ownership limitation. The expropriation surveys revealed a much smaller extent of very large estates than had been commonly supposed to exist. The final outcome as reflected in officially reported figures was a transfer of ownership to about 1/5 of the tenants of Iran.

No specific objective in production increases was stated. From a farm management standpoint there was no reason to expect production to fall, since land ownership distribution disturbed the use pattern of the land holdings very little.

There was no expectation that land reform could be used to increase employment in agriculture, at least in the short run. Experience in the distribution of the Crown Lands had shown that it was a mistake to divide out the available lands to all village families dependent upon agriculture, as this made the ownerships too small. There were both many landless laborers and not a few of a special class called gavbands who furnished plowing service to tenants who owned no draft animals. Where there was no idle land in a village that could be allotted to such persons, they were sometimes left out of the distribution.

The land reform co-operatives were expected to provide better services of credit and production supplies than had been obtained under landlords. Likewise, it was expected that these societies would give the small farmers an effective voice in the planning and execution of community programs for agricultural improvement, for maintenance and management of water resources, for more advantageous marketing of farm products, etc. This participation in turn was expected to upgrade the farmer's position within the village by reducing or ending his dependence on the moneylenders and his disadvantage in dealing with local merchants.

III. Land Reform Program

D. Program Implementation And Enforcement

1. Redistribution Of Land Ownership

Initially the land reform program was aimed at breaking up the big private estates. One owner had boasted in the Majlis that he owned a bigger area than Switzerland. Such owners held virtual powers of life and death over their tenants. The first aim was to dissolve this personal power position based on excessive land holdings.

At the same time, the economic and social undesirability of the very large aggregate of lands endowed for support of religious shrines or for benefit of private beneficiaries was recognized. The endowments themselves were in perpetuity, so posed special problems for distribution. These were solved first by authorizing commitment of endowed lands to essentially permanent tenure under 99-year leases. Later, recourse was

had to an interpretation of the law permitting exchange of such properties for more valuable properties elsewhere. The agricultural lands were then resold to tenant farmers in the same manner as were private lands.

The large aggregate of State Domain lands was under distribution before the 1962 Land Reform Law was passed, (II-B), and completion of this distribution was expedited under administration of the Land Reform Organization.

The land units adopted represent a unique and practical solution to the usually thorny problem of defining economic units of agricultural land. Each tenant was simply made the owner of the land he was using. There was a long-established custom among landlords of allotting their lands in plow-land units, i.e., the amount of land that could be farmed with one pair of oxen. These units tended to be of fairly uniform size because of the tenant-rotation practice (II-B-1), with allowance for larger units of poorer lands, and vice versa. Farmers too poor to have acquired a pair of oxen might own one ox or a pair of donkeys, and farm the amount of land fitted to this scale of draft power. Thus the distribution system gave to each man a unit of land generally fitted to his means and management capabilities, to the prevailing local culture, and the prevailing level of land productivity.

This distribution system involved almost no shifting of the rural population. Local adaptations were made as appropriate, with some villages being distributed to groups of tenants who then divided the land among

themselves (21, pp. 131-33), and with landless laborers and others occasionally being given land where the established units were large enough to allow some reduction, or where idle land could be distributed. There was, therefore, no material change in the total number of farmers, but a significant change in the number of land owners. The following figures supplied by Khatibi (18, p. 85) summarize the extent of this change up through 1966:

Number of villages purchased	14,834 *
Number of farm families made landowners	587,566
Value of lands - 8,879 million rials	(\$11,824,000)

\* Representing approximately 3,000 whole villages and the balance part villages, and probably less than 2,500 total ownerships (author's estimate).

### III. Land Reform Program

#### D. Program Implementation And Enforcement

##### 2. Changes In Tenancy System

Article 20 of the 1962 law laid down the respective duties of landlords and tenants for the whole country, in considerable detail. These specifications in general confirmed the customary responsibilities rather than changing them, and their chief merit was in making these duties enforceable by law. Particular attention was given to responsibilities for maintenance of irrigation systems and provision of seeds, two of the most critical aspects of Iranian farming.

In Article 1 of the Additional Articles laid down in January 1963 the option given landlords to continue letting their retained lands under tenancy was conditioned on doing so under 30-year written lease agreements

with the tenants. The LRO was to draw up the conditions of tenancy. Fixed cash rents were required, but with the provision that these could be converted to in-kind payments by mutual agreement. The level of rent was to equal the average net income due the landlord over the last three years.

The most significant new aspect of the tenancy situation brought about by the land reform was that tenancy now was only one of 5 options under which peasant land use rights could be set up. (Part III-A) Each such option had special advantages for particular conditions of land use. By and large selections made were rational for the peasants in the circumstances affecting them.

In Gilan, where water supply was fully assured, long term leases were followed exclusively; in Kerman, where the opposite was true, group farming was selected 13 to 1 over the fixed price leases. Over the country as a whole the leasing option outweighed all others by more than 3 to 1, but it is significant that, up to 1966, some 277,208 individual farmers had agreed to other options than leasing. These and other figures, by provinces, are presented in detail by Lambton (21, p. 221), whose summary figures on tenancy evolution under reform, as obtained from the LRO, have been adapted as follows:

Distribution Of Tenure Options Used Under 2nd Stage Land Reform  
Through February 1966

<u>Type of Property</u> <u>And Form of Tenure</u>	<u>No. of</u> <u>Properties</u>	<u>Percentage of</u> <u>Total Properties</u>	<u>Number of</u> <u>Holderes</u>	<u>Percentage in</u> <u>This Form Tenure</u>
<u>Endowed Lands</u> (99-yr. leases)	11,200	a/	105,735	a/
<u>Private Estates</u> 30-year leases	129,648	72.9	885,372	76.1
Sale to tenants	2,405	1.3	25,877	2.2
Sale to owners	15,024	8.3	15,805	1.4
Land divided on crop-share basis	9,440	5.2	103,849	8.9
Owner-tenant group farming unit	<u>21,959</u>	<u>12.3</u>	<u>132,677</u>	<u>11.4</u>
Totals b/	<u>189,676</u>	<u>100.0</u>	<u>1,265,315</u>	<u>100.0</u>

a/ Not included because no other option than 99-year lease was available

b/ Computed by author

Reporting in September 1967, Khatibi (18, p. 85) gives the following related figures:

202,359 properties leased; 1,076,775 leaseholders (presumably including endowed lands)  
3,220 landowners sold to tenants; 45,985 peasant buyers  
4,392 properties tenant rights sold to owners; 14, 187 sellers  
7,346 properties jointly operated (no figure on number of participating farmers)  
No figures on crop-share land division.

Full replacement of tenancy with ownership was the goal of Dr. Arsanjani at the outset of land reform. The "second stage" tenure adjustment phase to which the above figures apply represented a pullback from that goal, and various commentators have regarded this as a regression in the effectiveness of the reform. (34, p. 130; 21, p. 215) Now

that further legislation has been enacted to convert all leaseholds to ownerships, we must conclude that, if the government at large did not at first share Dr. Arsanjani's view, it has now come to share it.

III. Land Reform Program

D. Program Implementation And Enforcement

3. Colonization

There are no lands in Iran suitable for development under a colonization approach.

III. Land Reform Program

D. Program Implementation And Enforcement

4. Consolidation And Enclosure

A problem of consolidation of land use rights exists in large tribal areas, but the prospects are that this will be worked out within the tribal groups themselves, in response to evolving economic pressures, to a greater extent than by government action. Here the problems are those of consolidation in the sense of determining boundaries and fixing rights of possession and use. The examples of change in tenure structure mentioned in II-B-2 are illustrative. In the Moghan Steppe at the northernmost part of Iran, an area of perhaps 150,000 hectares was under rapid conversion to dryfarm small grain production in the first half of the 1960s. This area had been part of the traditional winter and early spring grazing grounds for more than a million head of sheep, goats, camels, donkeys and horses of the Shahsavan Tribe. Tribal custom had been to allot grazing use rights down to family areas of customary use, with each family

ultimately getting its proportionate share. In the grain growing development, however, the more powerful leaders were claiming much more than their customary areas, and the prospect was that these claims might prove irreversible under applicable Iranian land law.

The Shahsavan problem is compounded by the fact that the wheat culture does not provide forage resources sufficient to offset those lost by the plowing of these principal pasture lands. This already has forced earlier migrations to the intermediate and summer ranges, which are bound to be overgrazed. It is not seen how the present land reform legislation can ameliorate this problem. This and the problems of settling the Bakhtiari, Boyar Ahmadi, and other tribes of the Zagros Mountains of the south probably must await some future program of tenure stabilization.

Within the settled areas consolidation in the sense of assembling scattered parcels into solid ownership is needed. Lambton offers the following observations and suggestions: (21, p. 350)

"Allied to the questions of the minimum holding is the consolidation of individual peasant holdings. The land reform in the first instance wisely did as little as possible to upset the field layout of the village lands. The peasant holding normally consists of several plots of land situated in different parts of the village. The quality of the land and the availability of water usually vary greatly. Compulsory consolidation would have aroused opposition and hostility among the peasants. There are, however, exceptions. In a few villages consolidation, complete or limited, has been carried out since land reform, but such action is rare. Clearly consolidation must eventually come, but to force it on a reluctant peasantry where there is, in general, no shortage of labor would seem unwise. In due course, with the spread of mechanization, increased use of fertilizers, and better irrigation, the advantages of consolidation will become apparent. The demand for it among the peasants will then, in all probability, spread."

### III. Land Reform Program

#### D. Program Implementation And Enforcement

##### 5. Classification, Identification and Titling

The absence of usable cadastral surveys and reliable land titles in Iran has been mentioned in II-C-3. To overcome this deficiency, the Land Reform Organization followed the time-honored Iranian course of accepting the testimony of adjoining (or neighboring) landowners, along with such title documents as were available, in corroborating ownership claims. Where no title documents could be produced, or the title was unsettled, land distribution was held up until these matters could be cleared.

Within a given estate for which title was established, the need for cadastral surveys by which to distribute the land to tenants was circumvented by a) allotting to each eligible recipient the land then held by him as a tenant, and b) confirming his claim and the boundaries of its various parcels by the testimony of adjoining land users and of the village elders.

This approach to determination and identification of distribution allotments was one of the most important elements in the early success of the program. It permitted immediate delivery of land possession to the recipient, without time loss for performance of surveys; it involved the villagers themselves directly and immediately in a vital step of the reform process; and it avoided large costs at a time when funds were not available for surveys. Dr. Arsanjani, put the matter in these words:

(6, pp. 18-20)

"1. The villages of Iran are usually landlord estates where for hundreds of years the lands have been divided into equal plots according to local practices and relation to the volume of available water supplies.... These peasants are, thus, very well acquainted with the land.

"2. In the enforcement of Land Reform, it has been my view that the farming order must not be disturbed and the peasant must continue to work on the same land that he has previously been working on....

"3. According to experience with Crown Lands cadastral surveys, the cost of survey on agricultural lands in Iran will be 400 Rials per hectare, and for 18 million hectares would amount to 7,200 million rials or \$100 million. There is no source in Iran which could provide this sum for us. Besides,---compared to the 250 thousand hectares of Crown Lands which took 10 years to be surveyed, no matter how well equipped our surveys might be, it would take at least 30 years to complete them.

"4. Thus, application of local practices has saved us \$100 million of money and 30 years of time..."

There are serious limitations of this approach for the long-term consolidation of land reform, which are discussed in Part V, below.

### III. Land Reform Program

#### E. Financial Aspects

##### 1. Valuation Procedures

The valuation procedure applied to expropriated land was tied to the level of taxes paid by the owner before the Land Reform Law was passed. Other factors included kind of crops raised, crop-sharing ratio, whether the land was irrigated or dryfarm, distance from main highways and principal markets, etc. These combined factors resulted in areas coefficients above and below 100 which were applied with the tax rate to determine the land price.

In principle the procedure was relatively simple, practical and unbiased. In practice it proved highly flexible in dealing with recalcitrant landlords and encouraging cooperative ones. Overall it yielded prices far below fair market value. For example, the reported price of 84 million rials paid for the first 40 villages distributed at Maragheh, one of the better areas of Iran, reflected estimated per acre prices ranging from \$8 to \$13 for dryfarm land and \$40 to \$53 for irrigated land. These prices were about 1/3 to 1/5 the level reflected in State Domain land distribution sales. (30, p. 19)

What alternative valuation approaches may have been considered is not known to this writer. The uphill battle required to get land reform approved at all in the face of strong landlord opposition and an uncertain balance of support within the government, would seem to preclude any serious consideration of possible outright confiscation, which would have crystallized the opposition and almost certainly have toppled the government.

Almost certainly considered was the fact that a substantial share of the fair market value of most landlord lands rightly belonged to the tenants, as capitalization of returns reflecting large increments of underpaid labor and other exploitation.

III. Land Reform Program  
E. Financial Aspects  
2. Program Financing  
a. Landowner Compensation

The Land Reform Law provided for cash payment to owners of 1/10 (later 1/15) of the determined land value upon its expropriation, and the balance in 9 equal annual installments (later 14) in non-negotiable state bonds bearing 6% interest on the outstanding balance. There were numerous early efforts by landowners to hold out for better terms. These efforts were successfully countered by Dr. Arsanjani in a rapid-fire publicity campaign in which the protesters were brusquely handled and made to appear as opponents to agricultural modernization and national progress.

No protection against inflation was given on the compensation bonds. In principle the landowners were protected against non-payment in that they were paid directly by the government rather than by the peasant land buyers. The government based its issuance of the bonds upon peasant land payments received by the Agricultural Bank, with the provision that the Central Bank was to advance the difference necessary to keep payments to landowners up to date if peasant payments fell behind. In practice peasant payments did fall substantially behind, and Central Bank action to fund the difference was slow. Landowners therefore were subject to at least part of the lag in peasant payments.

The compensation bonds were applicable for payment of taxes and purchase of new lands for development, but principal government effort was

made to attract them into purchase of shares in a Government Factories Corporation. Up through 1965, at least, this effort was almost totally fruitless, largely because the corporation properties were much overvalued, and the corporation itself unmanageable within the capabilities of the landowners.

III. Land Reform Program

E. Financial Aspects

2. Program Financing

b. Peasant Repayment

The full cost of the expropriation purchase price of lands, plus a 10% administrative charge, were passed on to the peasant purchasers. The manner of distribution did not involve any settlement costs. No crop purchase program was undertaken, as no change in the cropping system and no pioneering of new crops were involved. No specific provision concerning taxes was made in the reform law, and no mention of taxes appears in the literature. It is presumed that the same land and/or product taxes formerly paid by landlords are continued by the peasants.

The payment of land costs for the peasants by the government, subject to recovery from later peasant land payments, may be regarded as a credit arrangement. In some cases the tenants were able to buy the land outright. Lags in land payments up to 1966 were due more to shortage of officials to make the collections than to peasant inability or reluctance to pay, Lambton found. (21, p. 135) In nearly all cases the payments are less than the former rents. (21, p. 192)

III. Land Reform Program  
E. Financial Aspects  
2. Program Financing  
c. Government Expenditures

The major costs of the land reform to the government were the cost of acquisition of the land and of administering the acquisition and distribution program. In the absence of cadastral surveys, administrative costs were relatively low, probably not more than one man day per distributed land allotment.

The cost of land acquisition was, in the end, the cost of carrying the acquisition expenditures from the time the land was paid for until the peasant land payments reimbursed these expenditures. This cost, namely 6% interest on outstanding acquisition debt, probably was not recovered in the 10% administrative charge to peasants, and it was not passed on to the peasants, whose purchases were interest-free. As of September 1967 the reported total acquisition cost was 8,879 million rials (\$116,824,000). (18, p. 85)

The uneven pace at which lands were distributed over the 1962-67 period makes it impossible to calculate the net carrying cost of this sum. Definitive figures on this point have not been published, but the summary figures furnished Lambton (21, p. 121) by the Land Reform Organization for the period up to 17 February 1966 show that payments at that time had liquidated 28.8% of the total acquisition cost. This presumably was partly because villages below a certain size were paid for in full at time of

acquisition and partly because of advance liquidation of compensation bonds at discount rates. If we apply this percentage to the above total acquisition cost it is seen that the balance subject to carrying costs is only some \$82,442,000.

The fact that these costs are distributed over a 10 to 15-year payoff period, and that a substantial portion of the total is met by transfer of shares in government properties already paid for with development funds before land reform started, greatly reduces the burden of the outlay. In terms of a national program, in a country now enjoying an inflow of essentially free oil revenues of more than \$1,000 million a year, we may conclude that these costs are not burdensome.

The prospective costs of acquiring the land under the 885,372 leaseholds outstanding at that time (III-D-2) would be about double this amount, since the above costs covered 431,743 distributed farm allotments. However, it appears the government costs in this transfer will be only administrative cost plus making good to landlords on tenant delinquencies in paying their annual installments.

### III. Land Reform Program

#### F. Supplementary Measures

A special effort was made to support the distributed villages with extra attention to extension and credit needs. To this end, an increasing number of extension agents were assigned to work in or with the LRO, to

the extent that much of the previous extension program came to a halt for the most of a year. The contribution these agents were able to make at village level is problematical, since up to that time most of them were new in the work, but they undoubtedly were beneficial in arousing farmers' interest in improved production practices, in helping them obtain better seeds, more fertilizers, etc.

The whole land reform effort was launched under such urgency that there was no time for advance programming, cost estimating, etc., for these support measures; therefore no comparisons between proposed and actual programs can be made.

### III. Land Reform Program

#### F. Supplementary Measures

##### 1. Information

While there was not time for upgrading the quality of extension services in the opening years of land reform, the existing extension staff was utilized in land reform support on a first-priority basis. In 1965, a new supplementary Extension Corps was created, utilizing young men in military service to expand the extension coverage. The effectiveness of this Corps has been rated as marginal by Lambton (21, p. 350). Ladejinsky at the end of 1966 noted that there were about 1,000 regular Extension Service agents for 45,000 to 50,000 villages, and commented that experience elsewhere had shown that a ratio of 1 agent per 100 farmers was the maximum for good service. It was also his appraisal that the Iranian Extension

Service needed more and better training, with less focus on philosophy and more on practical applications. (22)

Because of the thin coverage of extension agents, credit agents from the Agricultural Bank also were used to carry information to the distributed villages. Dr. V. Webster Johnson, former AID advisor to the Agricultural Bank of Iran, and long-time worker in agricultural development programs in many Asian and Latin American countries, has expressed the opinion that credit agents generally are more effective than extension agents in introducing improved production practices, because of their responsibility for supervising and assuring the best use of money loaned.\* There can be no doubt that credit agents have been a strong force on this front in Iran.

III. Land Reform Program  
F. Supplementary Measures  
2. Credit

The pre-reform credit situation has been noted in II-G-2. The mode and level of institutional credit provision immediately after land distribution fell into much the same pattern. However, a new emphasis was placed on making and supervising small production loans through the cooperatives, and a larger share of the total resources of the Agricultural Bank was allocated to this use. This was essential because former private sources sharply reduced their credits to the land recipients immediately after distribution.

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(22) Ladejinsky, Wolf, Report of 12/31/66 to Prime Minister Amir Abbas Hoveyda, Tehran.

\* Information to the author.

Concerning this development, Khatibi states: (18, p. 73)

"The Agricultural Bank over this period [1960-65] has improved its personnel, and expanded its network and activities to different parts of the country. The capital of the Agricultural Bank has been increased by 200 percent. Contrary to the period before 1960 when most of the credit was given to the large landlords who spent it on non-agricultural activities, since the implementation of the Land Reform Law an average of 85 percent of the loans have been used as short-term credit to enable the farmers to provide their farms with essential materials."

The following table shows the distribution of uses of agricultural credit extended by the Bank over the 1960-65 period, as presented by Khatibi:

<u>Distribution Of Agricultural Bank Credit By Type Of Use</u> (1960-65 Millions of Rials)						
<u>Type Of Credit Use</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>
Long-term credit	389	97	56	583	120	487
Medium-term credit	390	193	192	150	195	461
Short-term credit	970	940	1,133	2,594	3,816	4,531
Totals	1,749	1,230	1,381	3,327	4,131	5,479
Index to 1960:	100	90.3	79.0	190.2	236.2	313.3

Dr. Arsanjani particularly stressed that the peasants themselves must have a vested interest in their cooperatives, and all members were required to buy shares in the cooperatives upon joining. Share costs sometimes were set as low as 50 rials (65¢) and in extreme cases a member might be able initially to buy only one share, but generally the subscriptions were much larger. Whereas the 711 pre-reform cooperatives in 1960 had average capital of 515 rials (\$6.78) per member, the 6,066 cooperatives existing in 1965 had average capital of 769 rials, an increase of 49.3% in unit strength. (18, p. 66)

The enlarged number of cooperatives and the need for a special focus on distributed villages led to the creation in 1963 of a new administrative structure called the Central Organization for Rural Cooperation (CORG).

As described by Lambton (21, p. 297), this organization:

" . . . took over from the Land Reform Organization and the Agricultural Credit and Rural Development Bank the setting up and supervision of rural cooperative societies. It was an independent corporation set up by charter as an independent joint-stock company governed by the commercial code. Its functions were to give guidance to the rural cooperative societies and their federations, - - -; to expand the cooperative network in rural areas; to provide the societies and their federations with credit - - -; to encourage mechanization and better marketing; to provide farming implements and requisites; . . . ." etc.

The CORC took in the pre-reform cooperatives, and served tenant farmers in non-distributed villages as well as the distributed farms. During the Iranian year 3/21/64-3/20/65 the CORC made loans of 1,049,342,807 rials to the federations and the societies, and the societies themselves loaned another 574,108,271 rials out of their own funds (21, pp. 327-8), for an overall average of \$37.30 equivalent per society member.

While this average loan level has been characterized earlier (II-G-2) as too low to have much impact on agricultural production, the loans had largely freed the peasants from dependence on local merchants and money-lenders, and thus enabled them to retain substantially larger net returns from their production than formerly. This margin, in turn, became available for purchase of more production inputs.

It is encouraging to note that the growth in numbers, membership and capital strength of the societies has continued. To quote Lambton's most recent observation: (21, p. 360)

"By the spring of 1968, 8,652 societies with a membership of 1,105,402 persons serving some 20,803 villages had been established. Their capital and reserves amounted to 1,453,453,433 rials (\$19,124,390). By the same date 81 federations with a membership of 6,158 societies and a total capital of 300,758,150 rials (\$3,957,340) had been set up. Not all of these societies or federations were in full operation. In the year 1967 - 68 loans amounting to 4,076,608,590 rials (\$53,639,590) were given to 670,425 persons. The average loan was thus 6,080 rials (\$80), whereas in the year 1966 - 67 it was 5,400 rials (\$71), and in 1965 - 66, 4,800 rials (\$63).

III. Land Reform Program  
F. Supplementary Measures  
3. Supplies

The CORC organization served as the main institutional apparatus for obtaining and channeling farm supplies for the land reform villages. An important element in the increased production following land reform was the greater use of fertilizers, largely supplied through CORC. Lambton observed as early as 1964 (12, p. 192) that fertilizer use was introduced for the first time in some distributed areas through CORC efforts, and that there was a noticeable increase in fertilizer use in the reform villages in general (p. 316). The total fertilizer consumption figures from the 1968 FAO Yearbook of Production, given below, show that from 1963-4 (July to June) to 1967-8 use of nitrogen rose 273%, phosphate 83%, and potash 8.8%.

Use Of Commercial Fertilizers In Iran  
(Metric tons net nutrient)

<u>Kind of Fertilizer</u>	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>
Nitrogen	12,700	15,500	24,000	30,000	46,000
P <sub>2</sub> O <sub>5</sub>	9,300	14,100	15,000	15,000	17,000
K <sub>2</sub>	2,300	1,700	2,000	2,000	2,500
Totals	24,300	31,300	41,000	47,000	65,600

The FAO Yearbooks do not include figures on use of insecticides in Iran, and no other source has been found.

III. Land Reform Program

F. Supplementary Measures

4. Infrastructure

The railroad and highway systems of Iran up to the present time have been built mainly for purposes of political administration, internal security, international trade, service to urban centers, and general economic development, with only incidental relation to agriculture. The concept of farm-to-market roads, for example, was not one that would grow naturally out of Iran's closely provincialized traditional agriculture where communities tended to be self-sufficient and most inter-area transport before 1930 still was by camel caravan. In this connection it is instructive to note Lambton's 1966 observation on the work of the CORC employees in the field: (21, p. 328)

" . . . . I met one assistant supervisor in Marivan who had 16 societies under his charge, and in no case was the village in which the society was situated served by roads . . . ."

The rapidly expanding asphalted highways of the post-reform period, already planned before land reform, doubtless have helped agriculture greatly by shortening the delivery time for farm products from outlying aggregation points to principal consumption points, and by reducing the damage enroute, but such a system reaching into local producing areas probably still is far in the future.

A program of planned new water storage and irrigation projects covering the most promising sites in Iran had been laid out and initiated before land reform. This program likewise has proceeded as planned, without direct relation to the land reform program, and so far as the record shows, no new public irrigation developments have been proposed as part of, or to particularly facilitate, land reform.

Under private initiative, partly as an outgrowth of land reform, a large number of new irrigation wells have been drilled. As pointed out in Part II-C-1, the drilling of deep wells before land reform had interfered seriously with ghanat flows in some areas, and the promise of large future usefulness of well development was by no means clear. Khatibi has reported that from 1962-63 through 1965-66 the Agricultural Bank financed the drilling of 7,058 wells of all depths (18, p. 74), but gave no figures on net new land area irrigated. His accompanying note that a Water Rights Bill of 1965-66 had limited the drilling of wells apparently reflects belated action to protect the prior rights of ghanat users.

Communications in Iran are, if anything, still less developed than the road system, except for the penetration of radio contact. The essentially one-way nature of radio communication limits it to public uses in Iran - mostly news and propaganda dissemination. A telephone network connects the provincial capitals and other major cities with Tehran, and serves security posts to a somewhat lower level. In 1965 a new micro-wave telephone relay system running from Turkey across Iran to connect through to New Delhi was nearing completion under CENTO funding, and presumably now is in operation. While agriculture benefits in a general way from all these, the benefits can only be related to land reform in rather incidental ways, much as improved literacy is related.

### III. Land Reform Program

#### F. Supplementary Measures

##### 5. Crop Procurement And Marketing

The activities of CORC in buying farmers' products from the village co-operatives at harvest time and holding them for resale later have been the main institutional support of farm prices. No figures on the volume of these operations are available. No price controls or special commodity buying programs have been undertaken as part of the reform program.

### III. Land Reform Program

#### G. Mobilization of the Peasantry

##### 1. Economic Aspects

As seen in II-G-2, a system of agricultural cooperatives was established in 1939 under the Agricultural Bank, and was pretty well grounded

by 1962, particularly in credit management. Other functions had been performed with only limited success. The co-op experience to that time had revealed some quirks of the Iranian peasant philosophy particularly relevant to operation of public credit institutions. Some of these were:

1) Low interest rates did not necessarily stimulate a sense of obligation for prompt repayment - instead, such loans were likely to be regarded as gifts, with repayment mostly a matter for the conscience. Anything so cheap as this plainly was neither highly prized nor greatly needed by the giver.

2) All agencies of government were by their very nature exploitive; therefore low interest government loans must have some ulterior motive, which the borrower was entitled to counter by evading repayment as long as possible.

3) Dissimulation was essential to survival in dealing with government representatives in whatever guise; therefore one might properly obtain a loan ostensibly to buy a cow but really to pay for a wedding.

When the cooperatives were greatly multiplied under land reform the administrators fortunately were well prepared to deal with such attitudes. The basic approach was to make the cooperative the peasants' own organization, with government participation played in as low a key as circumstances would permit. The point driven home was that it was their own money the peasants would be using. Government loans would be an assistance conditioned closely on prompt repayment.

Originally general purpose cooperatives were visualized with a wide range of lending, buying, supplying and marketing functions that would supplant the local merchants and moneylenders. For lack of sufficient funds and management ability, few such societies were operationally established. In due time nearly all reverted to the single purpose of extending credit, in which they operated effectively and with rapidly growing importance (III-F).

### III. Land Reform Program

- G. Mobilization of the Peasantry
  - 2. Political Aspects

The co-operatives served two important political functions. First, they gave visible local substance to the reality of the land reform, and in so doing provided the farmer for the first time an alternative to the old power structure embodied in the village council, dominated by the coercive interests of the landlord and the long arm of the central government. A new sense of mattering was introduced, and with experience in handling the small but vital resources their joint sacrifices had amassed came a growing self-confidence new in the Iranian countryside.

Second, the co-operatives in total constituted a force in being which could be exploited to shape national policy, and which was / <sup>soon</sup> to be so used.

Internal leadership had not yet emerged, but this could be expected in due time. Meantime, such a leader as Ansanjani could manipulate this force with telling effect.

No peasant unions or political parties grew out of the land reform, and no overt pressure groups of other form flowed from it, but the fact of the peasant awakening was established as a factor in the political thought and positioning of the nation.

### III. Land Reform Program

#### H. Politics of Implementation

The long buildup of land reform interest and efforts culminating in the stalemated position of the ineffective and unenforced land reform law of 1960 has been reviewed in Part II-A, and the course followed in bringing out the effective 1962 revision of this law has been briefly described in Part III-A. The actual implementation of the law involved much more dramatic and rapidly moving clashes of these forces.

Warriner (34) has noted of the law that "It was geared to the realities of the Persian situation, and it was meant to work". She has then well asked: "How could such a law ever get passed?" Answering her own question she states:

"The Majlis was suspended at the time. The Shah, it appears approved it, to the extent that he favored weakening the power of the landlords on a divide-and-rule principle. Dr. Amini, the Prime Minister, gave it half-hearted support, perhaps influenced by American pressure. But the rest of the government was opposed to the law, and if they acquiesced must have done so in the belief that this reform would go the way of other reform measures in the past."

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(34) Warriner, Doreen Land Reform In Principle And Practice  
Clarendon Press - Oxford 1969 p. 116

This appraisal, while fairly setting the stage for what was to follow, does not do justice to the position of the Shah nor, quite possibly, to that of Dr. Amini. The Majlis did not just happen to be suspended at this time, nor did the revision of the law occur spontaneously - the Shah had ordered both. Far from pressing for this law, the American Embassy was observing a strictly hands-off public attitude, while privately doubting that the law would work, and turning away appeals for assistance in financing a large farm machinery loan to backstop it.

To set the stage more fully we should note that in the January 9, 1962 Cabinet approval action Ministers of Finance, Justice, Interior and War refused to sign. The Minister of Finance was particularly opposed to the law, and had to be dissuaded from resigning in protest. (30, p. 17) The law thus lacked the committed support of the four politically most critical ministries in the Government of Iran.

Notwithstanding the formidable obstacles implicit in this dissent, Dr. Arsanjani lost no time in getting operation of the law under way, and made speed of movement thereafter a major stratagem of his offensive. The Land Reform Organization was formed in the Ministry of Agriculture. Maragheh was immediately announced as a pilot area for land distribution and a survey team was dispatched to gather detailed facts for the distribution actions. Other teams were sent to indoctrinate the peasants on the formation, functions, and operations of co-operatives. Statutory notice was given landlords in this area owning more than one village to declare their holdings as required by the law.

Coincident with these actions, principally as a single-handed effort by Dr. Ansanjani, a publicity campaign was launched to assure landlord compliance. This campaign ranged from logical persuasion to bald intimidation and class discreditation. All signs of opposition were ruthlessly overridden. Meanwhile, approval of a 2-billion rial (\$26,315,000) land purchase fund was wrung from the reluctant Cabinet in mid-February. The staff of the Ministry of Agriculture was reassigned wholesale to land reform support activities. The staff of the Agricultural Bank, also under Ansanjani's effective control, was drawn on as needed for the cooperatives, and funds from the Bank were allocated for co-op credit use. When the Cabinet-approved land purchase fund was withheld several months, the funds of the Agricultural Bank were borrowed to fill the gap. The budget of the Ministry of Agriculture was commandeered to the cause almost as a matter of course.

Training groups of selected young men were recruited, indoctrinated, and emplaned to Israel in 25-man batches for intensive training in the principles and operations of cooperatives. No one was hired who was not willing to go out into the villages to work.

In the amazingly short space of 58 days the first 7 villages were ready for distribution on March 10, 1962. A widely heralded distribution ceremony was held at Maragheh, complete with foreign observers and crowned by the presence of the Shah to hand out the new land titles in person to

520 awed but rejoicing peasant farmers. On April 19 another 33 villages were distributed to 2,259 farmers, the Shah again officiating. By May, five new distribution areas had been announced, reaching out into three new provinces. By this time numerous landlords were volunteering their villages for distribution, and each such volunteer was given wide favorable publicity and utilized to set up a new distribution area. One such volunteer was Prime Minister Amini, who had been under public criticism for not setting an example in the course he had endorsed for others.

The pace was never slackened. By March 1963, the Land Reform Organization could report that it had distributed 1,988 villages to 120,018 peasant farmers. This was about 2/3 of all whole villages owned above the 1-village ownership limit.

During this period the general public reaction had been favorable. The confidence of the peasants that the law really was intended to benefit them had been won. Landlord opposition in principle had been effectively stilled; all that remained to them were the unpopular grounds of personal interest.

Capitalizing on these gains, Dr. Arsanjani arranged for a Peasants' Congress in Tehran in January 1963, attended by nearly 4,000 delegates from all parts of Iran. The Congress served to give the peasants a national consciousness they had never before possessed, while giving the country a demonstration of how far land reform had brought them from faceless anonymity.

Utilizing it as a sounding board for popular support, the Shah announced a national referendum on the 6-point reform program mentioned in III-C, to be voted on later that month. The referendum returned overwhelming support.

Immediately following the Congress, the government announced two drastic changes in the Land Reform Law. The first reduced the ownership limit from one village to specified hectareage limits (III-A) and the second ordered tenancy as a mode of tenure replaced with wage arrangements on all lands not subject to distribution.

This announcement brought on the first broadly adverse reaction to the land reform program. Whereas the original law for distribution of large holdings had affected only about 2,000 owners, the revisions applied distribution to possibly more than 200,000 owners, and outlawed tenancy for all. Widespread protests forced postponement of the first requirement and softening of the second. They also brought about the replacement of Dr. Arsanjani by General Riahi a Minister of Agriculture.

But by this time the first and critical battle had been won. The power of the landlords over the peasant class had been broken, and with it their political strength from that base. Land reform had been carried far beyond the point of no return. The way had been opened for a new era in Iran.

We should note again how this battle was won. In Dr. Arsanjani's campaign the good landlords fell with the bad, the little with the big. His war was, rightly, with the institution of landlordism. Many individual

landlords did not merit the defamation heaped upon them. But for Arsanjani to have distinguished among them would have temporized his position and dissipated his force. Instead he lost no opportunity to attack and discredit, and he paid scant heed to the landlords' rights under the Land Reform Law. The landlords fought back only feebly in the ideological battle. Unprepared for the onslaught, at no time did they succeed in establishing a favorable case for themselves. When a land reform official was killed in a roadside bantry incident in September 1962, the killing was labeled a landlord plot and was used to villify the class still further.

Opposition forces did succeed in stirring up religious opinion to demonstrate against the law early in 1962, thus putting the Shah in the unfavorable position of exiling a popular leader. This precipitated a riot in Tehran in June 1962 which required military force to suppress. An uprising of tribesmen in a southern mountain province also required a 3-month military campaign to overcome, though land reform was only part of its cause. Lesser disturbances elsewhere around the country were handled by local gendarmerie forces.

Political opposition forces have further affected the progress of the land reform program since the first year's battles were won. In the long term it appears they have slowed the reform, but not stopped it. As we have seen, distribution of landholdings down to specified hectareage limits was delayed for two years, but now is essentially completed. The proposed

replacement of tenancy with wage arrangements was transmuted into a 5-option field for landlords, in which continued tenancy became the dominant choice, but in October 1968 all tenancies were ordered converted to sales of the land to the tenants.

With the process still continuing, it does not seem useful to analyse it further at this time.

#### IV. Effects Of The Land Reform

##### A. On Land Tenure

The land reform program as reported up to September 1967 (18, p. 85) had completed the distribution of 92.8% of the properties classed as distributable under the ownership limitations (1st Stage), and had eliminated cropsharing tenancies on 99.5% of the properties not subject to distribution (2nd Stage). No figures are available to show progress since October 1968 in converting the more than 885,000 30-year leases then existing to sales of the land they covered (3rd Stage). When this step is completed, only the roughly 133,000 tenants who elected to join with their landlords in group farming, will remain not in ownership possession of their lands.

These figures do not include laborers on mechanized farms and other areas operated with hired labor before reform, and therefore exempted from the ownership limitations and tenancy provisions. As of February 1966, there were also 105,735 tenants on endowed lands, a majority of whom probably will have to remain in tenant status. However, with 99-year leaseholds in hand, the approach to permanent possession is so close that the difference from outright ownership should not materially affect agricultural uses.

Thus it appears that the tenure situation in Iran is rapidly approaching a state of maximum practicable balance in favor of the peasant land tiller. Since the Land Reform Law prohibits resales of distributed lands until they have been fully paid for, except with LRO approval, there has been little opportunity for former owners to buy back these lands in a possible return to large holdings. This seems unlikely to happen anyway, as long as the reform movement continues in the direction of forcing landlords to sell to tenants.

Because of the absence of cadastral surveys, systematic figures on farm sizes before and after reform are not available. We know, however, that the breakdown of landlord properties into peasant ownerships had no significant effect on size of actual farm units. These sizes are highly variable, owing to the differences of producing capacity between irrigated and non-irrigated land, the variations in amount and quality of water for irrigation, and land quality variations under both dry and irrigated farming. The following examples listed by Lambton (21, Chapters 6-7-8) are illustrative:

Case No.	Area	Classification (author's)
1	Minimum 3.7 to 5.0 A	Probably all irrigated
	Maximum 20 to 25 A.	" " dryfarm
2	Equal sizes 7.4 A.	" " irrigated
3	" " 1.1 A.)	Irrigated )
	" " 5.7 A.)	Dryfarm ) Combined unit
4	" " 6.2 A.	Irrigated
5	Minimum 0.5 A.	Irrigated
	Maximum 4.0 A	Irrigated
6	Equal sizes 34.6A.	Dryfarm, half fallow
7	" " 49.4 A.	" " "
8	Minimum 2.5 to 7.4 A.	Irrigated
	Maximum 12.4 to 24.7 A	Dryfarm, half fallow
9	Minimum 3.7 to 5.0 A.	Irrigated
	Maximum 19.8 to 24.7 A.	Dryfarm, half fallow
10	Equal sizes 4.1 A	Irrigated

The change in tenure status now occurring under the 1967-8 legislation authorizing formation of farm corporations (III-A) is at least a temporary reversal of the original objective of establishing a strong and independent peasant class. In a farm corporation the individual farmer theoretically retains legal title to his land, but all the land of one or more villages is pooled for large scale farming operations. (4) Each farmer is given stock in the corporation in proportion to the value of his land. The land value used commonly has been the value at which the land was sold to the peasant after expropriation from the landlord. (3) The peasant farmer is employed by the corporation as a wage laborer, and in addition to his wages will receive stock share returns on the profits of the corporation, when profits become available.

The corporations so far formed are under strong government initiative and direction, with heavy initial government investment. When the corporation operation is fully established and sufficient experience has been gained by its members, and should native leadership emerge among them, self-management may follow. (21, p. 358)

The objective of the corporation is to make way for fully modern and efficient mechanized farming. As seen in III-D-4, there is a need for consolidation of peasant farmers' usually small and scattered land parcels into larger operating units, and the farm corporation approach is one way of achieving this. Concomitantly, there is need for much more efficient use

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(4) American Embassy, Tehran A-376 8/29/69  
(3) American Consulate, Khorramshahr A-001 1/9/70

of Iran's limited irrigation water resources than occurs under traditional methods, and the farm corporation can enable irrigation efficiencies impossible to achieve with the traditional field layouts. AID-assisted studies during the 1950s showed that with improved management the water then in use could serve up to 30% more land. By the best combination of these two avenues of improvement, it should be possible greatly to increase the overall productivity of the lands brought under corporation management.

In view of the basic objective of the corporations and the deep government involvement in their establishment, it seems implicit that a reversion of land use in the incorporated areas to its traditional pattern will not be permitted. The essence of the land and water use improvements under incorporation will be the rearrangement and leveling of lands, the relocation of irrigation canals and drains, the installation of service roads, etc., for most efficient use, with unavoidable obliteration of existing field layouts and ownership lines. A practicable readjustment basis for an eventual return to the advantages of individual ownership incentives might be the establishment of new farm units consolidating all of each farmer's original land ownerships into one or two parcels equal to the original in value, which he could then farm individually, but whether this will be done is speculative.

As of November 1969 the Undersecretary of Land Reform and Rural Corporation, the official centrally responsible for the farm corporations program, stated that not more than 100 corporations were envisaged for the

next five years. (5) It was not intended, he stated, to form corporations where farmers already are doing well by their own efforts. An official report of September 1969 stated that 15 had been formed up to July 1969.

(33) Elsewhere the government has stated:

"The ultimate intention is to set up such farm corporations throughout the country. This will accelerate farm mechanization and will release surplus manpower that can be used in industrial and agro-industrial centers being developed in several areas under optimum conditions." (14)

Reports of non-Iranian observers, as well as many Iranians, on the actual implementation of this program have generally run counter to the official declarations on key issues. Among these discrepancies, three basically important ones are:

1. Charges of coercion to form corporations are common, both among the farmers and among responsible Iranian officials knowledgeable of but not involved in the program. To silence their objections, peasants are told the Shah wants the corporations. One observer of long experience in the land reform field, after interviewing farmers in 8 villages included under three different farm corporations, stated he had found not one farmer who favored them, but only feelings of resentment, frustration and helplessness in their unsuccessful opposition.

2. The lands taken for corporation farms thus far have been among the best lands in Iran, with the best water supplies, and where the farmers already were doing well as individual owner-operations. (3)

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(14) "Farm Corporations In Iran", Iran Facts And Figures, No. 1, 1969, p. 9

(5) American Embassy, Tehran

(33) "Transformation of Iranian Villages", Iran Facts And Figures, No. 5, 9/69

3. Although the law provides for farmers to retain legal title to their land and to continue working on the pooled land area within the corporate structure, in at least some corporation areas only selected young men have been retained to work on the land, and the balance turned off to fend for themselves elsewhere. To make sure they would go, the existing villages were bulldozed away, and new village accommodations were built only for the retained workers and their families. The ousted families in many cases were in debt for more than they received for their land equities, so departed destitute. At least one American, one Yugoslav and one Iranian corporation were reported set up on this model, as agri-business ventures. (3)

#### IV. Effects Of The Land Reform

##### B. Effect of L.R. on Production And Productivity

All testimonies are unanimous that increased production and unit productivity have resulted from land reform in Iran. Khatabi, writing in 1967, reported an area increase of 400,000 hectares over the 1960-65 period. (18, p. 65) The distribution of the investment accounting for this increase indicates that 80% of it occurred after reform, mostly in 1964 and 1965. From 1961 to 1966 production of wheat rose from 2,869,119 tons to 3,963,723 tons, and per capita annual consumption, at roughly level imports, from 123 kg. to 144 kg.\* Rice production rose from 400,000 tons to 700,000 tons, per

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\* Wheat production in Iran is highly subject to weather conditions, and short-term figures have low significance - Author.

capita consumption from 17.6 kg. to 28 kg. Cotton production rose from 125,395 tons to 147, 133 tons, exports from 60,921 tons to 105,575 tons. Production of all pulses rose from 85,214 tons to 112,623 tons, per capita consumption from 3.36 kg. to 4.27 kg. Production of all fruits, nuts and olives rose 28% over the 1960-65 period; production of edible animal products, 12%.

The 1968 FAO Yearbook of Production, pp. 29-30, gives the following production index figures:

	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Total foods	119	127	128	135	130	138	143	155
Food per capita	101	105	103	105	99	102	103	108

An American Embassy report of August 1969 from Tehran found "definite improvement" in agriculture from the first two phases of land reform, with an average annual production increase of 3.4% over the 1965-69 period.

Increased diversification was <sup>a</sup>marked effect of land distribution, with the new owners turning especially to fruits, vegetables and livestock, all formerly forbidden or discouraged by landlords (II-B-1). (21, pp. 71-72).

#### IV. Effects Of The Land Reform

##### C. Effect of L.R. On Rural Employment And Underemployment

Definitive figures on employment and underemployment in Iranian agriculture are lacking. A "conversation" figure of 50% was used in pre-reform years (II-E). The presumptive evidence suggests considerable improvement since initiation of land reform. Thus Khatibi's figure of 400,000 hectares

of new cultivated land area from 1960 to 1965 (III-B) represents about a 5% increase, whereas farm population increased only 2.7% from 1960 to 1967. Also according to Khatabi's figures, of the 1,533,000 population growth in the rural sector from 1960 to 1967, only 400,000 stayed there, while 1,133,000 migrated to cities. Again, the unanimous reports of increased production certainly must reflect a substantially increased labor input. Lambton's observation in one locality of "huge mounds of stone, which had been removed from the fields since land reform" (21, p. 176) is indicative.

#### IV. Effects Of The Land Reform

##### D. Effect of L. R. On Income Distribution

Quantitative measures of the shift of income in favor of Iranian farmers resulting from land reform are not available. It is generally agreed that those who received distributed lands under the first stage of the reform benefitted more than those who obtained 30-year leases or other forms of tenure security under the 2nd Stage. The 30-year leases, being based on the average rents of the last three years before leasing, did not often give the peasant a measurable reduction, but did protect him from later rent increases to sap his gains in production. With conversion of leases to ownerships under the 3rd Stage, now proceeding, this difference may be equalized. As to those who sold their land use rights to their landlords, or bought out the landlords' rights, so much depended on the terms agreed to that a detailed study of these arrangements would be required to find what the results have been. The minor

number who joined their landlords in unit-farm groups made definite gains in security which should have brought corollary gains in income.

As already mentioned, land payments on distributed lands were nearly always lower than the former rent payments. (18, p. 71) Numerous instances of lands being bought from landlords at far below their real value, often enabling peasants to pay for them in one year, are cited by Lambton. Unfortunately, there are no systematic figures to show the value of pre-reform cropshare rentals, against which to compare present calculable land payment costs. The following examples listed by Lambton (21, Chapters 6-7-8) are illustrative:

<u>Case No.</u>	<u>Rent Paid Before Reform (per farm)</u>	<u>Land Payment After Reform (per farm)</u>
1	4,000 rials	1,300 rials
2	15,000 "	10,000 "
3	2,000 "	1,100 "
4	3,000 " (est.)	800 "

Unquantified but direct measures of increased peasant income following land reform are seen in their increased spending. Lambton's observation (21, p. 192) is typical:

"By 1964 there was a noticeable rise in the general standard of living of the peasants in the north. They had, on the whole, better food, better clothes, and more household goods, such as lamps, than formerly. . . . It was particularly marked in the improved diet of the peasants in the villages where land reform had been operative."

The reform also brought marked changes in the living conditions of peasants, with new house construction frequently occurring. (21, pp. 140 & 152) A further index of the improved income of farmers after reform

is that even as early as 1965 and 1966, advance selling of crops had greatly decreased in most parts of the country. Lambton testifies that: "Everywhere the peasants were conscious of the evils of foreselling, and anxious to prevent this." (21, p. 315) According to her observations it was one of the first points on which they acted to improve their financial positions.

#### IV. Effects Of The Land Reform

##### E. Effect of L. R. On Services And Supplies

There were 711 Agricultural Bank credit cooperatives, 156 Development Bank credit cooperatives, and 60 Development Bank multi-purpose cooperatives in Iran before 1962. Not all of these were operative. By the spring of 1968 there were 8,652 cooperatives under the consolidated administration of CORC, serving 1,105,402 families in 20,803 villages. (21, p. 360) Loans to 670,425 persons that year totaled \$53,640,000 equivalent. The 1967-8 loan repayment rate was 93.1% (31, p. 363)

An American Embassy report of August 1969 mentions 8,600 cooperatives in 23,697 villages, with 1,278,389 members and about \$19,000,000 total capital (35)

An early criticism that the cooperatives only provided credit, no longer is justified according to Lambton" (21, p. 364)

"An increasing number now have stores and sell a small quantity of consumer goods, such as cloth, soap, rice, pulses, and some household commodities. A large number of societies hold agencies from the National Iranian Oil Company for the sale of oil production in those villages in which the NIOC has no agent.

"In the year 1967-68 some 12,000 tons [18.3% of the national total supply] of fertilizers were sold through the federations and societies. In the same year 1,585,920 kg. of improved seed and 5,847,481 kg. of good quality local seeds were sold by the societies.

"In the field of marketing progress is by force of circumstances slow. Without some government supervision of markets and price control, it is unlikely that the federations will be able to undertake marketing on a large scale in the near future."

Some negative effects on both credit and other supplies resulted in the non-distributed villages, where landlords reduced their lending and their general support activities. The fixed rent system in this way operated to the disadvantage of the tenants, to the extent that they have not been able to benefit from co-op loans.

Tenant complaints are prevalent that landlords no longer maintain the ghanats, but how much of this can be laid to land reform is uncertain, as this duty already was being neglected before reform. Where lands have been distributed in full, and the peasants have come into possession of the ghanats as well as the lands, they have been generally better maintained than before (21, p. 363), and frequently have been improved. A more serious negative aspect than neglect of ghanat repairs by landlords has been their drilling wells in locations which tap the sources of the ghanat flows, thereby often taking much or all of the water.

Extension services apparently have not been increased in keeping with the needs of the great numbers of new small owners. In the early years of the reform the 600-man existing extension staff was heavily drawn upon to

man the tasks of land distribution (III-H) at the cost of its regular program, and the 1000-man extension force noted by Ladejinsky in 1966 (III-F) suggests a continuing lack of emphasis. Egypt, by contrast, had 10,000 extension workers in the field in 1970, serving about the same number of farmers Iran has, but concentrated in a small fraction of the geographic area which Iranian agents must cover.

#### IV. Effects Of The Land Reform

##### F. Effect of L. R. On Peasant Participation In Decisions

The village co-ops have brought the peasants actively into decision making at that level. Board members are much more involved than the rest, but it may be presumed that major decisions are not taken without bringing the full membership into the process. Some boards make a practice of having all co-op members sign all board actions, as a means of maintaining awareness and interest. As board members change, new men are brought into the center of the decision making activity.

No mention has been found of peasants advancing into the ranks of co-op federation management, but if this has not occurred we may assume it soon will.

Except for the politics of board elections, the cooperatives have not brought their members into political activity. The federations have operated as administrative and service organizations only, and have not been utilized for political purposes as they might have been had Dr. Arsanjani remained at the head of the land reform movement. There has been no repetition of the 1963 Peasants' Congress, or other large scale expression of peasant political power.

IV. Effects Of The Land Reform

G. Effect of L. R. On The Character Of Rural Society

The Iranian land reform has brought little structural change in rural society, but much change in the temper of it. Iranian society historically has been remarkably free of social barriers except as dictated by economic status of the moment. Caste is absent. Many men have risen from low to high estate, not least among them the father of the present Shah. Power has been, and is, the key to all levels and positions, with little regard for status of origin of the holder. Wealth usually bespoke the other forms of power. Village stratification followed these classic lines. Those smaller landlords whose lands were only partially distributed, to the extent that they were resident in the villages generally remained, but no longer with the degree of domination formerly wielded.

Most village groups were ethnically uniform; among such mixed groups as did exist, the reform did not change the relationships. Ethnical distributions are retained in marriage customs to a considerable degree, and many ethnical minorities face difficulty in rising to national power in political circles. To some extent the land reform was used to reduce the power of leaders of particular groups, namely, tribal groups which had been troublesome. In these groups the lower ranks perhaps have benefitted from a reduction in the arbitrary power of their leaders over all aspects of tribal life. Increased emphasis also has been put on settling the nomadic elements of these groups more fully.

The coming of the cooperatives, where they supplied common store goods freed the peasants to some degree from the superiority of the merchants; increased prosperity brought many to where they could at least obtain fair treatment from both merchants and moneylenders. Education has had a further equalizing effect in the social outlook.

In all, the peasant has gained the self respect and confidence with which to face his world on more even terms. He is no longer a nonentity.

#### IV. Effects Of The Land Reform

##### H. Broader Effects of L. R. On The Economy, Society and Polity

One of the fundamental arguments for land reform was the necessity of raising the incomes of the 75% of Iran's people then in rural areas, to furnish domestic outlets for industry and trade. Dr. Arsanjani pointed out that there were on hand in government textile mills alone, 30 million meters of unsold cloth. (6, p. 21), and that the peasants were half-naked.

These references to unsold cloth and naked peasants were no empty aphorisms. A common sight in rural Iran at that time was the peasant's European style suit-coat, bought in the 1920s on orders of Reza Shah, and grown more to patches than to original material in the 30-odd years since. The peasants certainly were ready for the new cloth. Millions of feet, many of them adult, were waiting for their first pair of shoes. And as Lambton has pointed out, (IV-D) every peasant household was ready for more of even the simplest necessities and minor luxuries. It needs no deep economic thought to see the significance to internal trade of giving each

of 3 million peasant families even as little as \$50 of spendable income above previous levels, knowing that virtually all would be spent in local communities.

Since land reform, several times this level of added income has accrued to great numbers of peasant farmers, and still greater numbers have benefited in lesser degree. No doubt part of the effect has been the creation of new urban jobs which have helped absorb the 1,133,000 rural migrants who flowed to the cities from 1960 to 1967, and the other hundreds of thousands who have followed them since. On the other side of the coin have been the tens of thousands of young men and women of urban origin whom the Literacy Corps, Health Corps and Extension Corps - all products of the reform - have carried for the first time into rural villages, there to gain insights into and sympathy for the condition of the majority of their countrymen never before known to them. Increasingly from now on, the urban migration will be of the better educated and more able village youth, who will carry rural understandings and attitudes with them into the political power mix of the growing working and middle classes.

This trend has not had time to mature into a significant political force as yet; it would be premature to say that it has influenced the balance of national political forces up to now. But when it does mature it will be a force on the side of continuing improvement of rural conditions, and of increased liberalism in government on the whole.

## V. Critique And Evaluation

The need for land reform in Iran was under open public debate or political pressure for more than 40 years before the reform came into being. In that time many people saw in it a wide range of desiderata, from simple social justice within the existing order, to abolition of all established political, social and economic institutions and the ushering in of a "people's" government complete with state ownership of land. Out of this background it was to be expected that land reform, when it came, would not happen alone or simply, or be fully accomplished in a short time. As seen today, it is in its 9th year of active prosecution, with prospects of much longer and further to go.

The purpose of the reform to break the power of the landlord class over the lives and fortunes of the peasant class has been largely accomplished. The dissolution of the big estates at the outset all but eliminated the most flagrant abuses of this relationship. Those individual exceptions which still remain are anachronisms which we may be sure will be swept away in the not too distant future.

The purpose on the political side to break the power of the landlord group has been only partly accomplished, but seems assured. The present gradual elimination of landlordism as a form of tenure, regardless of size of holding, by converting long-term leases to peasant ownerships, strikes at the institution itself, which both the Shah and Arsanjani saw as the root evil to be overcome. This process will require several more years to

complete, but the mere fact that it has been ordered and started has given tenants so strong a position that government interventions from here on will be required more for support of landowners' rights to receive payment than of peasants' rights to possess the land.

The purpose of increasing agricultural production has been achieved to the extent that real effort in that direction has been made. The record is convincing that the peasants have done their full share by responding with harder work, more investment, and eager use of whatever expanded or improved means are placed at their disposal. They have noticeably improved and expanded the land and water resources. Where the possibilities of increase have fallen short has been on the government's side in not providing more credit funds and more technical guidance. This is no fault of land reform, but of the manner of carrying it out.

The purpose to improve the economic and social position of the peasants, also has been widely achieved. Those peasants who received land from expropriated estates were immediately and dramatically benefitted. Those who came under Stage 2 of the reform all received security of tenure, unless choosing to sell their tenure rights and take their fortunes elsewhere. The benefits of assured tenure, however, were sufficiently below those of land ownership to make leaseholders strongly dissatisfied. In nearly 10,000 villages which were partly distributed and partly continued under tenancy this contrast became intolerable and led to the decision in 1968 to convert all leaseholds to ownerships. The conversion, now proceeding, will put all peasants in due time on the same footing.

Corollary to the improvements in tenure as a measure for improving the position of the peasants was the purpose of establishing credit and technology support programs for them. The early accomplishments were striking, particularly in the provision of credit. Qualified observers, however, have reported a weakening of the credit program since 1966, or at best a leveling off at a point far below total need. Thus Warriner noted that in 1966 the cooperative societies could meet only about 15-20 percent of peasants' credit needs (34, p. 133), and Ladejinsky late in 1969 could see no improvement in agriculture since his 1966 visit. (5)

A fair amount of improved technology seems to have been imparted along with supervised credit, but the extension program apart from this seems to have remained at token level.

The purpose of establishing the peasants as a strong new political force, implicit in Arsanjani's stated objective "to establish democracy in a proud and old country," has been advanced very little, if any. Real progress on this front will have to await a far-reaching decentralization of political and administrative authority in Iran which will move both the elective process and administrative responsibility down to local level. In a country where even village council chiefs now are appointed by higher authority, that goal seems far-distant.

Recognizing that it has accomplished much of what it set out to do, the Iranian land reform yet has had serious shortcomings of both concept and execution. The following either have materially impeded accomplishment of stated purposes, or now threaten the permanence of present or prospective gains.

Conceptual Shortcomings

1. The notion of Dr. Arsanjani that because lands could be expeditiously distributed without cadastral surveys, such surveys were not a needed part of the land reform, was too much of wishful thinking. Their indispensability for establishing secure titles and forestalling subsequent confusion and conflict was early recognized by Abbas Salour, first Director of the Land Reform Organization, who believed that they should follow not more than three years after land distribution. (26, p. 10) The need becomes more pressing from year to year, because of the perishable nature of the land boundary markers relied upon and the even more changeable character of the memory and intent of individual men. Here we must remember that in most cases no diagram of the land ownership layout of the village exists. Instead, each ownership necessarily is defined in terms of the names of adjoining owners and delimited in terms of such identifiable (but perishable) landmarks as trees, ditches, roads, mud walls, loose stones, etc. These are the means described by Dowson and Sheppard (13) as used in Egypt at 3,000 B.C.

Actually, systematic cadastral surveys were being planned for in Iran by 1965, when a 5-year plan was laid out to employ eight field parties of 1 to 2 engineers plus supporting staff, and completion for the country was estimated to take 10 years. (29, p. 11) This estimate seemed quite

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(13) Dowson, Ernest, and V.L.O. Sheppard Land Registration  
H. M. Stationery Office London, 1956 p. 1

unrealistic, as rough calculation indicated that the total number of engineer days required under the most optimistic working conditions would call for up to 10 times the size or duration of program then visualized. Unless the program has been greatly enlarged, it is now far behind the needs of land reform.

In the long run the cost of adequate surveys will be saved many times over in simplification of records; in savings of court costs, on cases of disputed land titles; in savings of costs of future investment and development capital where land titles are clear and conveniently negotiable; and in gains of land taxes.

2. The land purchase and resale scheme followed, under which the government paid 6% interest on land compensation bonds but sold the land to the peasants interest-free, neglected a ready opportunity to have strongly improved the financing of support programs for the land recipients. A 6% interest charge to the peasants on their land purchases could have been readily borne, as they were accustomed to paying much more than this on nearly all credit received. This interest income could have been collected by the land reform cooperatives and allotted to them to augment credit funds from other sources. This would have given the cooperatives, by now, capital reserves of about three times what they now have, at no added cost to the government.

3. No provision was made to better the conditions of non-tenant landless laborers working on the expropriated estates. This omission left a substantial part of the rural population actually in worse condition than before. They could have been helped through work projects to improve village lands and water resources, for which the Iran AID Mission offered food commodity donations, but apparently the government at that time did not wish any hint of external assistance to appear in the program.

#### Shortcomings In Execution

1. The land title documents handed to peasants upon land distribution, since there were no cadastral surveys to define boundaries, necessarily were couched in only vague terms. As long as all is well between neighbors, such titles may serve till better can be provided, but Persian villages are often rent by faction, land and water are precious, and some men are strong while others are weak. We may readily concede that cadastral surveys were not needed for the kind of land distribution made, but we must urge that until land titles are based on reliable and definitive surveys, marked on the ground, they will be a continuing and increasing source of trouble.

2. The arrangements for settling disputes between landowners and peasants over agricultural affairs appear to have favored the owners for some reason. The appeals provision, which passed unaccepted decisions on up to county or provincial committees for hearing, was automatically biased in favor of the landowner because a) few peasants could afford the costs of

making such an appeal; and b) the appeals committees, not being part of the land reform organization, were more likely to be sympathetic to the landlords. The system might have worked better if the original hearing had been held at a low level, with the land reform officials serving as the appeal body.

3. The Land Reform Law enforcement was not effective in preventing many illegal transfer of title of villages from owners to relatives or others by falsely dating the transfer documents. Although many such cases were identified, few were reversed. The same thing happened in regard to mechanization, with many complaints being received of tenants ousted or arbitrarily and falsely listed as wage laborers by landlords after the law went into effect. Little was done to protect the peasants in these cases, perhaps because the government actually favored mechanization wherever it was well adapted.

4. The apparent pull-back of government support for the cooperative movement since 1966 is reported to have greatly weakened the formerly strong position of this key instrument of the reform. Lambton in particular, a long and thorough scholar and commentator on Iranian peasant affairs, has seen this retreat in somber hues. In her view the CORC organization has been doubly effective because set up in such a way as to put it outside the usual frame of government officialdom, and thus fostering peasant confidence and expectation of eventually owning and controlling

their own cooperative structure. The shift of agricultural loan focus away from the cooperatives and into direct loans of larger size, and the incorporation of CORC directly into the newly created Ministry of Land Reform and Cooperation in 1967, have deeply shaken peasant confidence and enthusiasm, she finds. To her, these appear deliberate devices to bring the cooperative movement fully under government control and thus assure that it will not become strongly independent.

5. The measures taken to attract land compensation capital into productive new investments in Iran were not effective through 1965. Later information is not at hand. Up to that time the government had offered two avenues: a) Conversion of compensation bonds to 6% interest shares in a Government Factories Corporation (III-E-2-a), and b) a special 4% discount rate at the Agricultural Bank for the compensation bonds when applied against Bank loans for approved new investments.

At that time no compensation bonds were reported to have been converted to GFC shares, and Agricultural Bank records showed that up to March 1965 only \$4,360,000 in bonds had been discounted at the 4% rate. On the other hand, Bank records showed \$21,360,000 worth of speculative discounts of the bonds through private channels (with Bank approval), at rates said to run as high as 30 to 50 percent. (29, p. 8)

The speculative discount leakage proportionately lightened the government's bond interest and redemption load, but at a serious loss of funds into consumption spending and capital flight abroad. More realistic

pricing of the GFC enterprises, and provisions for separate sales of particular enterprises in the Corporation, could well have channeled most of this money into productive uses.

6. The compulsory consolidation of individual peasant land ownerships into corporation farms now going on has many negative aspects to offset the recognized benefits from reordering the land and water resources into more efficient physical arrangement. The corporations may be able to maximize returns to management and capital, but the weight of experience in the labor-abundant countries is that they cannot maximize productivity per unit of land. The Russian and other communist experience is eloquent of this, with Western European and East Asian experience confirming the opposite approach. The present course neglects Iran's most abundant resource - labor - and demands large inputs of capital and skilled management, both in short supply.

On the political side the consolidations are directly counter to the original aim of establishing a strong and independent force in the peasantry. The only way to give this reversal a political rationale is to suppose that such a force now is feared more than it is desired. On the social side the negative aspects are particularly bleak, with the corporations destroying some communities, putting people out of work, driving displaced villagers into urban slums, and creating great hardship and discontent. Figures are not at hand to show the present or prospective magnitudes of these effects.

In viewing this development one cannot help wondering whether the land reform leadership has been misled into equating modernization of farming with large scale mechanization. These are, of course, not the same thing. And as Warriner has pointed out, it is not the land that needs to be combined and used jointly, but the machine, and this has happened successfully in many parts of the world under purely voluntary conditions.

7. There are other hardships and displacements yet to come in the final conversion of leaseholds into ownerships. These ownerships are predominantly small. The 1966 figures furnished Lambton by the Land Reform Organization showed 14 of the 18 listed major areas as having 10 or fewer tenants per ownership, with 6 of them averaging 5 or fewer. Many holdings of this scale have been developed largely by the enterprise and efforts of their present owners. These people now have to seek new places and directions for their investments and capabilities. And they must do this while waiting 10 to 12 years to collect the value of their lands.

The ten years since the first direct move was made to bring a general land reform program into being in Iran have witnessed a number of starts, stops, changes of pace and changes of direction. As this review has shown, this course has been closely related to the political winds of the moment, many of them contrary. In view of the distance moved in that period despite contrary winds, the conclusion seems plain that a determined and skillful hand has kept land reform moving forward at every

opportunity. Only the Shah has been in position to do this. For better or for worse, history must surely give him the major credit, notwithstanding the indispensable role so ably played by Dr. Arsanjani in getting the program into motion.

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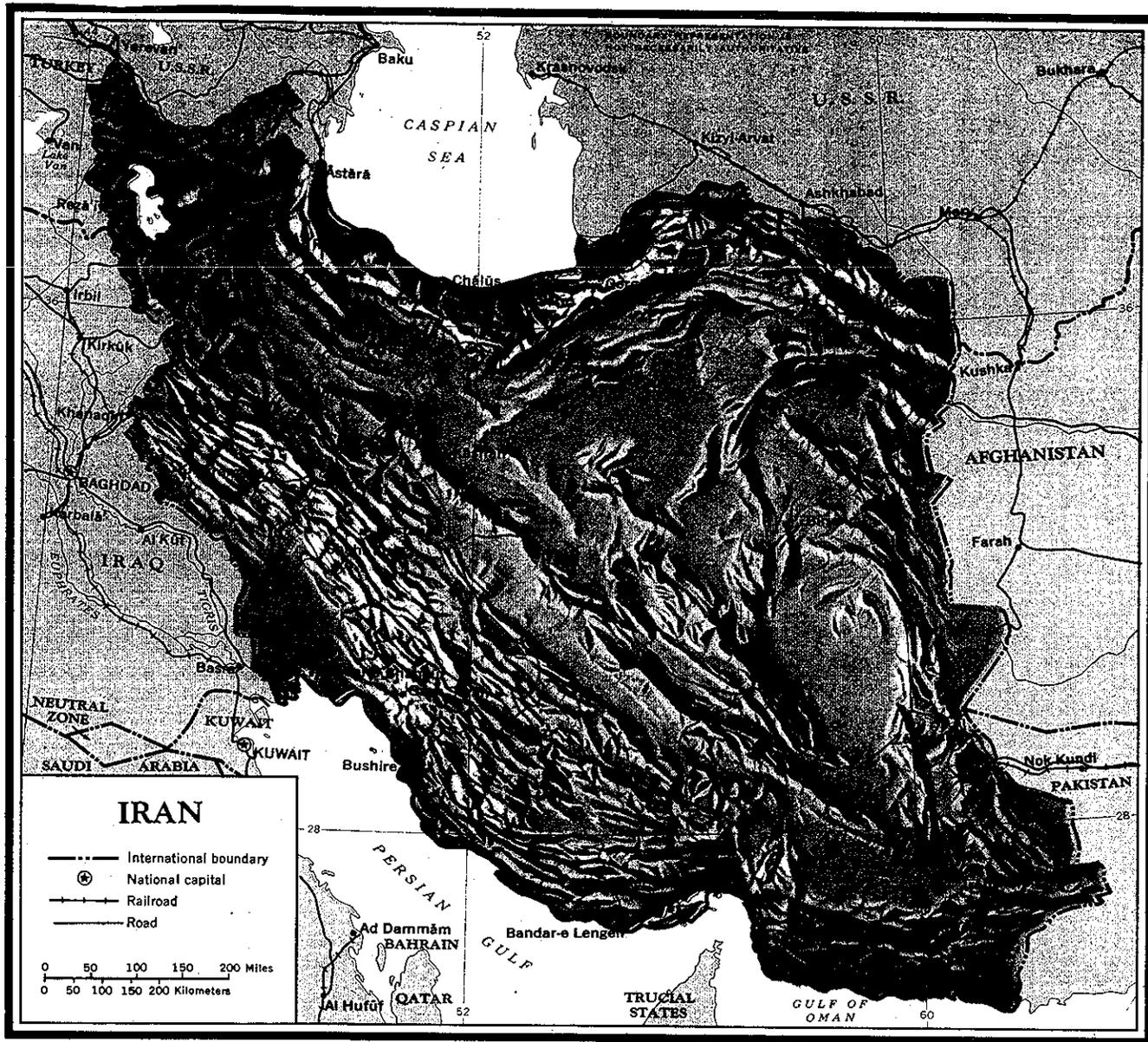
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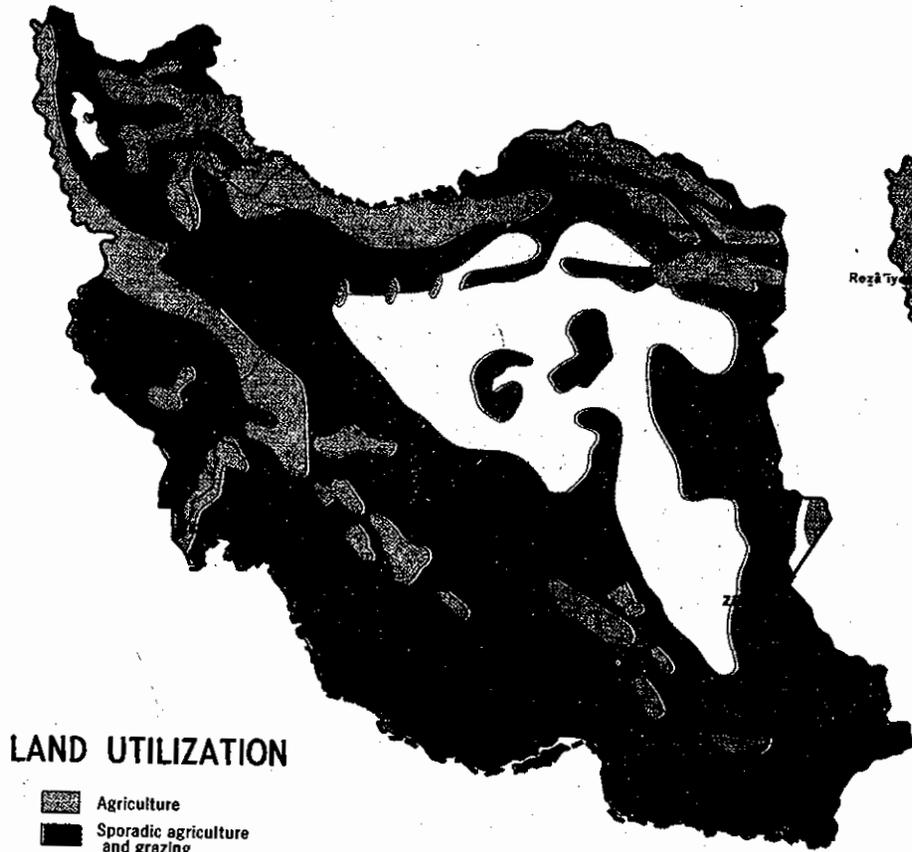
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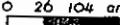
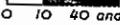
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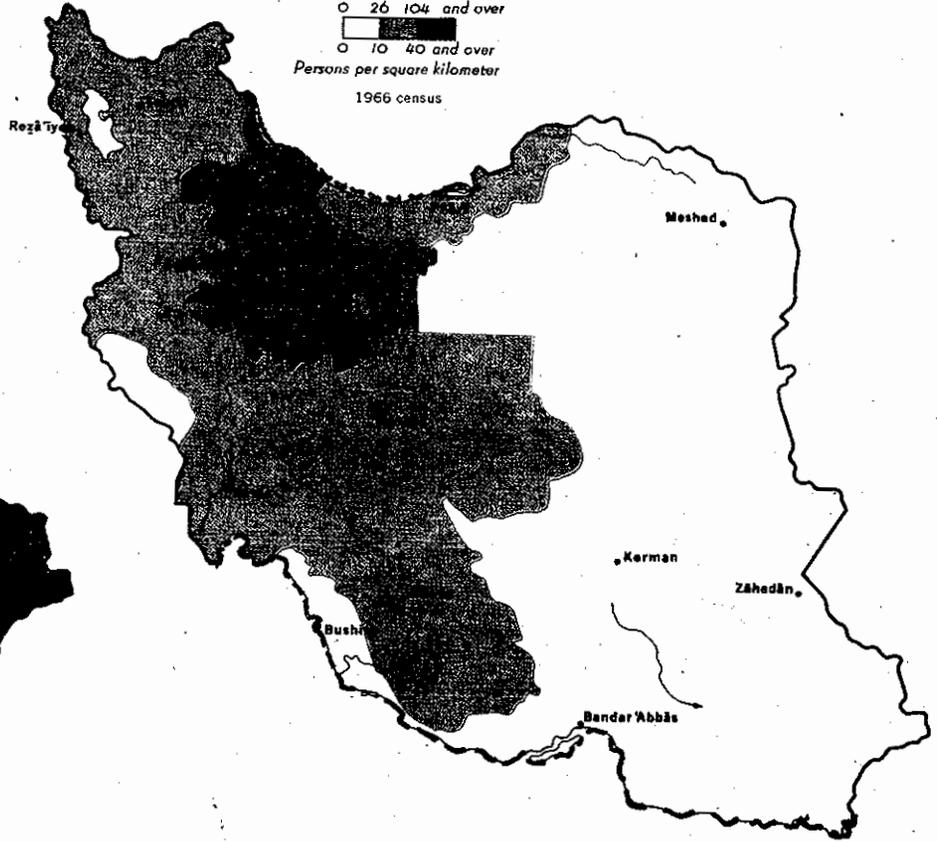


**LAND UTILIZATION**

-  Agriculture
-  Sporadic agriculture and grazing
-  Wasteland

**POPULATION**

- Persons per square mile
-  26 104 and over
  -  10 40 and over
- Persons per square kilometer
- 1966 census



AGENCY FOR INTERNATIONAL DEVELOPMENT

SPRING REVIEW

LAND REFORM

in

IRAQ

by

H. Charles Treakle  
ERS/USDA

June, 1970

Country Papers represent the views of their authors and are not generally intended as statements of policy of either A.I.D. or the author's parent institution.

SR/LR/C-19

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## IRAQ IN BRIEF

### General Economy

**Government:** This cradle of civilizations and empires has been an independent republic since 1958.

**Geography:** Iraq is a somewhat triangular shaped area of 169,284 square miles located in the center of West Asia, brodering on Saudi Arabia, Jordan, Syria, Turkey, Iran, and Kuwait. Nearly half of the country is desert. Two great rivers, the Tigris and Euphrates, are Iraq's outstanding features.

**Population:** Approximately 7 million; 75 percent Arab, 15 percent Kurdish, 10 percent other. Labor force totals about 2.4 million; around 75 percent are engaged in agriculture.

**Urban Centers:** Baghdad, 1.5 million; Mosul; Basra (chief port); Kirkuk; Karbala; Amarah and Sulaymaniya.

**Industry:** Petroleum industry is dominant. Light industry is increasing.

### Agricultural Economy

**Importance of Agriculture:** Contributes 20 percent of national income; accounts for only a small portion of the country's foreign exchange earnings.

**Principal Crops:** Wheat, barley, rice, corn, beans and peas, dates, cotton, and tobacco.

**Cropland:** About 18.5 million acres--17 percent of land area of country. Half of this lies fallow in any given year.

**Main Agricultural Exports:** Dates, barley, wool, hides and skins, and cotton.

**Main Agricultural Imports:** Wheat, tea, sugar, rice, oilseeds, and vegetable oils.

**Leading Agricultural Supplier:** Since 1960 United Kingdom has been the leading supplier with United States second.

**Potential Market:** Continuing need for grains, increasing market for poultry, dairy products, vegetable oils, and tobacco.

**Agricultural Problems:** Soil salinity, water control, need for better livestock management practices and cultural techniques.

**Future:** Outlook for agriculture is relatively favorable, given political stability.

**System of Measurement:** Metric system is official.

Land measurement; meshara or donum.

1 meshara (or donum) - .62 acres.

4 meshara (or donum) - 1 hectare - 2.471 acres.

**Money:** 1 Iraqi dinar - 1,000 fils - U.S. \$2.80

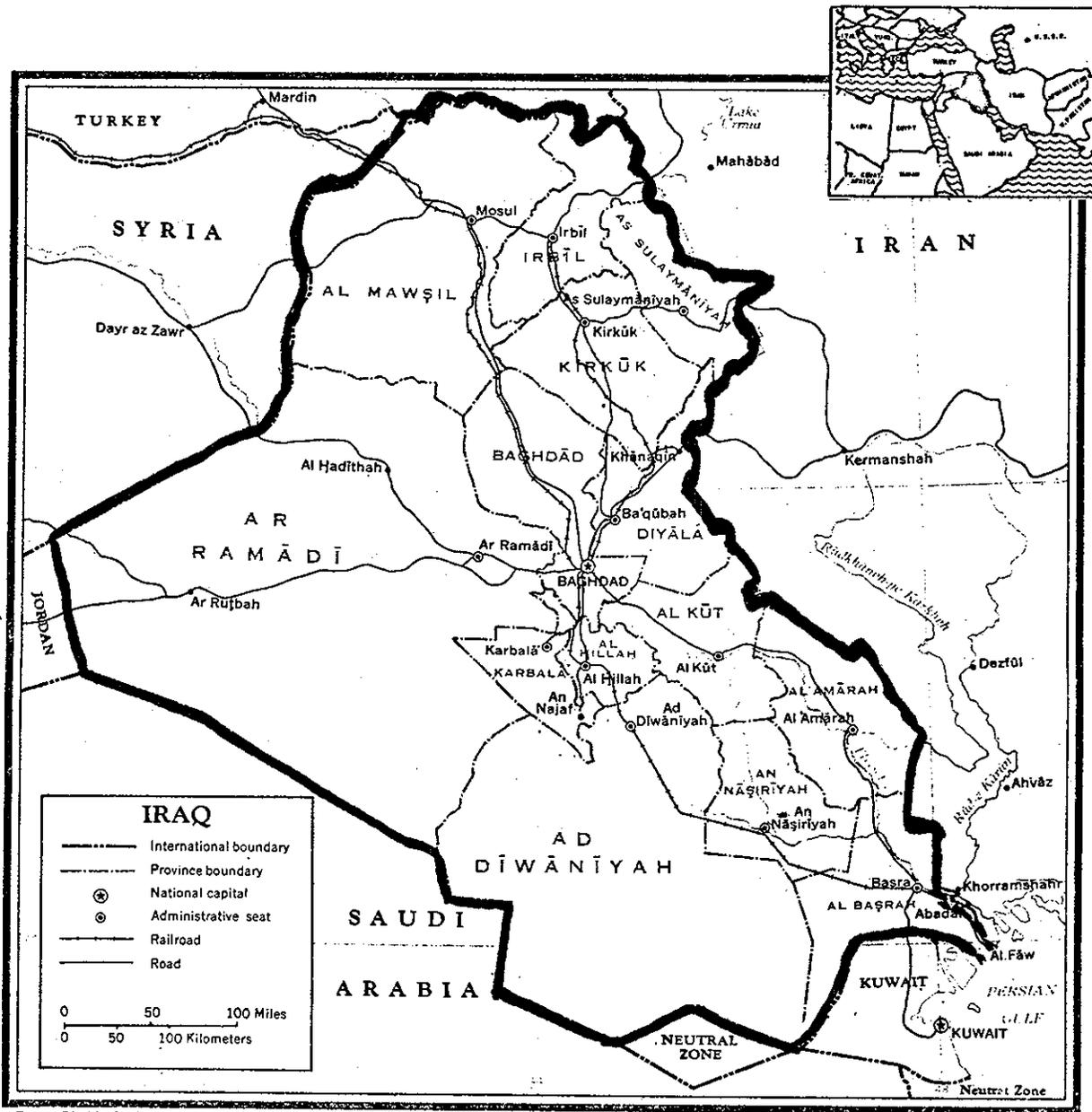


Figure 1

## LAND REFORM IN IRAQ

### I. SUMMARY

Iraq's contemporary land tenure laws which have their roots in antiquity, have evolved from 12 centuries of Moslem influence. The basis of the system now in use was first established by the Ottoman Land Code of 1858 and amended by laws and regulations since that time. The major modifications were made by the Land Settlement Law of 1932, followed by the miri sirf laws concerning the distribution of state domain during the 1940's and 1950's, the Agrarian Reform Law of 1958, and supplemental laws and regulations which modified the agrarian reform program.

An estimated three quarters of Iraq's population depends on agriculture for its livelihood, but agriculture contributes only about a fifth or less to the national income. Actually, during the 1950's and 1960's agriculture's contribution failed to keep pace with other sectors of the economy.

Iraq has a number of physical features and existing conditions which influence its economy and in particular its agriculture. It has two great rivers and several smaller ones which provide water and power and substantial resources of oil which provide funds for development and to finance the government. Also, the population density, and agricultural "land/man ratio" is not critical. Conversely, half the country is desert or semi-desert. Rainfall is scanty except in the north, and upstream conditions regularly cause floods. Sociological factors include strongly marked ethnic, religious, and political divergencies and complicated tenure practices, all of which have delayed development and execution of reform.

Efforts of the Monarchy to deal with problems, especially the tenure situation, were not adequate and dissatisfaction spawned a revolution that replaced

the Monarchy with a Republic in July 1958. Although the Monarchy had stressed the construction of large dams and similar development projects and the distribution of portions of the state domain, its efforts were inadequate.

The leaders of the Revolution, recognizing the deficiencies of the Monarchy's programs, modified the development plan, but completely changed the tenure situation. Although they did incorporate the existing state domain projects into their program, they placed particular emphasis on the redistribution of large private landholdings which the Monarchy had been politically unwilling to do.

The Iraqi revolutionary leaders patterned their Agrarian Reform Law of 1958 after the Egyptian Agrarian Reform Law of 1952. However, they failed to recognize the difference between the two economies; their stages of development, the numbers of trained agriculturists available, and the difference in the patterns of land holdings.

Though the agrarian reform program accomplished its political goal of removing the landlords, there has been slow progress toward the social and economic goals. The planners visualized cooperatives as the best way to supply management advice, extend credit, and a base from which extension information could be disseminated. Cooperatives, however, have not been able to fill the management void. A dozen years after the reform, only the political goals have actually been achieved.

Since the revolution of July 1958, and the enactment of the Agrarian Reform Law, Iraq has experienced so much political turmoil and internal unrest that the successes and failures of the agrarian reform program cannot be assigned to any one political group. In spite of the rapid change in the political climate, the program has been firmly established. Some farmers are much better off and undoubtedly their numbers will increase. The rapidity of the program's advancement will depend on the stability of the Iraqi Government.

LAND REFORM IN IRAQ  
by  
H. Charles Treakle

II. PRE-REFORM PERIOD

A. Introduction: Economic and Political Background

With vast oil reserves, the water from two mighty rivers, and soil that historically appears to have supported mighty civilizations, Iraq, as an independent nation, had more impressive reasons to expect to make economic progress than most emerging countries. On the other hand, Iraq has always faced a plethora of problems. The effects of unusual physical features and existing conditions have influenced its economy and agriculture and some of these phenomena have presented serious obstacles. Climate is a limiting feature. About half of Iraq is desert or semi-desert. Rainfall is scanty except in the north, and what there is falls during the winter and early spring, causing rivers, already full of melted mountain snow, to flood. High waters in the late spring have regularly been unmanageable and caused loss of life, property, and crops. Other climatic restricting features are long, overwhelmingly hot summers. Winters are surprisingly cold; frost can appear anywhere; and the northern areas have snow and bitter cold.

The people of Iraq are not ethnically homogeneous. Strongly-marked divergencies among groups such as the Bedouin, Arab land owners, tenant farmers, Kurds, various religious sects, and others have involved endemic conflicts that have resulted in poor communications and misunderstanding of national goals. It appears from the record of recent decades that to a great extent, the complex of ethnic, linguistic, social, religions, and political factors have been the greatest deterrent to overall development.

The Agricultural Sector of the Economy

Throughout Iraq, farming and livestock raising have been the dominant features of economic life. Until 1958, and the advent of the republic, tenant farming was widespread which minimized the returns to a large segment of Iraq's farmers. Prior to the 1958 Revolution efforts had been made to deal with some of the tenure problems through land reclamation and settlement projects that placed farmers on plots of their own. Most of these, however, proved to be inadequate and ineffective in altering the tenure pattern.

Iraq's major crops have always been wheat, barley and dates. In Iraq more dates are grown than in any other place in the world. On the average, the annual date crop amounts to about 300,000 metric tons. They have always been a staple in the Iraqi diet, and have long been a leading or major agricultural export. The principal date palm area extends from Basra in the south, northward in scattered areas to Baghdad.

The north-central and northern part of the country are plains and rolling stretches, changing to mountains in the north and northeast. In most years a good portion of this northern area gets sufficient rain for crops. Much of this land is unsuitable for irrigation, but some land can be irrigated and several large dams have been constructed. The central and southern areas get too little rain to support crops and must be irrigated. Most of this area is a delta flood plain. Lakes and marshes dominate the south.

In ancient times, crop yields appear to have been much higher than in modern times. Over the centuries abuse and neglect of the land has been reflected in poor crop yields, and overgrazed depleted pastures. Not until after World War II was much attention given to agriculture.

In 1951 an International Bank for Reconstruction and Development (IBRD) Mission to Iraq estimated the number of people whose incomes were derived directly from agriculture to be about 60 percent of the total population. But this figure would be much higher if the number of persons in urban families dependent on income from agriculture were counted. Subtracting those who work in rural areas on non-agricultural jobs and adding in urban residents who derive their income mainly from agriculture, the people supported directly by Iraq's farms and flocks in 1950 would probably have reached 75 percent or more. It was at this time that oil production was just beginning to expand. By 1956, oil and agriculture were both contributing almost 25 percent to the Gross National Product while agriculture employed over 80 percent of the active labor force and petroleum 1 percent or less.

#### The Industrial Sector of the Economy

Iraq's petroleum was first found in significant quantities in Naftkhana in 1923. Another rich strike was made at Kirkuk in 1927. By the end of 1934, it was being exported through two 12-inch pipelines to Tripoli, Lebanon and Haifa, Palestine. Since that time, oil has generated enough income to allow Iraq to more or less operate its government and to carry out impressive development projects on a cash basis. Oil provides not only an excellent source of foreign exchange but also a cheap source of power and raw materials essential to the development of agriculture, industry, and transportation. Longrigg and Stoakes point out that:

"The oil industry has in recent years been spending sums in Iraq which amounted to half the value of her non-petroleum exports. Part of the outlay has been on wages; it employs a sixth of the industrial labor and is the largest single employer. The rest has been in payment for locally grown foodstuffs, the products of domestic industry, foreign goods imported by Iraqi commercial firms and services pro-

vided by the State or by private individuals." <sup>1/</sup>

Under the Iraqi Development Law of 1950, 70 percent of oil revenues received by the Government were allocated to the Development Board. The Board had been given the overriding assignment to use these funds to increase the nation's productivity. The Board, later transformed into a Ministry, directed most of its funds toward the construction of important flood control and irrigation projects. It was felt at the time that these projects would allow for agricultural and industrial improvements that would raise the income level and improve the lot of all of the poor. They believed that a redistribution of income would follow. However, there was no rapid change in the status of the poorer classes and planning had not been broad enough to include constructive land-reorganization, tax reforms, and public works of a nature that would make an immediate impact on the common man. Although these failures were pointed out to the Board, little action was taken. In his recommendations concerning development, Lord Salter, noted that 'engineer's planning' was not an end in itself. Improvement of living conditions and conservation of human resources requires balanced development.

#### Political Background

From 1514 until 1918 Iraq was a province of the Ottoman Turks. History indicates, however, that Iraq was more of a liability than an asset to the Turks. There was a mix of cultures, and restive people to be governed. What Iraq amounted to was a buffer state between a strong Turkey and a strong Persia filled with numerous minorities. The Kurds are the largest of these groups. Others include the Armenians, Yezidi Turkmen, Sabaens or Mandaean, Jews, Assyrians or

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<sup>1/</sup> Longrigg, Stephen, & Stoakes, Frank, Iraq, Frederick A. Praeger, New York, 1958, p. 152.

Nestorians, and Chaldeans. Also, between the time of the Mongol invasion and the arrival of the Turks, various Bedouin groups typified by the Shammar and the Muntafiq moved up to Iraq from the Arabian Peninsula and set up tribal patterns which still have strong influence. Turkish solutions to problems created by these and other Arab tribes only created additional problems later.

Cressey points out that:

"Turkish troubles with the Arab tribes of the desert finally led to settling them on irrigated lands, sold to their sheikhs who then became landlords over the tribesmen who were now tenants. Here is the basis for current problems of land tenure." 1/

From this tangle of history, land control in various areas of Iraq had become hopelessly involved. Control had been passed out or allowed to rest with different ethnic groups, hassled over by the settled and the nomadic tribes, entangled with religious dogma, held loosely by the state, delegated by tribal dirah, and, in some areas, independently held by groups who managed to remain outside the control of the central authority--such as the local chieftons of the Basra and delta marshlands.

By the 1800's, after centuries of chaotic history, a complex tenure system had evolved which was highly feudal in nature. There was unfair expropriation and much confusion of ownership. The Turks, primarily interested in revenue that could be obtained by taxing owners, sought a method of legal registration of land. However, failure to effect any redistribution in accordance with their Ottoman Land Law of 1857 only compounded confusion.

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1/ Cressey, George B., Crossroads: Land and Life in Southwest Asia, J. B. Lippincott Company, Chicago, 1960.

By the late 1800's the Ottoman Turks were beginning to recognize that changes should be made to solve tenure problems, some of which were of their own making. They made their start by instituting reforms to reduce the power of the feudal landlords and the tribal shiekhs. The plan was to begin by creating a small class of cultivator owners. Up to this time there had been little individual private ownership of land. The basis of land ownership for most all of the land at that time was the tribal dirah, a large area over which a specific tribe maintained customary right of occupation, though the land was considered to be state owned. A relatively small proportion of the total area of a dirah was cropped, and if the land was low lying and irrigated the cultivated area would be moved as the land became too saline to grow crops. Also silt and moving sand filled canals and cultivation would be abandoned.

Under this tribal system individuals might cultivate areas but much of the cultivation was communal. The management of operations, such as canal cleaning and clearance, canal digging for irrigation, the allotment of seeds, the fixing of the time of sowing, reaping and threshing was directed by a tribal functionary designated by the ruling sheikh. Although he was leader of the tribe, he delegated these management functions.

#### The Kingdom of Iraq - 1921-1958 1/

Although many of the land tenure problems that were haunting the kingdom of Iraq in the 1950's had their origins in the past, all of the kingdom's corrective measures and reform laws had been and were weak and ineffective.

Modern Iraq is a political creation. Prior to its inception, the Arabic name "al-Iraq" had been used for the southern part of present Iraq. Following

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1/ Iraq did not become completely independent of the British until 1932.

World War I, the name Iraq was used by British political officers for the new nation they created using ancient Mesopotamia, (the land of the Tigris and Euphrates) as its heartland.

These nation builders used the eastern boundary of the then defunct Ottoman Empire, and in the west, the limits of French claims on Syria. Other boundaries represented practical decisions and agreements. Although Iraq in this manner became a political entity in 1918, it did not have a ruler until 1921, when Amir Faisal ibn Husain from the Hijaz--not western Saudi Arabia, agreed to rule as king, under the protection of the British. He had been an ally of the British during World War I, cooperating with T. E. Lawrence's activities against the Turks. Though not a native of Iraq, Faisal was popular with the Arabs.

Iraq remained under British protection until 1932. During this time it was not fully ruled by its own citizens. In 1922 an outburst of nationalism brought a promise of independence in ten years, and Iraq became an independent nation October 3, 1932. However, with many British advisers, and British military bases very much in evidence, many Iraqis did not feel they had truly gained independence. Too many policies were decided in favor of the ruling class who were supported by the British. In addition the leading Iraqi politician, General Nuri Sa'id was accused of operating directly on behalf of the British, who, though they created Iraq as a new nation, appeared to the average Iraqi citizen to have a hold on the country similar to that of the Ottoman Turks. Thus, much of the bitterness directed at foreign domination, which had its origins in the Ottoman period, was vented on the British and to an extent, other western governments including the United States.

Prior to July 1958, frustrations had been building up among the Iraqi lower and middle class. Considerable discontent with the social and political structure was evident. The Development Board had promoted large construction projects but had fallen short on improvements for the common man, and the standard of living remained low. The results of elections could be predicted to be filled with loyal supporters of the Prime Minister--most of whom were large landowners. This put a damper on land reform and stifled any relief for the fellahin, or his escape from exploitation by the landlords.

Malcontents, however, had only to look at Egypt as a model. Also, Nasser openly was suggesting that Arab nationalists should follow his lead and begin to change by shedding their monarchs.

The coup d'etat of July 14, 1958, which overthrew the monarchy, was led by Brigadier Abdul Karim Qassim (Kassim), who proclaimed the Republic of Iraq. This sudden revolt took the lives of Iraq's principal figures, King Faisal II, Crown Prince Abdul Ilah, and General Nuri as Sa'id the Prime Minister.

There is little question that Iraq was ripe for land reform as all prior attempts to change the tenure system had been weak and ineffectual. Many felt a complete revolution was the only solution.

Fisher points out:

"The completeness of the revolution and its full acceptance by the general populace throughout the state amazed only those not familiar with social and national conditions. ...The same government had been in power too long and had failed to satisfy the aspirations of the majority. Land reform, poverty and the low standard of living, Israel, social advances for the urban masses, sanitation and health, and the depressed state of the educated middle class were but a few of the problems which the people of Iraq felt pressing upon them and the

belief was widespread that Nuri al Sa'id and the Hashimites had not tried to cope with them adequately." <sup>1/</sup>

Among the changes that Qassim's new military regime immediately announced, was its intention to carry out a thorough and sweeping agrarian reform program, far beyond the plans of land reform that had been considered by the monarchy.

The promise of land reform was soon followed up with legislative action. On September 30, 1958, just two and a half months after the coup, a land reform law was passed by the new government which closely resembled the legislation passed by Egypt in 1952 and Syria in 1958. However, it was a bit more generous to landowners and also made provisions for agricultural workers.

## B. Land Tenure Structure

### 1. Characteristics

In 1932 when the Kingdom of Iraq took over administration of the new country, the leaders were undoubtedly aware of the need for a stable and productive rural economy but they inherited systems they had to continue. Years later the President of the Miri-Sirf Land Development Committee, in a report on settlement activities, wrote that chaos was everywhere and the government had its hands quite full since there was a shortage of adequately trained and capable administrators. He went on to say that:

"The government had no choice in the beginning but to follow the Ottoman Law of Land. At the same time Sir Ernest Dowson, a British expert, was invited to study the tenancy problem and make his recommendations. An extensive study of the existing conditions was carried out and a final report was submitted to the government. The British expert suggested the principle of accepting the actual existing tenancy rights and registering them officially and providing the people with documents ensuring their future. Accordingly,

<sup>1/</sup> Fisher, Sydney Nettleton, The Middle East, New York, Alfred A. Knoff, 1966, p. 571.

the government passed in 1932 the law of Settlement of Land Rights No. 50, which provided for the acceptance of the actual production occupancy of the land as the right holder." 1/

Actually, it had become economically and politically favorable for the government to have tribal lands transferred to the sheikhs. By this law they became the legal owners whereas as tribal leaders they had been landholders without title for their people.

The tenure situation in Iraq is closely tied to and influenced by tribal traditions as most of the population of rural Iraq still have close tribal connections. Therefore, a brief discussion of the nomads, their tribes and the position of the sheikhs or other tribal leaders is included.

In 1957, census figures reported only about 68,000 purely nomadic tribal people. There was also a much larger number of semi-nomadic people. Regardless, most of the rural population of Iraq have some tribal affiliation, whether they are nomadic or settled. The tribal people, however, are not homogeneous, they differ ethnically, culturally, and in their traditional manner of living.

The number of persons living completely nomadic lives has been declining since the 1950's. Prior to that time nomads roamed throughout Iraq and examples of nomads can be typified by the Arab Bedouin tribes that have habitually moved their flocks and herds searching for grass and water. As irrigation has been expanded more and more of these nomads have settled. There are five major tribal groups of Bedouin; the Shammar, the Sinjara, the Zawba, the Abda, and the Anza. In the mountains of the northeast Kurdish nomads belonging to the Jaf federation in times past lived in tents, now most live in villages or are semi-

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1/ Ali, Hassan Mohammad, Land Reclamation and Settlement in Iraq, Baghdad Printing Press, 1955. p. 62.

nomadic. In the south in the marshes and lake areas and on nearby land the Madan live semi-nomadic lives, migrating to find pasture for their water buffaloes.

Tribal organization is based on a kinship system of tribal ties, and loyalties are strong. With variations among nomads, the tribes traditionally are broken into levels of organization with leadership vested in the heads of kinship groups, which belong to other groupings, which make up the tribe. An older male is usually the leader for each group and the leader with the closest relationship to the original common ancestor is the Arab tribal chief or permanent sheikh, or the Kurdish agha. He is assisted by the lesser sheikhs whose authority usually ranks according to their patrilineal descent. The sheikhs and aghas traditionally have represented their people in dealing with the central government. Among other leadership activities they have served as judges for their tribe, officiated at marriages, generally provided advice and advanced credit for agricultural activities of settled members of the tribe, sub-tribe or lineage group.

Tribal nomads and semi-nomads live quite frugally, and are little if any better off than their sedentary village cousin. Exceptions are among the leaders of the tribes who derive income from agricultural holdings that have accrued to them as leaders of persons or authority in the tribe. It is this group that was able to obtain large landholdings. Few farmers who actually cultivate the land have been able to gain affluence.

"With rare exceptions rural Iraqis subsist on the barest necessities. Famines are infrequent, but when crop failures occur many rural families suffer from hunger. Since agricultural techniques are largely inefficient, villagers must work hard to maintain even minimal standards of living. Tenant farmers consume a large portion of their share of the crop as food." 1/

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1/ Foreign Area Studies, The American University, Area Handbook for Iraq, U.S. Government Printing Office, Washington, 1969, p. 97.

Since traditionally the head of the tribal group could determine the individual's activities or position (because the groups interest took precedence) the average cultivator, until the July 1958 Revolution worked his plot under the direction of someone else, often a tribal authority. When tribal land was titled to the sheikhs in 1932 the cultivators position changed very little. As tenant sharecroppers they worked under the direction of the sheikh who was now the landlord or his representative often a sub-sheikh.

In some cases the sub-chiefs or sirkals had had their own land, and there were some cultivator-owners in the central areas and the mountain villages in the north. Also, in the Sinjar area of the northern province of Mawsil, large tracts of the tribal dirah (traditional tribal land area) of the Shammar tribe were leased by the Sheikh and sub-shiekhs to merchants of the city of Mosul, and the farmers who had regularly cultivated the land then became the laborers and sharecroppers for the merchants. Prior to this they had been tenants-at-will on a state owned land, thus their status and share was actually reduced. This was also true for the tribal members who worked the sheikh's land. In most areas the sirkal acted as the sheikh's (landlord's) representative. He became the estate manager and agent, and the tribesmen who were settled in villages became sharecroppers of the surrounding land regardless of whether it was leased or not. They had few rights, little or no status, and were more or less legally tied to the land. The law of 1932 was supposed to be an answer that would resolve the confusion over the tenure situation. However, it perpetuated the very system it was trying to correct. It allowed influential people to obtain control over vast areas of cultivable land. As stated in the FAO Country Report of 1959, there was probably no single cause of abject poverty greater

than this system which divided agricultural (cultivable) land into large holding which were subdivided into pitifully small operational units. <sup>1/</sup>

While the 1932 law contributed much toward the settlement of tribal disputes over land and formalized a classification of land, it also sowed the seeds of discontent, for it actually legalized feudalism. On the other hand, there were still areas of tribal holdings that had no legal status except the customary right to occupy on the basis of tribal dirah because of confusion over registration. Here the holders became tenants-at-will.

Under the traditional system used by many of the tribes, cultivation was partly communal and partly individual. Only a small proportion of the tribal area of the dirah was cropped and cultivation was shifted to new lands as canals silted full, the lands became exhausted or became saline. Since to most tribesmen, livestock raising rather than crop production was the more important occupation, there was little reason to claim individual ownership. Where large tracts of cultivable land were owned by individuals, merchants, or other entrepreneurs who owned irrigation pumps, more than likely these owners did not live on the land and did not actively serve as managers or operators of the farms. Usually they took up residence in larger towns or cities. Furthermore, seldom did they train their sons to become active operators of the family property they would inherit.

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<sup>1/</sup> Iraq Country Report, FAO Mediterranean Development Project FAO, Rome, 1959.

## 2. Changes

During most of the period from the mid-1930's until the revolution in 1958 the Kingdom of Iraq was under the guidance of Nuri-as-Sa'id who served as Prime Minister numerous times and was close advisor to the throne. Politically he was a conservative.

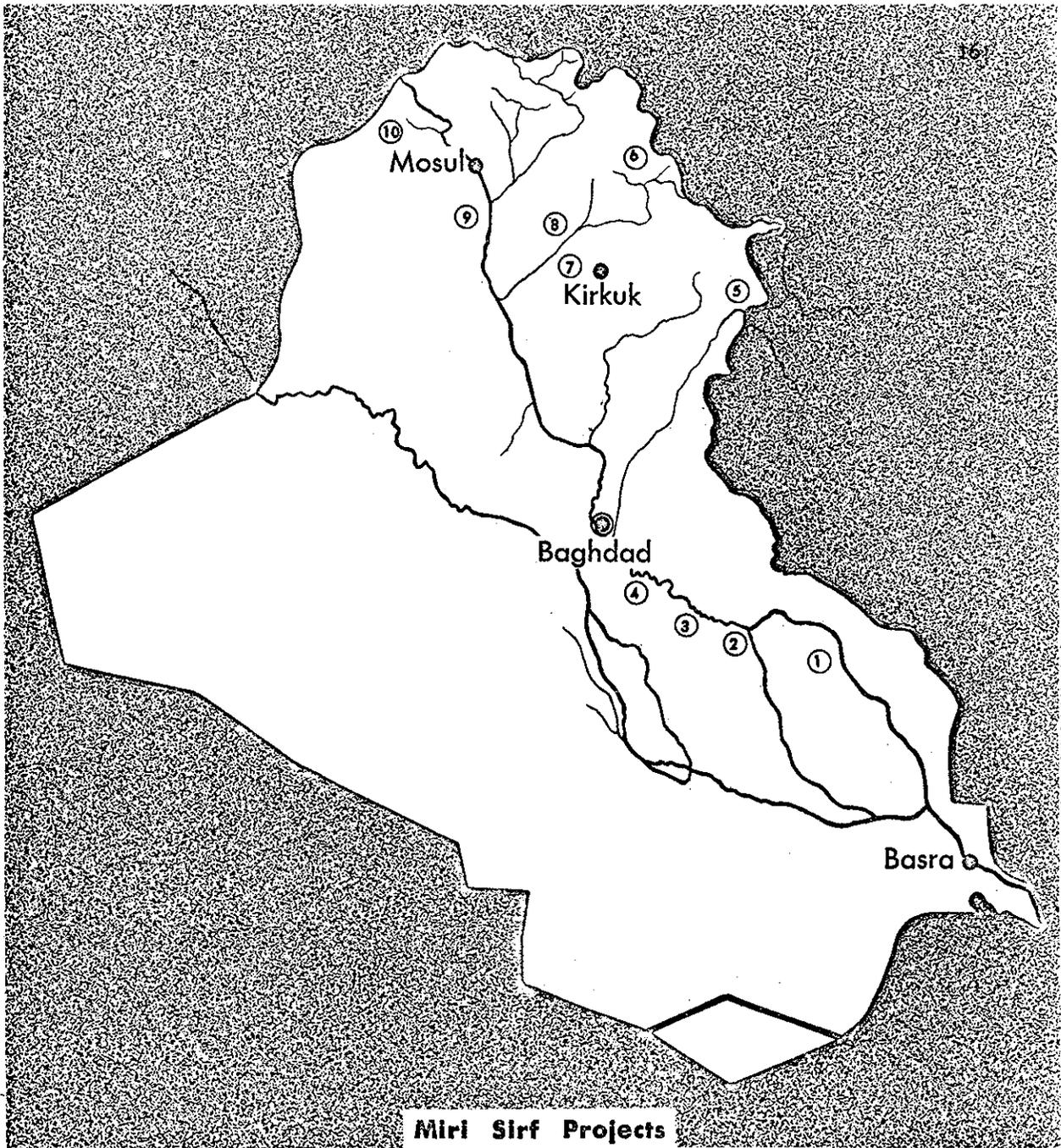
"Nuri did not seem to be unduly disturbed by the socio-economic inequalities of the Iraqi society. He believed that what Iraq needed was not a radical reslicing of the "cake", but a concerted effort to increase the cake size--a policy justly deemed feasible in view of the impressive resources of the country." 1/

He felt that once this was accomplished the more balanced distribution of wealth would follow. Nuri emphasized development administered by a non-political Development Board which included foreign experts. A law was passed that provided that 70 percent of the oil revenue was to be earmarked for development, and the Board's accomplishments were considerable. The most noticeable of which were the construction of the Wadi Tharthar Dam on the Tigris and the Ramadi Dam on the Euphrates.

Although dams did provide some protection from floods and water for crops, they did little to improve the tenure situation, and their value was not apparent to the average peasant. The landless peasant workers and the tenant cultivators were disappointed in Government projects that gave them no immediate benefits. The cultivator's plight had worsened when the Land Settlement Law of 1932 had placed the title of tribal lands with the sheikhs. The settled tribesmen had then become a sharecropper.

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1/ Ienczowski, George, Iraq Seven Years of Revolution, Institute of International Studies, University of California, Berkeley, 1965, p. 282.



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|--------------------|--------------|-------------|
| 1. Dujaila         | 4. Latafiyah | 7. Hawijah  |
| 2. Babel Extension | 5. Shahrsoor | 8. Makhmur  |
| 3. Mussayib        | 6. Sangesar  | 9. Shorah   |
|                    |              | 10. Sinjar. |

From:  
Iraq Progresses  
 U.S. Operations Mission to Iraq

Figure II.

The Nuri-as-Sa'id Government, although conscious of the unrest among the landless and the less privileged group of Iraq was still unwilling to make radical changes, at least to the extent of breaking up the large private estates that the former tribal lands had become. Instead, a long talked-about plan to distribute owned land was codified by the Miri Sirf Law of 1945. This law provided specifically that the state land opened up by the Kut Barrage be distributed to landless settlers. In 1951, Law No. 13 provided for distribution of all state lands and fixed the sizes of holdings to range from 12.3 acres to 208.8 acres for various regions and types of farming. By early 1957, about 20,000 families had received land under the Miri Sirf Program. The recipients included a few farmers who already owned land. However, some of these received very large holdings. It was hoped that this program would lead to a gradual improvement in the position of the peasant by offering them an escape from exploitation by the landlords. The start made, however, was very slow--even for Nuri-as-Sa'id non-radical approach to reform.

Warriner comments "these schemes, however, were too few to have any broad impact, though two or three have been fairly successful. The biggest settlement, Dujaila failed because the land went saline for lack of drainage. So long as the landholders have political power, no modern measure could gain enough leverage to undermine them or secure any real support from the bureaucracy. Without a revolution there could be no effective reform; with a revolution, reform was likely to be inefficient. The dilemma is not peculiar to Iraq." <sup>1/</sup> Though land reform was not the only reason for discontent, which brought about the revolution of July 1958, it is generally conceded that the lack of willingness of the Nuri-Sa'id government to make radical changes in the feudalistic tenure structure was a major contributing factor.

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<sup>1/</sup> Warriner, Doreen, Land Reform in Principle and Practice, Clarendon Press, Oxford, 1969, pp. 78-79.

In 1955, Lord Salter in his report, "The Development of Iraq <sup>1/</sup> noted that successive governments had given inadequate potential to agricultural policy having usually felt that new legislation on land tenure must be kept within the bounds of what would not be actively resented by the landowners. Holdings over 500-600 acres at that time accounted for about two-thirds of the total of the privately owned land while nearly a quarter of the total land holdings were in units of 5,000 to 6,000 acres or more. A great majority of the people worked at agricultural pursuits and had a very low standard of living.

<sup>1/</sup> Salter, J. A. 1st Baron, The Development of Iraq; A Plan for Action, London, Caxton, for Iraq Development Board, 1955.

## C. Land Resource Information

### 1. Land Availability

Iraq has a total area of about 170,000 square miles and had a population of about 8.8 million in 1969, which is an average density of about 52 people per square mile. This is a low "man land" ratio but much of Iraq's land is agriculturally unproductive. Of the total area, over 80 percent is not considered as productive farm land. Of the unproductive land, 34 percent has some little seasonal grazing and some is scrub woodland and mountains; the remaining 47 percent is desert wasteland. Despite the considerable amount of unproductive land, pressures for agricultural land have not been great. There are cases where localized conditions (such as droughts and when the land has become too saline) which have forced cultivators to seek other occupations because the land went out of production, but these conditions have been offset by new land being brought into cultivation by new irrigation projects, and land being reclaimed for cultivation by the construction of drainage.

Statistics collected by the 1958 agricultural census indicated that about 18 percent of the land was in agricultural holdings. (A generous estimate) of this land in holdings nine-tenths was regularly cropped (including orchards and vineyards) but 44 percent of the cropland was fallow in any one year. Iraq's scarcity of rainfall in all but the northern part of the country requires that some type of irrigation is necessary for nearly 48 percent of the cropped land.

The geography of tenure and the areas affected by agrarian reform both before and after the 1958 Revolution are throughout rural Iraq. More specifically, they are the settled farming areas that are dry farmed in the north and the irrigated areas of central and southern Iraq.

Table 1.--IRAQ: Number and area of agricultural holdings, by size groups, 1958

Size group	Number of holdings	Share of total number	Area covered	Share of total area
<u>Acres</u>	<u>Thousand</u>	<u>Percent</u>	<u>1,000 acres</u>	<u>Percent</u>
Under 2.5 .....	73.1	28.9	64	.3
2.5 - 12.4 .....	70.9	28.0	405	2.0
12.5 - 24.7 .....	30.9	12.2	521	2.6
24.8 - 49.4 .....	30.9	12.2	1,063	5.4
49.5 - 123.6 .....	29.7	11.7	2,187	11.0
123.7 - 247.1 .....	9.0	3.6	1,458	7.3
247.2 - 494.2 .....	3.7	1.4	1,223	6.2
494.3 - 1,235.4 .....	2.6	1.0	1,992	10.0
1,235.5 - 2,471.0 .....	1.3	.5	2,214	11.2
2,471.1 - 12,354.0 .....	1.1	.4	4,939	24.9
12,355 and over .....	.1	.1	3,798	19.1
Total .....	253.3	100.0	19,864	100.0

Source: Results of the Agricultural and Livestock Census of Iraq for 1958-59,  
Government Press, Baghdad, 1961.

Table 2.--IRAQ: Land utilization

Category	Area	Percent of total
	<u>1,000 acres</u>	<u>Percent</u>
Land in farm holdings <u>1/</u>		
Field crops.....	9,858.2	9.1
Fallow.....	8,200.7	7.5
Orchards, groves, and vineyards.....	463.3	.4
Perennial forage, meadow and other pasture.....	175.9	.2
Woodland and woodlots.....	11.3	---
Built-on and other cultivable land <u>2/</u>	<u>1,154.2</u>	<u>1.1</u>
Total.....	<u>19,863.6</u>	<u>18.3</u>
Land outside farm holdings <u>3/</u> .....		
Natural woodlands and forests <u>4/</u> .....	4,810.8	4.4
Seasonal and other grazing land.....	10,360.4	9.6
Non-farm land, deserts, wasteland and other <u>5/</u> .....	<u>73,307.0</u>	<u>67.7</u>
Total.....	<u>88,478.2</u>	<u>81.7</u>
Total area of Iraq <u>6/</u> .....	108,341.8	100.0

1/ The 1958/59 Agricultural and Livestock Census figures were used for the area of land in agricultural holdings and units for the 14 Liwa (Provinces).

2/ A residual figure. The Census figure of 1,241,186 acres for uncultivable land included 87,026 acres of meadow and woodland.

3/ Area figures for these categories were not reported by the Census; figures were derived from Statistical Abstracts (1952-61), and the 1962 FAO Production Yearbook.

4/ Much of the natural forest areas are to some extent grazed.

5/ Some areas of this category are at times grazed, but they do not provide regular, dependable seasonal grazing.

6/ The figure for the total area of Iraq includes one half of the Neutral Zone and the territorial waters, as reported in the Statistical Abstract for 1961.

Source: Treakle, H. C., The Agricultural Economy of Iraq, U.S. Department of Agriculture, ERS-Foreign 125, August 1965.

Only one percent of land in farms was classified as permanent meadows and pasture. The greater part of the land used for grazing in Iraq lies outside the land in farms. Much of the land not classified as farms or forest is, in fact, used for grazing, if only seasonally. A substantial part of this area could be used for crops if irrigation were available. Table 1 shows the distribution of land in farm holdings and Table 2 land utilization.

## 2. Classification

After the settlement law of 1932 was passed, a cadastral survey was begun which modified the old land classification, but was still based on the Ottoman Land Code of 1858. <sup>1/</sup> The law of 1932, and the law which superseded it in 1938 recognized four basic categories: Mamloukah or mulk, land which is held in absolute private ownership; matruka, land reserved for public purposes such as roads, unsettled public pasture, threshing floors, et cetera; waqf, land held in trust for religious or charitable purposes; and miri, land owned by the state on which the state grants the tasarruf or right of usufruct, and retains the raqaba, or right or absolute ownership. These lands are divided into three sub-categories: miri-tapu, land held in permanent tenure from the state with the holder able to sell, mortgage or will his right to this land to others; miri-lazma, land similar in tenure to miri-tapu land, except the state may veto any transferals; and miri-sirf land which belongs absolutely to the state and under its effective right of disposal.

In 1958 the relative importance of the above classes of land in agricultural units was as follows:

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<sup>1/</sup> The Ottoman Land Code of 1858 recognized five categories of land; mulk, matruka, waqf, mawat or mubah land. This last category included dead, deserted, or unreclaimed land--desert or empty lands which are property of the state--this category overlaps with miri or state domain and was dropped from the 1932 classification.

<u>Land Class</u>	<u>1,000 Acres</u>	<u>Percent</u>
Mulk	159	.80
Matruka	2,288	11.52
Waqf	271	1.37
Miri-tapu	7,711	38.82
Miri-lazma	6,541	32.92
Miri-sirf	<u>2,894</u>	<u>14.57</u>
Total	19,864	100.00

### Size of Holdings

An analysis of the size of holdings as reported by the 1958 Census (which was enumerated before the Agrarin reform law was effective)<sup>1/</sup> showed that 57 percent of the farms in Iraq had less than 12.5 acres and comprised slightly over 2 percent of the total area in farms. Eighty-one percent of the farms had less than 50 acres each, and these included only 10 percent of the land in farms. At the other extreme, one percent of the farms had 1,235 acres or more each, and made up over 55 percent of the area in farms. Sharecroppers were reported with the landlords holdings.

### 3. Identification and Titleing

Iraq's land is identified by category as described above under classification. Mulk land is titled to the private owner. Matruka and waqf land cannot be titled to private owners. Of the three sub-categories of miri state land only miri-sirf can be titled as the government sees fit or it can be leased annually to private persons by auction contract.

<sup>1/</sup> This distribution of holding of privately held lands represents the "before" picture of the situation at the time of the 1958 revolution. These holding may have been as mulk, waqf, miri-lazma or miri-tapu.

Legally the miri-tapu lease covers usufruct only. In practice, however, this land is practically the same as land held in fee simple. The renter of miri-lazma state land may change it to the tapu category after ten years. While both tapu and lazma land are only under the normal control of the state, land in miri-sirf remains specifically under state control of disposal.

It would appear (the Census report is unclear) according to the Census data in Table 2, that roughly 18 percent of Iraq's land was title or leased through one of the above classification to individuals, charitable, or religious groups. The remaining land was state held.

#### D. Rural Production and Productivity

About three-fifths of the value of Iraq's agricultural output comes from crops and two-fifths from livestock products. Grains are by far the most important of the crops. They occupy over 80 percent of the area reported in crops and account for well over half of the calories in the average diet. Livestock products are next in importance. They supply both food and non-food items, regularly account for about a fifth of the value of agricultural exports, and a fifth of the calories of the average diet.

Though water requirements impose some limits, Iraq's climate allows a diversity of crops which are raised on rain-watered and irrigated land and are classified as winter or summer crops--winter crops are the more important. The main winter crops are wheat, barley, flaxseed, vetch, several other pulses, and a few root crops. Summer crops are rice, sesame, sorghum, millet, maize, and a number of legumes, as well as most of the vegetables, horticultural crops, cotton, tobacco, and some cultivated forage. Table 3 shows the area planted in field crops in 1958. Table 4 shows production of major crops and products.

Table 3.--IRAQ: Area planted in principal field crops, 1958/59

Crops	Hectares	Acres
<u>Winter Crops</u>		
Wheat	1,919,115	4,742,133
Barley	1,637,332	4,045,847
Linseed	18,421	45,518
Lentils (ades)	5,061	12,506
Vetch (hurtman)	2,530	6,252
Chick peas	4,662	11,520
Broadbeans	6,763	16,711
	3,593,884	8,880,487
<u>Summer Crops</u>		
Rice.	211,119	521,675
Maize	10,360	25,600
Giant millet (sorghum)	15,655	38,684
Millet	9,200	22,733
Cowpeas	2,775	6,857
Green gram	11,280	27,873
Sesame	15,794	39,027
Sugarbeets	242	598
Vegetables	43,045	106,364
Cotton	51,766	127,914
Tobacco	23,859	58,956
	395,095	976,281
Other crops	598	1,478
Total area planted	3,989,577	9,858,246
Area double cropped	<u>1/</u> 24,694	<u>1/</u> 61,019

1/ The Census reported that 9,858,246 acres were planted during the 1958 crop year. Separate tables showed 9,735,169 acres of major crops and 184,094 acres of vegetables which together total 9,919,263 acres making an excess of 61,019 acres planted. This excess or residual figure is believed to represent the double-cropped area, a good part of which was probably vegetables. Some vegetables such as potatoes, onions, peas, and carrots are grown as both winter crops and summer crops in the same year.

For the above table, broadbeans were subtracted from the Census total for vegetables and listed separately as a major winter crop.

Source: Table - Treacle, H. C., The Agricultural Economy of Iraq, U.S. Dept. of Agriculture, ERS-Foreign 125, August 1965.

Data - Results of the Agricultural and Livestock Census of Iraq for 1958-59, Government Press, Baghdad, 1961.

TABLE 4 IRAQ

## PRODUCTION BY COMMODITY, VALUE AND INDICES OF TOTAL AGRICULTURAL AND FOOD PRODUCTION, AVERAGE 1957-59, ANNUAL 1960-69

COMMODITY	PRICE	AVERAGE	1960	1961	1962	1963	1964	1965	1966	1967	1968	PRELIM.
	WEIGHT	1957-59										1969 <sup>1/</sup>
DOLLARS			-1,000 METRIC TONS-									
WHEAT	64	814	599	816	1,086	500	640	856	700	750	1,361	1,189
RICE, PADDY	96	287	295	210	350	400	390	350	370	420	450	500
MILLET AND SORGHUM	34	25	24	22	22	20	23	25	25	23	28	28
BARLEY	31	994	803	911	1,125	1,002	700	750	700	700	750	730
PULSES	118	51	45	42	42	40	40	50	55	50	60	55
TOBACCO	503	7	12	9	5	7	14	11	11	13	14	13
COTTON	371	11	8	9	8	6	9	10	7	10	10	10
COTTONSEED	56	25	17	19	18	12	18	19	14	19	19	22
FLAXSEED	84	4	5	5	5	6	7	12	12	13	12	12
SESAME SEED	136	12	6	5	5	6	5	6	6	8	8	8
OLIVES	175	10	9	8	8	8	9	9	9	8	9	7
DATES	33	301	281	299	300	310	400	250	400	250	320	290
MEATS	537	89	101	100	100	100	110	110	110	100	110	110
MILK	111	1,187	1,200	1,225	1,250	1,250	1,300	1,300	1,250	1,275	1,275	1,300
WOOL, GREASY BASIS	322	11	10	10	11	11	13	13	13	12	13	13
AGGREGATES OF PRODUCTION			-MILLION DOLLARS AT CONSTANT PRICES-									
CROPS		139.9	119.7	127.6	162.6	126.2	133.0	140.5	134.9	139.9	187.8	178.5
LIVESTOCK		182.9	190.6	192.9	196.0	196.0	207.6	207.6	202.1	199.1	204.8	207.6
LIVESTOCK FEED DEDUCTION	.04	-7.3	-7.6	-7.7	-7.8	-7.8	-8.3	-8.3	-8.0	-7.9	-8.1	-8.3
TOTAL AGRICULTURE		315.5	302.7	312.8	350.8	314.4	332.3	339.8	329.0	331.1	384.5	377.8
TOTAL FOOD		303.9	290.1	301.4	341.4	304.7	317.2	325.4	315.7	315.9	368.6	362.4
INDICES OF PRODUCTION			(1957-59 = 100)									
CROPS		100	86	91	116	90	95	100	96	100	134	128
TOTAL AGRICULTURE		100	96	99	111	100	105	108	104	105	122	120
TOTAL FOOD		100	95	99	112	100	104	107	104	104	121	119
PER CAPITA AGRICULTURE		100	90	90	97	85	86	86	81	81	92	89
PER CAPITA FOOD		100	89	90	98	85	86	85	81	80	91	88
INDEX OF POPULATION												
1958 POPULATION= 6,510,000		100.0	106.7	110.2	113.8	117.7	121.5	125.7	128.7	129.6	132.6	135.0

<sup>1/</sup> PRODUCTION DATA FOR WHEAT AND TOBACCO ARE FROM PUBLISHED REPORTS OF THE FOREIGN AGRICULTURAL SERVICE, USDA, WHICH WERE AVAILABLE IN MARCH 1970. DATA FOR ALL OTHER COMMODITIES ARE ESTIMATES BY ERS BASED ON VARIOUS SOURCES AS DESCRIBED IN THE INTRODUCTORY NOTES.

Source:

Indices of Agricultural Production 1960-69

In Africa and the Near East

U.S. Department of Agriculture, ERS-Foreign 265

In reasonably good crop years, Iraq is agriculturally self-sufficient or nearly so. Sugar and tea, items that are not produced, or insufficiently produced in the country, generally make up about 2/3 of the agricultural imports. At various times, small quantities of cereals; vegetables, fruits, nuts and vegetable oils, as well as coffee, are also imported. Surplus crops of wheat and barley have been produced when rainfall was timely, but on the average crops just supplied domestic needs. In poor crop years wheat has been imported.

In Iraq, as in much of the Middle East, a fallow system is used in which a crop year is alternated with a year or more of rest for the land. This system is traditional, but may be used for different reasons for specific areas of the country. In the northern rain-watered areas it is used to allow weeds to grow, then decay to restore some little soil fertility and to store moisture. In the southern areas where the use of irrigation water raises the water tables and drainage is poor, salt will accumulate if the land is not left idle a year or two to allow natural drainage. In various other places, cropland is left idle simply because there is not enough water. The fallow system will no doubt be continued in most of the areas for many years to come. In 1958, approximately 8,858,000 acres of cropland had irrigation available, however, only about 56 percent was cropped in any one year. The remainder was left fallow. The irrigated cropland made up almost half (about 48 percent) of the country's cultivated land. Water for irrigation was diverted to this cropland by systems using both flow and lift methods. Some 58 percent of the area was irrigated by seasonal flooding or by flow methods and 40 percent by mechanical pumps. The remainder of the area had water diverted to it by powered water wheels, Na-oors (water wheels driven by river currents) and many homemade lifts and other devices driven by draft animals. Table 5 shows irrigation by province.

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Table 5.--IRAQ: Cropland on farm holdings watered by rainfall and by various methods of irrigation by province

Liwa (Province)	By rainfall	By flow	By water pumps	By water wheels <u>1/</u>	By na'oor <u>2/</u>	By other means	Total cropland
	Acres						
Al Amarah	241,923	385,328	388,491	3,128	---	99	1,018,969
Irbil	1,421,631	55,390	1,428	128	---	259	1,478,836
Baghdad	312,231	263,233	791,409	1,111	647	---	1,368,631
Al Basra	3,002	148,292	45,822	2,051	---	2,540	201,707
Ad Diwaniyah	7,428	531,087	798,207	30,853	---	5	1,367,580
Diyala	959,976	780,035	57,391	16,837	---	40	1,814,279
Al Hillah	4,005	784,644	42,234	31,839	---	91	862,813
Karbala	18,221	83,663	6,402	4,749	---	657	113,692
Kirkuk	1,834,283	319,266	,929	,126	---	---	2,154,604
Al Kut	30,628	420,112	1,037,879	1,584	---	---	1,490,203
Al Mosul	4,247,170	56,443	25,555	4,586	---	17	4,333,771
An Nasiriyah	24,327	1,018,423	211,567	25,108	---	2,711	1,282,136
Ar Ramadi	65,279	23,796	172,602	1,688	16,805	1,806	281,976
As Sulaymaniys	592,659	259,836	175	598	---	---	853,268
<b>Total</b>	<b>9,762,763</b>	<b>5,129,548</b>	<b>3,580,091</b>	<b>124,386</b>	<b>17,452</b>	<b>8,225</b>	<b>18,622,465</b>
Total irrigated	---	---	---	---	---	---	8,859,702
Percent of total	52.42	27.55	19.22	.67	.09	.05	100
Percent of irrigated		57.90	40.40	1.40	.20	.10	100

1/ Animal powered wheels. 2/ Water wheels driven by the river current.

Source: Results of the Agricultural and Livestock Census of Iraq for 1958-59, Government Press, Baghdad, 1961.

The Miri-Sirf Land Development Law of 1945 started a reform and settlement program that allowed distribution of state domain to peasant farmers. This program began with the Dujaila project when arid state owned lands were made cultivable by the new Dujaila canal. There were nine other projects located throughout Iraq (see figure II) which distributed miri-sirf (state) land.

In the Dujaila area there were about 240,000 acres of which 150,000 acres were assigned for distribution to small farmers. The remainder went to private landowners who were neighboring sheikhs. Some of the land that was distributed soon was rented and ownership by the man who farmed it became the exception. This was contrary to what the law originally intended.

By 1955 over 1.3 million acres had been distributed in 10,766 holdings with 53,830 people living on these holdings which represented a sizeable program.

Doreen Warriner, however, questioned the results.

"If this total land had in fact been distributed to small farmers, the distribution of state land would represent a large and beneficial change in the agrarian structure. However, the figures are misleading. ...large areas of the best state land in this region have been granted in registered title to the sheikh of the Shammar." <sup>1/</sup>

There was also no organization to direct better farming practices on the new settlements and little experimentation with new crops. Because of this the productivity and yields of Dujaila and most of the other projects suffered (Dujaila in particular suffered from poor drainage).

For Iraq as a whole, production did increase during the 1950's but that was not due to the reform program and settlement rather it was due to the fact that new land was opened up by irrigation projects and more tractor farming

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<sup>1/</sup> Warriner, Doreen, Land Reform and Development in the Middle East, Second Edition, Oxford University Press, London, 1962, p. 160.

was carried on in the province of Mosul and Kirkuk where wheat production rapidly increased.

#### E. Rural Population, Employment and Underemployment

Of a population of about 6.5 million the number of persons gainfully employed in 1956 has been estimated to be about 2 million. Table 6 shows a vocational distribution for 1947 and 1957 according to Census figures. Nomads are not included. Agriculture absorbed nearly four-fifths of all gainfully occupied persons. A proportion that was totally out of line with agriculture's contribution of 1/5 to the national income.<sup>1/</sup> No reliable statistics were found that gave a breakdown of employment within the agriculture sector or gave information as to the degree of underemployment by areas of the country or types of farming.

In the FAO Iraq Country Report,<sup>2/</sup> it was estimated that out of a total labor force of 2.38 million in 1956, 2.05 million were employed, and of these, 1.6 million were engaged in agriculture. Besides the fact that this left almost 14 percent of the labor force unemployed, it was found that seasonal unemployment in agriculture ran as high as 75-80 percent in addition to the chronic underemployment. In addition to the seasonal cycle, a number of other factors contributed to underemployment in agriculture. Some farmers were unable to remain regularly employed because of lack of energy or poor health, others because of the bi-annual fallow, the frequent recurrence of droughts, and the loss of land due to the accumulation of salt.

<sup>1/</sup> K. G. Fenelon, Iraq National Income and Expenditures, 1950-1956, Baghdad, 1958.

<sup>2/</sup> Food and Agriculture Organization of the United Nations, Iraq Country Report, FAO Mediterranean Development Project, Rome, 1959, Chapter II, p. 12.

Table 6.--Vocational Distribution of Population According to Agricultural, Industrial and Commercial Sectors  
1947 - 1957. (Figures given in thousands and the percentage of each to the total national manpower).

No.	Sex	Agriculture	Percent	Industrial	Percent	Com. or Services	Percent	Total	Percent
North Zone	Male	219	16.7	17	1.2	102	7.7	328	25.6
	Female	24	1.8	2	.1	12	.8	38	2.7
	Total	243	18.5	19	1.3	114	8.5	376	28.3
Middle Zone	Male	250	19.1	48	3.7	217	16.4	515	39.2
	Female	23	1.8	4	.2	11	.8	38	2.9
	Total	273	20.9	52	4.0	228	17.2	553	43.1
South Zone	Male	216	16.4	23	1.9	125	9.7	364	28.0
	Female	16	1.2	2	.7	4	.3	22	1.6
	Total	232	17.6	25	.1	129	10.0	386	29.6
Iraq 1947	Male	685	52.2	88	3.0	444	33.8	1,217	92.8
	Female	63	4.8	8	6.8	27	1.9	98	7.2
	Total	748	57.0	96	.5	471	35.7	1,315	100.0
Iraq 1957	Male	847.1	52.0	249.5	4.4	712.1	49.4	1,808.7	96.8
	Female	15.4	.8	13.0	.3	48.0	2.1	76.4	3.2
	Total	862.5	52.8	263.6	4.7	760.1	42.5	1,885.1	100.0

Source: Population Census, Iraqi Government Table.

At times there may be a shortage of agricultural labor because of the seasonal nature of most of the cultivator's work. For this reason underemployment is common in the rural village. The farmer works hard enough during the times of planting and harvesting but is nearly idle most of the remainder of the year. Some villages have handicraft industries but few rural peasants busy themselves with this type of activity in the off-season. In some cases it has been found that:

"...Although materials may be locally available, there is little or no home manufacture even of household necessities. The marsh dwellers provide an exception, since in addition to fishing and the raising of buffalo they also weave reed mats, which they sell to merchants in nearby towns." <sup>1/</sup>

The lack of alternate sources of income has forced some tenant farmers off the land. Years of poor crops, due to drought or an increasing salinity of the soil, have left some farmers with little choice but to move to an area where opportunities appear to be better, and this is usually the nearest urban center. Usually these persons do not return to farming.

#### F. Income Distribution

Before the revolution, a few hundred thousand landlords and merchants received about 41 percent of the national income. This was extremely high for managerial ability. It has been said that "the pattern of national expenditures before the revolution was determined by the nature of income creation. On the one hand, up to 95 percent of the population earned in cash and in kind hardly more than 1/3 of the total; while on the other hand, more than one quarter of the national income was produced in the oil sector and, without passing through

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<sup>1/</sup> Area Handbook for Iraq, Foreign Area Studies of the American University U.S. Government Printing Office, Washington, 1969.

the rest of the private economy at all, went directly to the government for current and capital expenditures." <sup>1/</sup>

There was some savings by the wealthy and the usual conspicuous consumption by this relatively small sector; on the other hand, an unusually large proportion of the national income was made available for capital investments. Because investment was not coming from domestic savings, as the primary source, it was argued that a redistribution of the income would not cause a drop in the investments.

The FAO Country Report stated that:

"It is oil revenue alone that explains the transformation of a stagnant into a dynamic economic system--even though the dynamism was restricted to the oil sector and to the major Government undertakings."

The following table gives the percentage distribution of the national income:

Factor Distribution of National Income in 1956

	<u>Percentage</u>
Wages and salaries	22
Earnings in kind	13
Rents	7
Profits and interest	34
Net oil revenue of the Government	24
National Income	<u>100</u>

(Source: K. G. Fenelon, lecture to the Kirkuk Fields Club, "Fact Finding In Iraq", June 1957.)

At only 35 percent of the national income, income from "employment" in 1956 represented only about ID 18 (\$50.40) per head per annum. <sup>2/</sup>

There were also differences between town and country income of similar magnitudes. Out of an estimated agricultural income for 1956 of about ID 75 million (\$210 Million) only ID 40 million went for salaries and wages or pay-

<sup>1/</sup> Food and Agriculture Organization of the United Nations, Iraq Country Report, FAO Mediterranean Development Project, Rome, 1959, Chapter II, p. 26.

<sup>2/</sup> Ibid, p.26.

ments in kind. The remainder accrued to the owners of property as income. When this rural income is averaged out on a per capita basis, it equals about ID 10 or \$28 per year, compared with urban income which averages out to a per capita income of some ID 38 or \$102.40. This appallingly low income of the rural people forced consumption to a subsistent level consisting of only the bare necessities which were often of poor quality. Most of the tenant's total consumption which was usually inadequate came from his share of the crop. The Nomads were probably better off, having flocks from which they could obtain meat and milk for food, and hair, wool, and hides and skins for tents and clothing.

However, sharecropping and tenancy returns differed widely from area to area. Returns were largely determined by local customs and traditions, soil and water conditions, and the position of the owner. They also varied according to the ability of the cultivators to supply the necessary seed, equipment and draft power. In most cases the cultivators share ranged from 20-50 percent depending on how much of the seed, animal power, and implements he furnished. In areas where tribal solidarity was maintained, the cultivator's retained most of the produce for his own use because of long established traditions. In villages of the northeast, the cultivator received from 40 to as much as 80 or 90 percent of the crops. This is also true of date plantations, where sharecroppers had a chance to become independent owners, and owners sometimes agreed to give from a third to a half of his plantation to an enterprising cultivator who would undertake to make plantation profitable. Over-all, the sharecropping system deprived the land of the efficient management, inputs, and capital investments needed. The landlord being primarily a speculator was, in most cases,

only interested in what his property would return with the least investment. Few landlords paid any attention to the maintenance of fertility and the general upkeep of their land, or their tenant's living conditions. A meager share, a backlog of indebtedness, and a miserably low standard of living offered the tenant limited possibility and little incentive for improving his lot.

#### G. Supplementary Services and Supplies

##### 1. Information

Very little extension type information was available for Iraqi farmers prior to the 1950's. During the 1950's, the American Overseas Mission working through the Ministry of Agriculture, developed a fairly comprehensive extension program. The plan for developing the program was based on recruiting and training available field workers, selecting administrators and equipping the officers and staffs so that an effective educational program could be carried to the farmers of the country.

The Extension Service also worked closely and cooperatively with the Veterinary Department on Livestock problems, with the Irrigation Service of the Miri-Sirf Land Development, with the Government farms and experiment stations on the broad spectrum of agricultural problems.

A market news service for press and radio was started by the Grain Board on March 1, 1956. This service reported prices of wheat, barley and rice, at Baghdad, Basru, and Mosul, and the crop and market conditions. In addition to the daily market news, weekly publications of the grain trade were issued in Arabic and in English. Later this service was expanded to include international prices. <sup>1/</sup>

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<sup>1/</sup> Goplan, K. Report to the Government Of Iraq on the Marketing of Grain and Other Products. Report No. 1175, Expanded Technical Assistance Program, FAO, Rome, 1959.

For marketing in general, a promising start was made with this fairly well coordinated market information service. Product analysis laboratories also provided some standardization for grading of products marketed. However, for at least two reasons these marketing measures had a very limited impact on the small farmer, whether he was an owner-operator or tenant. Both before and after the Agrarian Reform Law of 1958 most of these farmers were habitually indebted to merchants or landlords, and they had to accept the prices that had been agreed to at the time loans were made. In addition, very few of these small farmers could make use of published market information because they were not able to read.

The level of illiteracy remained quite high and was widespread in Iraq during the 1940's and 1950's. Reliable data were not available for this study, but literacy in the urban areas naturally was much higher than it was in the rural areas. According to the 1947 Population Census, of 4.8 million people over the age of five, only 408,000 or 8.5 percent were literate. According to the Industrial Census of 1954, out of a total of 90,000 mainly urban workers, 23,000 were literate. The percentage of literate people would have declined considerably had an equal number of farm laborers been sampled.

Some progress was made in improving the literacy rate during the 1940's and 1950's. However, efforts were inadequate compared with the development in other sectors. This was a drawback to the agricultural sector because its literacy level was the lowest.

The number of pupils in Government elementary schools, more than doubled between 1949 and 1956, from 175,000 to 367,000, an increase partly made possible by the building of new schools. At the same time the number of secondary school

pupils showed a modest increase from 30,000 to 40,000. Students in vocational training schools numbered below 5,000. <sup>1/</sup>

## 2. Credit

The Agricultural Bank was founded in 1936 with an initial capital of 1.5 million Iraqi dinars (ID). The working capital was only very gradually raised to ID 3 million, despite the fact that a 1956 law raised the authorized ceiling to ID 4 million. The main function of the Bank was to assist farmers in various ways, but in particular, to aid newly established farm cooperatives. In actual practice, little was done to help the small farmer. The Bank instead preferred to make middle-term loans to landowners with substantial holdings. Amounts advanced ranged from ID 150,000 to ID 1.3 million, nearly all advances were made against real estate. This excluded a whole class of farmers unable to provide such security. It was difficult to provide credit to the sharecropper. Although the Bank could accept tangible nonperishables and moveable property as security, it seldom did. The tenant who needed credit, then had to turn to the landlord or other private money lender.

Under the Law Governing the Rights and Duties of Cultivators, enacted in 1933, any advances made by the landlord were in theory, free of interest. The advances that were made by the landlord were generally made in kind, such as seed, draft animals, or machinery. The payment or return to the landlord was in the form of a larger share of the crop harvested. This could easily conceal a very high rate of interest.

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<sup>1/</sup> Food and Agriculture Organization of the United Nations, Iraq Country Report, FAO Mediterranean Development Project, Rome, 1959, Chapter II, p. 9.

A variation of a mortgage loan was explained in an FAO study as follows:

"Another form of credit was the 'Usufructuary mortgage', by which the creditor acquires the right to the crop and himself markets it--mainly in the case of orchards--for the duration of the mortgage. In effect this means an advanced sale of fruit crops for a number of years, obviously producing adverse effects on productivity. The farmer would have no interest in improving or even maintaining the conditions of his land during the mortgage period, and the lender neither, since his title to the land is temporary." 1/

Under the Miri-Sirf Law, farmers working on Government agricultural projects were eligible for credit under Government guarantee. In actual practice, they were seldom able to get credit, and the failure of the Latifiyah and Shahrazoor projects has been laid to this factor.

The amount of credit and the stipulations under which it could be extended to newly settled farmers was originally spelled out in Regulation No. 20, 1964, for the settlers on the Dujaila miri-sirf project, and then amended the same year to include settlers on all miri-sirf projects. Later in 1952, Article Nine of the Miri-Sirf Land Development Regulation No. 52 stated that the Miri-Sirf Development Committee, and/or the Agricultural Bank could make loans to the newly settled farmers cooperative societies to enable the members to develop their farms.

Although a recipient of miri-sirf land could not donate, sell or cede his grant to others during a 10 year period, he could mortgage it to the Agricultural Bank. The laws and regulations relating to miri-sirf land gave the farmer the right to apply through the Miri-Sirf Committee or through the local cooperative. Thus, theoretically the settlers who received land under

1/ Food and Agricultural Organization of the United Nations, Iraq Country Report, FAO Mediterranean Development Project, Rome, 1959, Chapter II, p. 43.

the miri-sirf land reform projects were legally provided with a source of credit through the Agricultural Bank. Realistically, however, the small farmer found credit hard to obtain. Administrative details were probably the biggest hurdle, but the Bank also dragged its heels as it was reluctant to make loans to small untried farmers when it was already having difficulty collecting loan payments from large landholders.

Later in the 1950's the Agricultural Bank began a system of "supervised credit", whereby farmers could obtain loans up to 60 percent of the value of their stored crops. The interest rate was set at three percent for cooperatives and four percent for farmers.

Whatever credit was provided for the small farmers by the Agricultural Bank, was peripheral in nature and did not represent a solution to the credit needs of the small farmers. In fact, it never really met the problem.

Cooperative credit as such did not begin until 1956 when the Cooperative Credit Bank was established. It had an authorized capital of ID 250,000 of which the contribution of the Ministry of Finance was not to exceed 51 percent and the rest was to be supplied by the cooperative societies. A later law allowed the capital to be increased to a maximum of ID 3 million, however, the Ministry of Finance had to provide nearly all of the capital, because, to allow cooperative societies to get on their feet, they were exempted from subscribing until later. Although the cooperatives would benefit by their own contributions, what few cooperative societies existed had few resources.

After a while, the cooperative societies did make contributions which were increased with time. In spite of its meager resources, the Bank did progress, and represented one favorable feature in an otherwise gloomy credit picture.

Other Banks that were available to those who had the proper security were the Mortgage Bank, the Credit Bank, and private banks. Until early 1956 when the Central Bank took over the banking functions of the government and held the government reserves, the Rafidain Bank was the principal Iraqi Commercial Bank. It had been established to compete with foreign-owned commercial banks that for years had done a flourishing business in Iraq. In addition there was another commercial bank, the private Iraqi-owned Commercial Bank of Iraq. However, because of lack of security and collateral, the small farmer and tenant were almost totally excluded from most bank credit. Whether bank credit was available or not, landlords usually would make advances, and private money lenders called the Sarafa, were always on hand to practice their profitable trade. The money lenders and merchants would supply credit against the advance sale of a specified amount of a certain crop at a set price, which also incorporated the interest charge. Because the terms of credit were usually settled in advance, the money lender made sure to set the unit price of the crop to be accepted as payment low enough to insure him return of principal with ample interest. Obviously, the farmers inability to wait and market his own crop when prices were higher worked to his disadvantage. When private loans were negotiated against a mortgage of title or other assets, interest rates ranged from 20 percent to 40 percent and over. As a result, the small farmer and the tenant was usually always in debt and this placed him in a weak position, since by law he could not leave the area until he had settled his debts. Under these circumstances, there was every possibility of the farmer being exploited.

### 3. Supplies

Following World War II, the use of modern farm machinery increased more rapidly, but the numbers imported were extremely limited in relation to the needs of the country. In 1950 the country had 578 tractors, 225 combines, over 3,000 water pumps and a smaller number of harröws, seed drills, cultivators, threshers, and other miscellaneous machinery. Most of these had been imported from the United States and from England. Roughly a third of the tractors were owned by the government and used for demonstration then hired out to farmers. Machinery sales indicate that significant changes took place in the cultivation operation during the 1950's. More of the new farm equipment had been purchased for the plains and northern farms as the irrigated farms of the south were less adaptable to the use of large machinery for cultivation, planting and harvesting. Between 1952 and 1958, the flow of new farm equipment into the country was fairly constant. Using tractors as an example, records of machinery and equipment sold indicate that between 1952 and 1957, an average of 300 tractors were purchased each year. This would indicate that equipment was being purchased as use could be made of it and that a change from traditional methods to a more modern agriculture was taking place but quite slowly. Table 7 shows machinery sales from 1952 to 1962.

According to local tradition either the tenants or the landlords set aside a certain portion of the year's harvest to be used for seeding. Inferior seed, no doubt, was the major factor in the low yields of many crops. Although long recognized by agriculturalist, this problem received little attention except for cotton, until the mid-1950's. As late as 1956, seed grain was sold uncleaned

with no certainty of purity or varietal identity. For vegetables the seed situation was even worse. Local gardeners produced much of this seed which consisted of badly mixed and poorly chosen varieties. Few new varieties were introduced. Because cotton was an important cash crop, the government took more interest in cotton production and shortly after World War II regulated it to a degree, by the issuance of seed to farmers. Selection of cotton seed was controlled through the gins and seed that was distributed to farmers was produced on government and private farms from imported varieties. <sup>1/</sup> Small quantities of other improved seeds had also been distributed to farmers, including flax, vegetables, barley, and wheat. In 1948-49 as much as 6,000 tons of wheat seed was distributed. Generally speaking, these distributions of improved seed, although representing a start, made little impact on the total agricultural production.

Very little commercial fertilizer was used before 1950, and all that was used during the 1950's was imported. Table 8 lists fertilizer imports from 1954 through 1962.

A moderate amount of pesticides began to be used in the late 1940's and early 1950's and by the middle of the 1950's Iraq had a fairly active insect control program in operation. Table 8 which shows fertilizer and pesticide imports from 1954 through 1962, shows an aggregate figure for pesticide imports as the sources available did not separate the kinds of chemicals used for agriculture.

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<sup>1/</sup> Treakle, H. Charles - The Agricultural Economy of Iraq, U.S. Department of Agriculture, ERS-Foreign 125, August 1965.

Table 7 --IRAQ: Agricultural machinery and equipment sold, 1952-62

Type	1952:	1953:	1954:	1955:	1956:	1957:	1958:	1959:	1960:	1961:	1962:
	No.										
Tractors	105	343	333	263	381	378	254	129	1/526	743	1,096
Flows	74	187	185	186	280	222	201	99	299	529	552
Disc harrows	31	48	58	27	77	53	40	42	49	75	58
Grain drills	9	8	2	---	10	12	12	4	5	6	3
Cultivators	45	109	184	96	107	138	62	62	162	323	446
Combines	96	421	154	70	213	335	82	181	62	343	253
Threshers	2	1	---	---	6	---	9	---	10	---	---
Mowers	---	NR	NR	1	1	1	4	---	---	NR	NR
Automobile trailers	NR	21	7	30	31	55	23	20	49	51	43
Blade scrapers	NR	11	10	12	21	16	16	9	13	17	34
Ditchers	3	6	6	14	15	16	13	3	14	23	28
Water pumps and irrigation equipment	NR	208	187								
Other agr. machinery	1	10	9	11	25	51	39	24	101	57	34

NR - Not separately reported.

1/ Includes 104 tractors imported from the USSR by the Agrarian Reform Ministry in accordance with the Technical and Economic Agreement between Iraq and the USSR.

Source: Iraq, Republic of - Statistical Abstracts - Government Press, Baghdad.

Table 8 --IRAQ: Imports of fertilizer and pesticides, 1954-62

	1954:	1955:	1956:	1957:	1958:	1959:	1960:	1961:	1962:
----- Metric tons -----									
Fertilizer (gross weight)									
Guana and natural fertilizers...	---	---	6	104	0	0	26	300	0
Nitrogenous...	---	---	328	952	1,236	727	2,905	3,995	6,787
Phosphates...	---	---	225	321	2,705	666	1,606	2,147	1,090
Potash.....	---	---	238	90	412	250	350	251	625
Mixes and pellets.....	---	---	10	0	0	0	0	1	3
Total fertilizer.....	1/ 279	1/ 1,012	807	1,467	4,353	1,643	4,887	6,694	8,505
Pesticides.....	956	1,829	1,224	1,408	1,114	1,728	1,184	1,144	825

1/ Not listed by type.

Source: Iraq, Republic of, Trade Annuals - Statistical Abstracts of Foreign Trade, Government Press, Baghdad.

"A Regional Insect Control Project was begun in 1952 by the U.S. Department of Agriculture and ICA (International Cooperation Administration--now AID, Agency for International Development), in cooperation with the Iraqi Ministry of Agriculture and the ministries of agriculture of other countries of the Middle East, North Africa, and South Asia. Other countries included in these programs were India, Afghanistan, Lebanon, Iran, Pakistan, Jordan, Ethiopia, Libya, Egypt, Turkey, Morocco, and Tunisia. In Iraq during the first four years of the pest control program, over 60 tons of insecticides, 426 hand sprayers, 28 power sprayers, 10 trucks, and 6 spray planes were imported. Much of the work involved control of the locust, senn pest, spiny bollworm, date leafhopper, strawberry (red) spider mite, woolly apple aphid. By 1956, Iraq was self-sufficient in locust and bollworm control. Technicians had been trained and the Government purchased planes and other spraying equipment. The Ministry of Agriculture has continued to maintain a number of spray planes and gives demonstrations to farmers on the use of insecticides." 1/

During this same period herbicides were used very little, although extensive areas of cropland have been forced out of production and yields have been reduced as a result of the rapid spread of Bermuda and Johnson grasses and other hardy volunteers.

#### 4. Infrastructure

Railways are the principal means of transport. The major line is a single narrow gauge track which runs north and south from Mosul to Basra, the country's only sea port. There are about 8,000 km of highway but only about a third hard surfaced. River navigation is limited to shallow craft.

"The whole communications network has in many respects failed to link the large areas of production with marketing centres, so that transport costs are prohibitive. An integrated system of transport and communications, whereby the main railway line would carry bulk loads, and motor roads branching out from the line would serve as a feeder system, has not yet been developed. At present many villages have no link at all, with the trunk transport system." 2/

1/ Treagle, H. Charles - The Agricultural Economy of Iraq, U.S. Department of Agriculture. ERS-Foreign 125, August 1965.

2/ Iraq Country Report, FAO Mediterranean Development Project, FAO, Rome, 1959.

Several flood control and irrigation projects were attempted in the first half of the twentieth century. They were (a) the Hindiya Barrage on the lower Euphrates in 1911 to 1913 which was used to irrigate 445,000 acres; (b) a diversion canal from the Euphrates to Lake Habbaniya begun in 1913 and completed in 1950 and a barrage at Ramadi which was not finished until 1955; (c) a barrage at Kut on the Tigris, completed in 1939, which supplied water for 2.2 million acres; (d) the weir on the Diyala River, a tributary of the Tigris which controlled the entire irrigation system for the Diyala Province.

#### 5. Crop Procurement and Marketing

There were no efforts by the Government to assist farmers on miri-siri development projects through special marketing measures. The market news service and grading operations mentioned under section G. 1, although available to the small farmer, were of little assistance to him.

#### H. Peasants Associations and Power

##### 1. Coops and other Associations

Before the revolution Iraq had two agricultural organizations which are noteworthy, but which represented only specialized groups of agriculturists. The quasi-governmental Agricultural Chamber which included too many members who were landlords, would not make a public issue out of farmer problems or take them to Parliament. This organization had the potential of a strong group, since most of its members were from a class which enjoyed a higher standard of living than the small farmer and sharecropper, but it was not representative of the majority of Iraqi farmers.

The other specialized organization was the Association of Technical Agriculturalists. Its activities were spent on striving to represent civil servants working in the agricultural field and cannot be said to have represented any class of operating farmers or tenants.

Actually the Government had fairly successfully prevented any organizing of the peasant farmer groups, aside from lip service given to foreign advisers suggestions for agricultural cooperatives. The cooperative movement received its impetus from the Government, and a program was then launched via legal action. A law regulating the establishment of cooperatives was passed in 1944, but cooperative development was quite slow to get started. Later the business of cooperatives was vested with a Department of Cooperatives within the Ministry of Economics, but this department was little more than a name. By 1951 there were 39 consumers' cooperatives registered and one farm coop.

Apparently the Government failed to realize that once a cooperative was planted in Iraq's dry soil, it also needed to be "cultivated", "watered" and "fertilized."

During the 1950's cooperatives continued to flounder and only a few were to any degree successful. Little constructive, practical assistance was forthcoming from the Government. Too few people were trained in cooperative management and financial accounts of the existing cooperatives were seldom if ever audited by a higher authority. The cooperative which appeared to offer the best system of supplying managerial advice and assistance to newly settled farmers, themselves suffered from a lack of managerial talent.

## 2. Political Power

Except for the large landholders--who were often absentee landlords and leading members of important families or tribes--the farmers and sharecroppers

of Iraq participated very little in government. About their only chance of significant action was the opportunity of voting for members of Parliament. Since only a very small percentage of this group was literate, the numbers of those voting were limited. There was no effective press to keep them informed and radio news coverage was not oriented toward political instruction. (This media did have good potential, and was used later by Colonel Qassim during and following the 1958 revolution.) Consequently, those who were likely to take an active part in national or local government were not in a position to effectively exercise their voting prerogatives. At the same time there were virtually no opportunities for the cultivators to take part in village affairs. There was no system of secret balloting. All of the government officials, even the Mudir Nahiyas (the township directors), were appointed by the central government (the Crown). These officials reported back through the Ministry of Interior--the security organization. Also, all police were appointed by and belonged to the central government.

What public services there were--schools, roads, dispensaries, and most of the medical services--were provided by the central government. These were operated free. For the very reason that farmers had no direct hand in providing such services, it left them in a position to be critical. They took little interest because they felt no personal responsibility.

Although these farmers were, none the less, loyal Iraqi citizens, lack of contribution to their own destiny made them passive citizens without any real political power.

### III. LAND REFORM PROGRAM

#### A. Legislation

The revolutionary leaders believed that an agrarian reform law similar to the Egyptian law would achieve their aims so they drafted a law that closely followed its mode. The Agrarian Reform Law, No. 30, that was passed September 30, 1958, banned large landholdings and stated as policy an intention to raise the standard of living of the farmer as well as to improve agricultural production. The law limited existing ownership to a maximum of 1,000 donums (one donum equals 0.6 acres) of irrigated land, or 2,000 donums of rain-fed lands. Land owned in excess of these amounts was subject to expropriation by the Government. If the land was expropriated, the Government agreed to compensate the former owners with Government bonds paying three percent interest and redeemable within 20 years. The distribution was effected to create holdings of 18.5 to 37 acres for irrigated land and double these limits for rain-fed lands. The law provided for setting up cooperatives for the new owners and instructed appointees of the Ministry of Agriculture to supervise the obtaining of loans, the supplying of materials and implements, the regulation of cultivation, marketing, and the performance of certain welfare functions. The law regulated relations between owner and sharecropper, set minimum wages for the farm laborer, and insured him the right to organize trade unions.

There were several other major pieces of legislation enacted to assist the Agrarian Reform Program. A special Department for Cooperatives and Agricultural Affairs was created in 1959 and attached to the Ministry of Agrarian Reform. The Cooperative Societies Law No. 27 of 1944 was replaced by Law No. 73 of 1959 which granted cooperatives many privileges.

The Agrarian Reform Law required farmers to join agricultural cooperative societies which provide them with improved seeds, fertilizers, machinery, in addition to guidance. To insure the proper function of these societies, the Directorate General of Agricultural Cooperation was established in 1960 to supervise these Cooperative Societies in agrarian reform areas. This Directorate is in charge of making the laws and managing all activities of these societies. It also works as a medium to provide loans from the Agricultural Bank. A drive for the organization of many more cooperatives was begun in 1961. The Cooperative Bank Law No. 65 of 1956 was replaced by Law No. 163 of 1959 to make loans to the cooperative members. The Agricultural Bank Law was amended by Law No. 126 of 1964, to further aid agricultural cooperatives in obtaining credit.

Throughout the country there are numerous middlemen, usually moneylenders or merchants who seize the chance to saddle the farmer with a big loan when he needs cash badly and take payment in "green crops" before harvest time and at a low unit price. In the northern areas merchants called "ashab el masaleh" still use this system to gain control of the land or the products of the land. Therefore, it may be easily seen that although the letter of the law may have been carried out -- the spirit of the law was not. The hold that tribal relations and others have had on the peasant have prohibited continued exploitation, and in some cases de facto control of land by individuals well above the limits of the maximum allowed under the law. These are not the only factors that have affected the land reform program. To mention some other forces and factors one must touch on the situation in the country at the time the reform law was enacted. <sup>1/</sup>

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<sup>1/</sup> Warriner, Doreen, Land Reform in Principle and Practice, Oxford, Clarendon Press, 1969, pp. 88-89.

After the revolution of July 1958 the government included representatives of two main political parties--the Nationalists and the Ba'athists. Both were to an extent pro-Nasser who looked to Egypt for guidance but the Ba'athists were more the Arab Socialists. There were also communists and those with Communist leanings. For example, the Minister of Economic Affairs, Ibrahim Kubba, himself a Kurd, had strong Communist leanings. All of these leaders and most of the others who took part in the revolution were in agreement that feudalism had to be abolished but they thought differently on what should follow. Their initial agreement made it possible to pass the Agrarian Reform Law. In fact, all looked well for the remainder of 1958, however, political rifts soon developed. Qassim broke with his Vice-President Colonel Arif and Qassim looked to the Communists for support assistance.

In July 1959, when the Ministry of Agrarian Reform was established, Kubba was ensconced as Minister, and Iraq turned from Egypt to Russia for support. Warriner relates that:

"During the period of Communist control, requisitioning of land went ahead fast, but distribution lagged, and cooperatives were not formed. The procedure was then, as now, protracted by bureaucracy. Each area had to be surveyed and each distribution award had to be approved in a long series of decisions by local government authorities and local officials as well as by the Ministry, before the papers finally piled up on the Prime Minister's desk, to wait indefinitely for his signature. The procedure could no doubt have been accelerated. But requisitioning brought an enormous area of land into the possession of the Ministry of Agrarian Reform, giving the Communists control of a commanding height from which they intended to use in the strategy of collectivization. To distribute the land in individual ownership and form genuine cooperatives among the recipients would not have fitted in with this objective, and if in the meantime production fell, so much the better to demonstrate the inefficiency of peasant farming." 1/

1/ Warriner, Doreen, Land Reform in Principle and Practice, Oxford, Clarendon Press, 1969. pp. 80-81.

The Communists had pursued the expropriation of land with determination and vigor which was just what was necessary as a follow-up of the revolution if the new reform program was to get started. On the other hand, they did not carry out the balance of the law, and since Qassim had won his support by promises of land and other benefits that were not forthcoming under the Communists, there were strong signs of discontent. Because of these and other reasons Qassim broke with Russia and his Communist leaders late in 1960, and from then on for about two years land reform suffered. Finally some land was distributed and cooperatives were formed.

February 8, 1963, in the so-called "Ramadan Revolution" Qassim was assassinated, and the Ba'athists took over. The Communists were expelled as completely as was possible and rapid implementation of the reform law was promised. Before much could be done, a third revolution November 18, 1963, pushed out the most radical of the Ba'ath and left the Army in control. As the year passed, the 1963 harvest turned out to be the worst since 1955, weather had played a partial role, but was certainly not the only reason for low returns. The reform law that had been drafted had closely followed the Egyptian law which had nicely fit the conditions in Egypt. However, the drafters apparently had not analyzed their conditions at home and compared them with Egypt for dissimilarities, because many of the overriding conditions appeared similar. As Warriner points out;

"Neither the political situation nor the agricultural conditions of Iraq favored reform of this nature. It is indeed difficult to see what kind of reform they did favor, for the distribution of land came up against obstacles of a technical kind which would have been difficult to overcome, even if the original aims could have been kept in view." 1/

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1/ Warriner, Doreen, Land Reform in Principle and Practice, Oxford, Clarendon Press, 1969, p. 79.

It is obvious from the rapid change-over in governments that no group was in power long enough to carry out their policies. The fact that expropriation was carried out is surprising when all the internal problems with the Kurds and the political in-fighting are considered. Before the end of the five year period for sequestering land under the Agrarian Reform Law terminated, it was easy to see that complete distribution would take a long time.

B. Institutional Arrangements

The Agrarian Reform Program and the development of rural areas, is carried on by efforts of the various governmental official and semi official institutions and public organizations and individuals to improve the welfare of the rural people economically, socially, and to improve educational and health standards.

The Ministry of Agrarian Reform administers the agrarian reform program, agricultural projects, distributes machinery and implements, directs cooperatives and other operations which satisfy the objectives of the Ministry for increasing the area cultivated, increasing yield per unit and raising the living standard of farmers.

The Ministry of Social Affairs has seven social centers which serve the villages around Baghdad and ten youth welfare institutes distributed all over the country.

C. Program Objectives -- Economic, Social and Political

In a speech introducing the new Agrarian Reform Law, Sayid Hudaib al-Haj Himoud, Minister of Agriculture set forth the aims of the revolutionary leaders and reviewed the law. There follows a condensed version of his remarks.

The aims of the agrarian reform were: (1) To destroy feudalistic landholding as a way of production and the political influence which the landlords enjoyed as a result of their ownership of vast areas of lands and as a result of directing policy in accordance with their own interest. (2) To raise the standard of living of the great majority of the people; namely, the peasants, and to give them the necessary opportunity to raise their social standards in general. (3) To raise the standards of agricultural production in the country, which in turn will help raise national income and strengthen the national economy.

To achieve these aims the leaders of the revolution regarded it necessary to take the following steps: (a) To limit ownership; (b) To distribute the land to peasants in a way that will guarantee them a decent living; (c) To establish a cooperative system in the production centers which in turn will guarantee the introduction of scientific and technical production methods; (d) To clarify agricultural relations between those concerned by fixing a just share for every aspect of production.

#### D. Program Implementation and Enforcement

##### 1. Redistribution of Land Ownership

Statistics on expropriation, distribution, and the land temporarily leased are constantly changing as the program continues. Also, the figures reported by different sources vary widely. Official 1966 figures reported to the World Land Reform Conference provide enough data to review the program eight years after the Agrarian Reform was passed in 1958. At this time it appears that over 3 million acres had been expropriated, and to this had been added at least 2.8 million acres of state domain land which had been placed under the agrarian

reform program. Together, these lands add up to almost 6 million acres (5,991,690) that have been brought under the reform program. <sup>1/</sup> Of this total, slightly over 1.4 million acres had been assigned under provisional title to 46,293 families. Of the remaining 4.6 million acres of land, 4.5 million acres was leased under "temporary contract", to a reported 253,835 families. The rest of the land appears to be unaccounted for.

If families receiving land are counted, they total just over 300,000, or about half the rural families of Iraq at the time of the 1958-59 Agricultural Census. Furthermore, if the 6 million acres of land under management by the agrarian reform program are compared with the Census report of the total used for agriculture (see Table 2), it can be seen that the area affected by agrarian reform would amount to over 30 percent of the agricultural land. The figures are not exactly comparable since the 6 million acres of "reform" land, included some reclaimed land, some newly irrigated land, and some other land not included in the 1958 figures. Never-the-less, the percentage of agricultural land affected by the agrarian reform program has been substantial.

Table provides later figures on sequestered and distributed lands but no text accompanied the table to indicate if the sequestered total also included state domain lands.

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<sup>1/</sup> Reports differ, but over a million additional acres may have been handed over to be managed by the Higher Committee of Agrarian Reform by the Agricultural Bank and other authorities.

Table 9.--Land Sequestered and Distributed Under the Agrarian Reform

Liwa	Sequestered		Distributed	
	Area in	Area in	1,000's of Donums	
	1,000's of Donums	1,000's of Acres	Distributed	
			Irrigated	Unirrigated
Mosul	1,845	1,140	---	832
Erbil	474	293	---	151
Kirkuk	382	236	5	180
Sulaimaniya	276	170	22	12
Baghdad	471	291	243	35
Diyala	644	398	76	19
Ramadi	87	54	10	---
Hilla	494	305	282	---
Kerbala	86	53	18	---
Kut	1,355	837	552	---
Diwaniya	685	423	79	---
Nassiriya	2	1	18	---
Amara	87	54	41	---
Basra	58	36	4	---
Total	6,946	4,291	1,350	1,229

Source: Ministry of Agrarian Reform. May 31, 1968.

As of January 1, 1967, the Ministry of Agrarian Reform reported that out of all land, sequestered, the following amounts were used in the manners listed below:

(1) Distributed But Under Temporary Management (provisional titles)

	<u>No. of Donums</u>	<u>No. of Acres</u>	<u>No. of Farm Families</u>
Irrigated	1,237,972	764,757	N.R.
Unirrigated	<u>1,178,747</u>	<u>727,171</u>	<u>N.R.</u>
Total	2,416,719	1,491,928	50,534

(2) Land rented to Farmers, But Awaiting Distribution

	<u>No. of Donums</u>	<u>No. of Acres</u>	<u>No. of Farm Families</u>
Irrigated	2,622,462	1,620,026	103,908
Unirrigated	<u>3,723,699</u>	<u>2,300,315</u>	<u>82,960</u>
Total	6,346,161	3,920,341	186,868
Total of (1) and (2)	8,762,880	5,413,269	237,402

The position of many farmers changed very little, after receiving distributed land, and some have been forced to abandon the land they were assigned. In some cases this is due to sociological links with tribes and the pressure of customs. In other areas, especially in the middle part of the country, the lack of credit facilities and the low productivity, have combined to cause some farmers to leave distributed land. Many now enjoy their new position as landowners, although, as yet, they are still only provisional owners. Cadastral surveys have not been completed for many areas and boundaries cannot be definitely defined. Thus, in some cases there is good reason why legal title has not been registered in the farmers name. With distribution made to these individual families there is good reason to believe legal title will be finalized.

Although the influence of these tribal leaders has been gradually declining, some still exercise a strong influence in both the northern and southern parts of the country. Although the Agrarian Reform Law of 1958 expropriated the land according to the letter, well informed persons tell stories that when land became available in Amara, in the south, many farmers decided to leave their land and migrate to towns thereby avoiding a conflict with the tribal cheifton.

Doreen Warriner mentioned situations in several other areas:

"There is said to have been little evasion, though there was strong opposition from some landowners. The head of the Aniza tribe, owner of an enormous area in Kerbela, resisted expropriation successfully for several years and his lands were not expropriated until after the Ramadan revolution in 1963. One case in which large landowners had kept their influence was often mentioned in 1964: The Shammar Sheikhs, in the remote northern parts of Mosul liwa, near the Syrian border, had been expropriated and their lands distributed, but the sheikhs were known to be taking up to 90 percent of the crops from the tribesmen, now the legal owners of the land, in return for machine cultivation. The new owners did not work, but simply guarded the crops on their land, and so gained nothing from ownership." 1/

In the Amara area in southern Iraq, most of some two million donums (1.2 million acres) of cultivable land has been considered undistributable. Much of this land has been owned since ancient times by sheikhs, sub-sheikhs, and religious Mullahs (priests) of the Moslem Shia'h sect. When the Amara Law was passed in 1952 which settled title to the property in favor of the sheikhs, the claims of these leaders were found to be more extensive than the cultivators of the area would agree to. Resistance was so strong that the law could not be carried out. In 1958, the Agrarian Reform Law made exception of these properties and rescinded the 1952 law. The 1958 law was not clear enough to apply

1/ Warriner, Doreen, Land Reform in Principle and Practice, Clarendon Press, Oxford, 1969, pp. 88-89.

to sirkal's (sub-sheikhs) land and an additional law was passed in 1961. This law fixed the maximum holdings at 30.9 acres of irrigated land and 185.3 acres of unirrigated land. This law was resisted by the sirkals and the religious leaders because it was considered too limiting and completely omitted the religious leaders holdings. Therefore, in December 1964 an additional supplementary law was passed which raised the sirkal's irrigated land holding to 185.3 acres, and set the religious holdings at 46.3 acres. A little land in this area has now been distributed, but it remains a difficult task for government officials to sort out land by cadastral surveys. A similar situation exists in Nasariya Liwa. About half of the cultivable land is claimed by the Sadum family, who has for years disagreed with other cultivators over the title to the land. The 1958 law made a special provision for this province, generally including it under the law, but fixing compensation for the Sadum family at a 7.5 percent rate formerly used by the British to collect revenue. The two supplemental laws of 1961 and 1964 revised the limits of holding for this province.

In this area there also has been little distribution because land will have to be surveyed before it can be distributed and there still may be many claims and counter-claims to settle.

## 2. Changes in Tenancy System

The leaders of the new Republic determined that during the five year period lands that had been expropriated and were awaiting distribution could be rented to the farmers who had worked the land as sharecroppers or laborers. The amount of land a farmer could rent would be determined by the area he formerly worked, up to 60 donums of irrigated land, and 100 donums of unirrigated land.

Excess land could be rented to the nearest farmers with big families and low incomes. Rent contracts often fixed the rents of several farmers and were determined by the Higher Agrarian Reform Committee for the Ministry. In 1966 over 250,000 families were reported to be operating under such a contract for temporary usage.

### 3. Colonization

Colonization has not been part of the reform program. Reclaimed land--land that had been abandoned because of lack of drainage--and newly irrigated land has been opened up for farming, but the distribution of these lands is not considered colonization.

### 4. Consolidation and Enclosure

The topics of consolidation and enclosure are not applicable to the agrarian reform program in Iraq. These topics do not enter into the language of the laws concerning the distribution of seized lands or state domain.

### 5. Classification, Identification, and Titling

Cadastral surveys that had been carried out before 1958 were far from adequate and the agrarian reform program moved ahead in many areas without the land having been surveyed, without soil surveys, and without proper contour maps to determine the location of irrigation and drainage projects.

For political and social reason Iraq needed quick distribution of expropriated land, therefore, in order to allow time for surveying to catch up, land has been distributed under provisional title and leased under temporary contract. As the Ministry of Agrarian Reform continues to administer the program this cadastral work, that in some countries preceded redistribution, will be carried out as a part of the overall activities.

For distributed land, only a provisional title has been given to a majority of the new landowners. It is assumed that at a later date these will be replaced by a routine, but ceremonious transfer of a fully legal title. This provisional titling has, however, caused some discontent from time to time.

E. Financial Aspects

1. Valuation Procedure

A person whose land is seized by the State in conformity with the provisions of Article 1 of the reform law shall be entitled to compensation equivalent to the price of similar land, less the value of the Government's right in the registered land if there is a debt to the Government.

2. Program Financing

a. Landowner Compensation

Within five years, the Government was to take over land owned in excess of the limits, against compensation in the form of interest-bearing nominative bonds redeemable within a maximum period of 20 (amended in 1961 to 40) years. These bonds could be sold only to Iraqi nationals.

b. Peasant Repayment

Payment for distributed land is spread over twenty years, with 3 percent interest, this payment covering both the value of the land and fixtures and an additional 20 percent for the expenses involved in administration of the program. The new owners must cultivate the land or they can be evicted within five years.

c. Government Expenditures

No data were found that estimated a cost of the agrarian reform program. The law calls for cooperation of other ministries although the Ministry of

Agrarian Reform is at cabinet level. The budget for its operation is as much a part of the national budget as other ministries. There is a certain amount of overlapping of services by activities of other departments of the government and by the development program.

F. Supplementary Measures

1. Information

The Cooperative Training, Research and Agricultural Extension Institute was established in Baghdad, in 1963. The Institute conducted courses for six and a half months with one month used for field training. In addition, members of the Managing Committees of Cooperatives have been given short orientation courses. The agreement signed in 1965 by the government and the United Nations Special Fund made it possible to provide guidance and training annually over a period of five years. The lack of trained personnel has been a serious problem, especially for cooperatives.

2. Credit

The Higher Agrarian Reform Committee has guaranteed supervised credit to help small farmers to use better inputs in production of crops, especially industrial crops which are in greatest demand by the local industry. The Agricultural Bank makes loans available at a rate of three percent.

The Cooperative Credit Bank makes credit available for agriculture. It has limited capital, half of which is supplied by the Ministry of Finance and half by the various cooperative societies. This bank not only grants loans to cooperatives, but also provides them with technical and economic advice, and will maintain their accounts and records. Many cooperatives of the agrarian reform program benefit greatly by such advice and assistance.

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### 3. Supplies

The Government established the Chemicals and Agricultural Implements Company which imports various types of fertilizers and chemicals and farm implements, and makes them available to farmers. Fertilizer is sold at a profit margin of 10 percent. However, cooperatives and farmers involved in supervised credit programs receive the fertilizer at cost.

In 1968 the Ministry of Agrarian Reform had some 19 or 20 "machinery centers" or "hiring stations" scattered throughout the country. These were managed by the Higher Committee of Agrarian Reform. Equipment inventories at these stations reported a total of 616 tractors, and similar numbers of other farm machinery that could be rented by farmers. Where cooperatives exist, they supply inputs, some guidance, as well as credit to their members. A 1968 count reported 443 cooperatives with a total of some 60,000 members. But it is doubtful if all of these units were active.

### 4. Infrastructure

Iraq's infrastructure has been discussed in part II. Many of the projects which were begun by the Development Board before the revolution were completed after 1958 and became a part of the infrastructure available to the reform program.

Important irrigation and drainage projects which will make land available for new farm owners are included as a part of the development program. In 1968 the Directorate General of Irrigation listed 28 irrigation projects--for some 4.27 millions of hectares--that were being executed or studied and which had already been approved by the planning board. Also, it listed 13 drainage projects for 734,000 hectares in a similar status. Most of these projects will benefit farmers who have received land or who will receive land under the reform program.

## 5. Crop Procurement and Marketing

There are no institutional arrangements for procuring and marketing farm surpluses that have assisted the agrarian reform program. Some few cooperatives do assist with marketing, but this is the exception rather than the rule. Most marketing still follows the traditional system which results in a low price to the producer and a high price for the consumer with the middlemen making large profits.

Incentives for the improvement of marketing have been lacking. In 1965, wheat at Husseinia, if sold at the official price plus cost of transport to Baghdad, was lower than the price offered by local merchants. Some products in some areas fared better. Cotton in Museiyib could be sold by cooperatives to the state ginning mill at a profit.

## G. Mobilization of the Peasantry

### 1. Economic Aspects

By 1968, 443 cooperative societies had been established, incorporating 60,000 members. If, as reform officials indicate, a cooperative covers an area of about 9,266 acres then agrarian reform needs at least 800 cooperatives to manage its lands, whereas only 500 were proposed in the 1965-1969 Five-Year Plan. In spite of considerable high level interest for the formation of cooperatives to assist the agrarian reform program they have progressed very slowly.

### 2. Political Aspects

As a group, the small farmers and sharecroppers who receive land under the reform program, represent many different backgrounds and are scattered over wide areas. These peasant farmers are more closely tied to their tribal,

family and religious groupings than anything else. At this time they do not represent a political force except where they would give support as a result of social affiliation to a group in a particular area.

The peasants supported Qassim as their hero because he promised them land and championed their cause. They were critical and distrustful of the new leader who overthrew Qassim, but they did not revolt. Early in the reform program attempts by the Communists to organize the peasants politically, while denying them the rights of ownership that they had been promised, disillusioned the peasants to such a degree that all government promises, and the plans of the officials and experts were suspect. Many have also been disillusioned by their inability to get operating credit and by the fact that they can be, and still are, exploited by former landlords and middlemen. Many still take a wait and see attitude.

#### H. The Politics of Implementation

This topic has been reviewed under Part III topic heading D. - Program Implementation and Enforcement. Part II also has background explanations that help explain positions taken by landlords and changes in the national political scene after the reform program began. Many land reform problems are traceable to the internal political situation.

### IV. EFFECTS OF THE LAND REFORM

#### A. On Land Tenure Structure

In the pre-reform period, planners calculated that the use of newly irrigated, or other miri lands (state owned) for the settlement of a new class of small farm owners, would sidestep the lopsided tenure situation on the existing

cultivable land and bring about some redistribution of farm income. By 1956 about 7,000 local farm families mostly former tenants had been settled on miri-sirf projects, and some 13,000 others were eventually given land. A final report of the Development Board indicated that an additional 5,000 families also received lands. This makes a total of less than 25,000 families out of an estimated 600,000 to 750,000 families who make their livelihood by farming.

One can easily see that this pace was too slow and the families involved were too few to have a significant impact on over-all farm income or the tenure structure.

Following the revolution in 1958, the new Republic of Iraq revised previous programs of land reform and rescinded or revised earlier land laws. It then transferred all administrative organizations and properties of earlier programs to the Higher Agrarian Reform Committee. Lands distributed under the Development Law were also subjected to the provisions of the new Agrarian Reform Law.

#### B. On Production and Productivity

After 1958, crop production declined and remained low for a number of years. This was partly due to drought, but it also reflected the disruption brought about by agrarian reform. Warriner states that:

"The reform reduced production, first, through the extreme uncertainty caused by delay in distribution; on requisitioned land owners did not cultivate more than they expected to retain, while the cultivators did not know, and for the most part still do not know, what land would be allocated to them. Second, it reduced production in the irrigation zone through the failure to replace landowners' functions in pump maintenance. Apart from the pumps, so little capital was used in agriculture that production cannot have been much affected by its withdrawal. Cultivators could work with their own animals and graze them; they could use their own seed; fertilizers were not missed because they had not been used, except on the cotton crop, where the fall in production was caused by lack of fertilizers and pesticides. In the north,

where tractors were generally used, the shortage of machinery was a drawback, since imported machines were largely unsuitable; engine cooling systems on the tractors did not stand up to the climate; spare parts took several months to obtain, while service and repair facilities were inadequate." <sup>1/</sup>

C. On Rural Employment and Underemployment

In the pre-reform period migrations from the land increased urban population at a rapid rate--too fast for locally available employment to absorb them. This caused an increase in the slums around the large cities and considerable underemployment. Many migrated because they could not make a subsistence living and the city held promise. Others, came for visits, to sell produce, or on seasonal migrations and stayed. Still others found that land laws, such as Law No. 42 of 1952, which laid down the rules for ownership in the Amara Liwa, left the peasant farmers with only uncultivated or uncultivable land so some peasants abandoned their claim for the city life.

D. On Income Distribution

There has been little overall change in the aggregate income distribution and not much change in living conditions. Farmers who farm their own lands or rent land, are definitely better off because they do not have to share their produce with a landlord. This increased income has in many cases been absorbed by rising prices of items traditionally purchased. A considerable amount of the remainder of the money appears to be spent on a variety of consumer articles available in grocery stores that have appeared in the villages. As yet, it is feared, little is reinvested to improve the farms, but in the future more cooperatives may assist farmers with purchases of items that will improve the productivity of his farm.

<sup>1/</sup> Warriner, Doreen, Land Reform in Principle and Practice, Oxford, Clarendon Press, 1969, p. 95.

No series of income figures were found for analysis of the farmer or tenants financial situation.

E. On Services and Supplies

Where cooperatives are functioning, these have brought new services and supplies. There are 20 or more machinery hiring stations which are available for new farmers to rent modern equipment from the inventory of the Ministry of Agrarian Reform. However, neither the cooperative's progress nor the supplies of machinery available are particularly impressive and much of the machinery is inoperative due to breakdowns and the lack of spare parts.

The agrarian reform program is carrying out a number of land reclamation projects on about 308,875 acres. Most of the projects are on state domain that will be distributed when irrigation and drainage systems are completed.

F. On Peasant Participation in Decisions

As has been stated, as far as it can be ascertained there has been no great change in the level of the small farmers standard of living. The farmers who are now landowners have not yet emerged as a political group although they may become a force in the future. As yet, they have found no common voice and they are still strongly influenced by family, tribal, and religious ties.

G. On Character of the Rural Society

For many farmers land reform has meant little change in their state of affairs. Some, as temporary lease holders have only reverted to a status quite similar to their position before tribal land was deeded to the sheikhs. They have regained the traditional right of using land owned by the state. This tenure status may actually be better for the tribesmen than other patterns of

land use. Some will continue to be exploited because of the lack of available credit, inputs, and machinery. This still keeps them victims of the middleman, which they will continue to be, until the time when they are able to join a cooperative or abandon their farm.

Warriner asks the question ... "has it benefited the peasant?" and answers it, "Perhaps the first thing to be said is that they are not peasants yet; they are herdsmen-cultivators, and still rather mobile, formerly accustomed to shift about on the land with shifts in cultivation, and to change employment from one estate to another." Here she was speaking of one type of small farmer. To others more settled and more stable, the reform program has no doubt given a considerable boost.

The rural people of Iraq are still looked down on by many towns people and officials. They are the inheritors from antiquity of the hostility between the tribal nomad and the town or city dweller. It is an attitude that can be traced to antiquity. Many of the invasions of Iraq's city civilizations were roving nomads.

As recent as 1968 officials from Baghdad overly displayed indifference bordering on contempt for people in the provinces. This was noticeable when the author, together with a small group of foreign visitors, was escorted through several rural villages. Our escort was a cadre of officials led by an Army truck with a machine gun mounted on its cab and a soldier in position to use it. The gun indicated that there was still political unrest, but in addition, there was also a poorly hidden hostility of the officials from the city for the people of the rural areas--a polite but unmistakable disdain for their country cousins. For the peasants, as Warriner mentions, are still thought of, more or less, as "non-persons" by city folk.

The agrarian reform program does not place much emphasis on social services and especially on medical care. In many parts of the country one must travel long distances to reach the nearest medical center. Only a few villages have a medical center with a medical assistant to take care of urgent cases. Iraq is a country with villages scattered at considerably great distances. Although the fees for medical care in government hospitals are low, transportation costs to the hospital for treatment make actual costs of medical care expensive, relative to the level of income of most of the farmers.

No emphasis has been placed by the Ministry of Agrarian Reform on establishing schools and extending education. In the past decade there has been little change in the living conditions with regard to the housing situation. There is a lack of sanitation, fresh water and adequate housing.

#### H. Broader Effects on the Economy, Society and Policy

There is no question that agrarian reform has changed the tenure structure and brought lasting changes to Iraq. There will be no turning back, even if there is more faltering. There are indications that in the long run the tenure system will adjust itself to the way of life in the various parts of the country. The cooperatives that are successful will set an example. As more rural leaders become proficient in management more of the functions of management will be carried out by the beneficiaries of the program. Where cooperatives fail or never get started, some local sheikhs who were former leaders and now operate their own land, no doubt, will assume leadership, as some already have.

As the political parties have sparred for position, there have been political shifts in the administration of the program. This turmoil which has already been discussed only resulted in neglect for agrarian reform.

Although the Ministry of Agrarian Reform has regularly released figures concerning expropriated land, it is quite difficult to get statistics on what has happened to the land which has been sequestrated but not redistributed. Unauthenticated information reports that some of this land is now cultivated by the former landowners and some by the former sharecroppers, and some by others. There are also the lamentable reports that a surprising amount of this land lays idle.

The revolution, swiftly and to a reasonable extent, accomplished its political goal of breaking up the large estates. Progress in the direction of economic and social goals, however, has been almost nil. The constant internal unrest most definitely delayed implementation of the Agrarian Reform Law. It caused agricultural production to drop, and delayed orderly pursuit of development plans--plans that might well have been significant in bolstering and supplementing reform operations.

This constant political turmoil, at least in some segments of the society, appears to have cancelled out the affects of--to use Qassim's expression--the "liberation of the peasants" by the "glorious revolution." The "corrupt clique" appears to have been replaced several times by "tyranical cliques" who have been distracted from implementation of agrarian reform by other problems, many of their own making. Moreover many of those dealing with reform have been misguided by poor planning, inactivity and red tape.

If reform is to be successful the Government should amend the law sufficiently to fit the Iraqi situation and to provide the people with more social and economic benefits both the short and the long-run.

#### V. CRITIQUE AND EVALUATION

Despite the appearance of considerable potential, Iraq's agricultural sector has expanded very slowly during the past dozen years. This sluggishness, however, is not without reasons. First, the climatic environment is unfavorable. There are droughts, floods, winds, high temperatures, salinity problems, drainage problems, and depleted soils. Second, there has been continual political unrest, both within the country and within the Arab world; also among political parties, and ethnic groups. For over a decade, agriculture has received comparatively little governmental attention as revolution and counter revolution occurred. Finally, the Government action that overturned the semi-feudal land tenure system in 1958 and established an extensive agrarian reform program has been disappointing. Although basically social, the program should have revitalized agriculture and raised production.

Actually the opposite occurred. The Egyptian pattern used for the agrarian reform law did not fit Iraq. It disrupted the managerial function and the development process to the extent that agricultural production dropped sharply. In spite of the fact that changes in the tenure structure were long overdue if farm production were to be improved, it soon was evident that the agrarian reform program was executed too rapidly and without wise planning.

Swift and sweeping expropriation of landholders properties had separated cultivators from the managerial expertise that had kept the production opera-

tion going, even if at a low level. The reform planners failed to replace the management function of the landowners with sufficient extension or cooperative advisors who could properly fill the management vacuum and supply the required inputs. Supervision provided and decisions traditionally made by the landlords or his agent was largely missing. Although the cooperative system had been established prior to 1958, a shortage of trained personnel limited the effectiveness of the cooperative. It has also inhibited their ability to support any large segment of new farm owners with credit, farm managerial advice, or to give marketing assistance.

A host of problems surfaced after the agrarian reform program was executed. Few of these problems were of a subtle nature. Most of the problems awaiting to be considered were clearly obvious. In fact a majority of the problems had already been pointed out on several occasions before 1958 by foreign experts who hinted, but were too politically polite to openly suggest, the one action which was taken by the revolutionaries--an overthrow of the semi-feudal land tenure system.

Although some steps have been taken to solve some of these problems--such as correcting the shortage of cooperative managers by using FAO experts to train personnel for these jobs--the number of specialist and agriculturists is still inadequate to meet the need of the existing cooperatives. Also the number of operating cooperatives falls far short of those required to service the farmers.

Other serious drawbacks include the slow distribution of land and the reluctance of the Government to present formal legal titles to the new farm owners. This has injured good will. At the same time, prices for produce have been low and high marketing cost have blunted incentives to produce. These

circumstances have had a dampening affect on the expected results of agrarian reform. They have cost the nation dearly by depleting its human resources and reducing the output of the expropriated farm lands. When combined with the environmental, political, and other problems, it is indeed surprising that agricultural production has not been more seriously affected.

## Notes on Bibliography

The sources that have been used most frequently for the preparation of this study have been Doreen Warriner's two books. Her study of Iraq, Land Reform and Development in the Middle East, first published in 1957, is a brilliant review of the conditions as they were prior to the revolution of July, 1958. The chapter on Iraq in her recent book (published in 1969) Land Reform in Principle and Practice, describes the reform program in progress and reviews the influencing factors. These books alone support a good portion of the topics covered in the outline for the Spring Review.

A third valuable source (as of December 1958) is the FAO, Iraq Country Report, published in August 1959, but written so soon after the revolution, that it only introduced the land reform program.

Robert A. Fernea in his article Land Reform and Ecology in Post Revolutionary Iraq presents an interesting viewpoint and also a micro-study of one area. This was written in 1967 and published in 1969.

I have also drawn heavily on my own Bulletin, The Agricultural Economy of Iraq, published in 1965.

Other books that are helpful for the periods they cover are the report on the mission study for the IBRD, The Economic Development of Iraq, published in 1952, Hassan Mohammad Ali's Land Reclamation and Settlement in Iraq, published in 1955, and Land Policy in the Near East, compiled by M. R. ElGhonemy, Chief, Land Tenure and Settlement Branch of the FAO published in 1967.

I have also taken recent figures from material not listed in the Bibliography. This is material which was available at the various ministry offices when I visited Iraq in 1965. Also, handouts made available at the Ninth FAO Regional Conference for the Near East held in Baghdad in September 1968, which I attended as U.S. Observer, were useful.

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These three papers serve more as summaries of land reform than full studies comparable to the other Country Papers in this series. They were prepared, or assembled, for the Spring Review in order to avoid neglecting in the discussion and conclusions experiences and problems in three countries where A.I.D. maintains large programs.

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AGENCY FOR INTERNATIONAL DEVELOPMENT

SPRING REVIEW

LAND REFORM

in

PAKISTAN

by

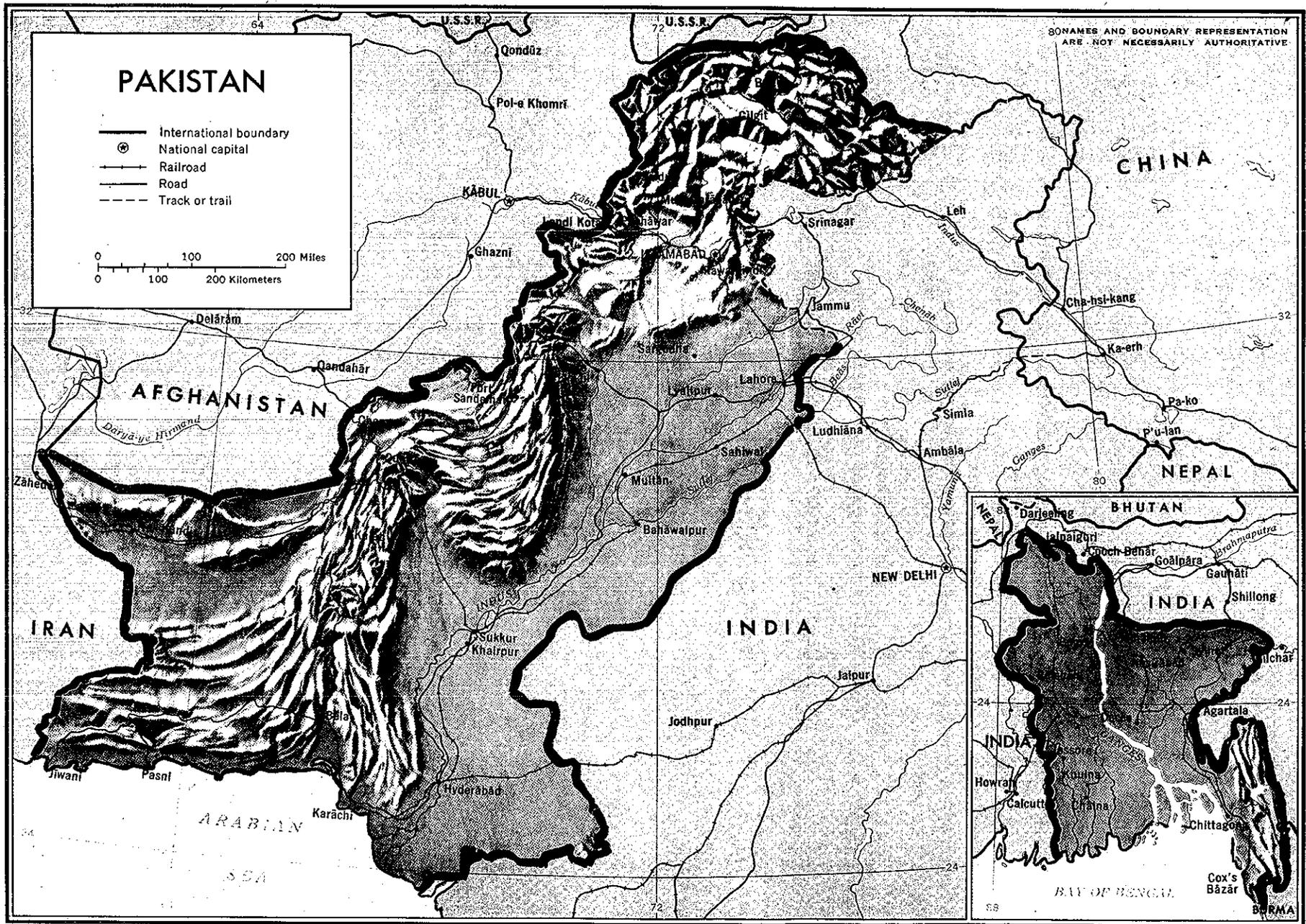
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## I. SUMMARY

In 1947 Pakistan inherited a country split in two parts with 1000 miles of India between them, a mere handful of trained and experienced bureaucrats, nine million refugees, a virtually unarmed army, a very small number of technically trained people and a traditional, subsistence oriented, 80 percent illiterate peasantry which had been ground down for generations by a privileged class of rent collectors.

The new government recognized the urgent need for improving the tenure status of farmers in order to encourage modernization of farming methods and to achieve a measure of social justice.

However, this new country, beset with overwhelming political, social and economic problems did not turn its attention seriously toward land reform and agricultural development until after Field Marshal Ayub Khan took over the reins of government in 1958. Thereafter and into the 1960's the government land reform commissions proceeded to sever the control of the landlord class over the farmland and the peasants. Former landlords who could establish legitimate rights to property were compensated by the government. As this program proceeded (somewhat earlier and with more effect in East Pakistan than in West Pakistan), the provincial governments became the principal collectors of land revenue.

By 1961, 98 percent of East Pakistan farmers owned all or a portion of the land they operated. The comparable figure for West Pakistan was 60 percent. The average size of farm was 3.5 acres and 10 acres for East Pakistan and West Pakistan, respectively. In West Pakistan, 64 percent of the cultivated land was in farms larger than 12.5 acres whereas only 19 percent of East Pakistan cultivated acres was in farms exceeding 12.5 acres.

During the second five year plan period, 1960-65, the Government of Pakistan began to dismantle economic disincentives for the farmer, such as export taxes, and to introduce potent economic incentives such as a 50 percent subsidy on fertilizer, virtually 100 percent on pesticides and some 20 to 30 percent on irrigation water.

During the same period and continuing on into the latter half of the 60's, fertilizer supplies and use were sharply expanded as was irrigation water. The high yielding varieties of rice, wheat and corn were introduced in 1967 with great success which led in turn to a dramatic increase in acreage of the high yielding varieties of seeds (7 million acres in FY 1969).

Although the full impact of the new wonder seeds is delayed for two or three years in East Pakistan, the country is virtually self-sufficient in food grains.

West Pakistan's land reform program reduced the land renter class materially and increased substantially the number of small holders. On the other hand, the program left thousands of major land holding families with farms of 50 acres up to several hundred acres. Many of these landed families manage their estates; they are generally well educated and profit oriented people. It is this class of relatively large and affluent farmer class that rapidly adopted the high yielding seeds and related inputs and practices. Subsidies on inputs and support prices on grains have assured a magnificent profit for these more sophisticated farmers. The smaller neighboring farmers are copying the new technology at a fairly rapid rate.

It is most difficult to assess the effect of improved land tenure practices on Pakistan's great surge in agricultural production. It appears quite clear, however, that the agricultural breakthrough, i.e., with respect to grains, came as fully and rapidly as it did because West Pakistan had a substantial core of relatively large landowners who were not seriously dispossessed by a moderate land reform.

On the other hand, this technological breakthrough will likely continue to penetrate lower eschelons of farm sizes, especially those on which the farmer now owns all or a portion of the land he operates.

The weight of observed evidence is that Pakistan's land reform programs have successfully removed a burdensome group of rent collectors, broadened the base of farmer operator land equity and have had only moderate success in consolidation of fragmented farm units.

Although it would be difficult or impossible to verify objectively, there are some reasons to believe that the relative political and social stability in the country side during the Autumn of 1968 and Spring of 1969 may have been in part a result of land reform measures and the rural works program. On the other hand, the rural population is a fractured society and not prone to initiate social revolution.

Agricultural policy in the 1960's has greatly stimulated output and at the same time has increased income disparity in the farming sector.

## II. PRE-REFORM PERIOD

### A. Introduction: Economic & Political Background

The social and political environment of Pakistan at Partition and an overview of nation-building problems during the first decade has been dramatically summarized by Professor Wilcox.<sup>1/</sup>

"...Lord Mountbatten's hurried plans to move the date of independence ahead by a year caught Pakistan's leaders completely off guard. They had, in their new capital of Karachi on the day of their independence, neither desks nor pens nor files. They lacked adequately trained civil servants, and the Muslim troops in the army were scattered throughout the subcontinent and were, in any case, considered to be part of a joint force under continued British command. The lines of partition gave to Pakistan only one major city, Lahore, and within sixty days after Independence it was in flames. Nine hundred miles away from Karachi lay East Pakistan, isolated from its other half. The government had to use all its resourcefulness to find money for the first payroll.

"In a little more than a year, Pakistan had to face three hard facts, it had to provide for nine and a half million refugees, it had to fight a war in Kashmir which it could hardly mount, and it had to go forth without the father of the country, Quaid-i-Azam Mahomed Ali Jinnah. Only one of the provinces in West Pakistan had a healthy economy, and it was agricultural, while East Pakistan's jute fields were cut off from their factories in the Calcutta area. The very continuance of Pakistan was something of a miracle.

"To catalogue the problems faced by the country in the sixteen years of its life, is a humbling experience. In nothing much more than an irrigated desert and a swampy marsh, one hundred million people, heirs of a proud tradition, are attempting to build a new society to rival their historic one. For the past decade and a half, they have been forced to build almost from the basement up and have been deprived of their best old leaders. And this is but a preliminary statement of the problems of nation-building in Pakistan."

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<sup>1/</sup> Nation-Building--The Problem in Pakistan: Professor Wayne Ayres Wilcox; A paper read at a meeting of the Asia Society, New York.

Pakistan inherited a subsistence oriented non-progressive agriculture. The rural sector contained about 90 percent of the population; unemployment and under-employment was roughly estimated at 20 to 25 percent and average per capita gross farm income about Rupees 250 per year (\$52 at the official exchange rate). The tenure status of farmers had deteriorated over a period of many decades and became a matter of great concern to successive Pakistan governments.

Before partition, and for the first decade thereafter, Pakistan farmers had available virtually no modern agricultural inputs such as fertilizers, improved seeds and pesticides. Extension and research facilities and credit institutions were also grossly underdeveloped.

West Pakistan had a major canal irrigation system, but poor management of irrigation water over a period of several decades created widespread occurrences of waterlogging and salinity.

The monsoon agriculture of East Pakistan had approximately commensurate problems with periodic destructive floods and cyclonic winds.

Because of the large rural population and traditional exploitive tenure systems, Pakistan farms were small (West Pakistan average 10 acres and East Pakistan average 3.5 acres) and seriously fragmented.

The new government of Pakistan, with its overwhelming problems of nation building, found it impossible to make much progress during the first decade in revising the farm tenure system or in modernizing agricultural production. Consequently the growth in agricultural production fell seriously short of the population growth during the decade 1948 - 1958.

However, with the advent of a new "revolutionary" government, under the leadership of Field Marshal Ayub Khan, there was a stated policy and resolve to create a viable agriculture under conditions of social justice.

The areas of Pakistan destined for institutional reform and technological change included 22 million acres of cultivatable land and some 6 million farmers in East Pakistan, and about 40 million acres and approximately 4 million farmers in West Pakistan. The large size of these areas, the large

number of farmers involved, and the complexity of the related cultural and institutional factors of course suggests that reform and development measures introduced would not be evenly distributed or accepted geographically or as between farms.

The enormity of the changes contemplated suggest time phasing by decades or even generations.

In light of the above, the progress made as shown in the production picture in later sections will be surprising.

#### B. Land Tenure Structures: Characteristics and Changes<sup>2/</sup>

The two main systems of land tenure which Pakistan inherited from the British regime were, broadly speaking, the permanently settled estate system in East Pakistan and the temporarily settled and Raiyatwari systems in West Pakistan. The Permanent Settlements were introduced by Lord Cornwallis in the year 1793. Under this system proprietary rights were conferred on the revenue collectors under the mistaken belief that they were landlords in the British sense. The motive for the adoption of this system was to ensure the punctual payment of a fixed amount to the Government in perpetuity for meeting its financial demands. It was the holder of the estate (commonly called the Zamindar) and not the actual occupant of the land who became responsible for the payment of land revenue to the Government. However, the actual tillers of the land were not mere tenants-at-will; the vast majority among them had permanent and heritable rights in the land subject to the payment of customary rent which was paid to the Zamindar.

Under the temporarily settled and Raiyatwari systems which were the dominating features of the land tenure in West Pakistan, the amount of land revenue was fixed on individual pieces of land and the owners and occupants possessing a permanent and heritable right of occupancy, became liable for its payment to the Government. The assessment was revised at intervals varying from 20 to 40 years so as to conform to changed economic conditions. The revision

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<sup>2/</sup>This background information taken from Government of Pakistan Planning Commission Reports, Agri. 96, 1961 and Agri. 74, 1959.

of settlement was theoretically considered to be an occasion for either increasing or reducing the amount of land revenue according to rise or fall in the taxable capacity of land. In practice, however, almost every new settlement resulted in an increase of the State demand.

The wide diffusion of proprietary rights under the Permanent Settlement system and the gradual change of the Raiyati landowners from the position of occupying cultivators to that of rent receivers very adversely affected the output from the soil. The Zamindars in the permanently settled areas took very little interest in increasing the productivity of the land. To a certain extent the same thing had happened in those parts of the Raiyatwari areas where the practice of subletting had been widespread and the original Raiyats had transformed themselves into absentee landowners and mere rent collectors, subsequently referred to as the "Jagir class."

Apart from the defective structure of rights in land, the land systems inherited by Pakistan also suffered a variety of other basic defects, e.g., the unit of cultivation was small and fragmented, so that only the most primitive methods of cultivation could be employed. Even for those methods, the holding was not of an economic size. Insecurity of tenants and rack-renting were the two other evils from which the system suffered. A substantial change in the agrarian structure was, on the eve of independence, therefore, considered to be essential in the interests of increased productivity and greater social justice. Some tenancy legislation measures were enacted in West Pakistan during the first ten years after partition but the pace of their implementation was rather slow partly on account of insufficient administrative arrangements and partly because the tenants were too helpless to take advantage of the legal provisions. East Pakistan was ahead of West Pakistan as the East Bengal State Acquisition and Tenancy Act provided for a series of radical reforms in the land ownership and tenure system in that Province. The progress in the implementation of this law was, however, very slow mainly on account of protracted litigation initiated by former land rent collectors, started by vested interests which went up to the Supreme Court, and on account of the bottlenecks created by the absence of detailed revenue records and paucity of village establishment.

### C. Land Resources Information

1. Land Availability (as of FY 1967). West Pakistan has an area of 198.6 million acres which includes about 48.7 million acres subject to cultivation, 144.5 million acres not cultivated and 5.4 million acres of forest lands. The acres actually sown to crops in any one year seldom exceeds a total of 35 million and about 80 percent of the sown area receives some irrigation water. West Pakistan is frequently referred to as a desert area because the annual rainfall averages seven inches at Karachi and increases gradually to 27-30 inches in the foothills of the Himalaya Mountains. Water is the major constraint on agricultural production in the rain fed crop lands and per acre yields are relatively low.

West Pakistan has vast areas, perhaps as much as 75-85 million acres, which are chronically short of water and primarily suitable for extensive livestock grazing. Water conservation and improved range management are required for expanding livestock production and increasing labor requirements.

The most dramatic factor happening to West Pakistan land use in recent years is the growth in area planted to crops as a result of increased availability of irrigation water from tubewells.

The population of West Pakistan was 35.8 million in 1950, 45.0 million in 1960 and 58.2 million in 1970.<sup>3/</sup> The total acreage in crops increased from an estimated 30.0 million in 1950 to 40.0 million in 1970. Thus, the per capita crop area decreased from 0.84 acres to 0.68 acres between the two dates.

The rural population of West Pakistan was estimated to be 82 percent of total population in 1961 and this ratio is believed to have decreased to 75-80 percent by 1970. The ratio of total population and rural people to productive crop acres is relatively high and increasing rapidly because the crop area is relatively fixed and urban employment opportunities are not expanding as fast as is the rural or urban labor supply. In 1961 the labor force in agriculture (persons 10 years and above) totaled 7.6 million; sixty percent of the total West Pakistan labor force.

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<sup>3/</sup> GOP Central Statistical Office, Planning Commission.

East Pakistan has a total of 35.3 million acres of which 22.4 million acres are crop land, 7.5 million acres not useable for cultivation and 5.3 million acres of forest lands. The three great rivers which tranverse East Pakistan have an average annual runoff of 833 million acre feet, almost double the annual runoff of the Mississippi and its tributaries. In addition, East Pakistan has an annual average of 80 inches of rainfall.

This great volumn of water is truly the staff of life for more than 70 million people of East Pakistan but it is also a mixed blessing in that each 2.5 years, on the average, the waters rise too far and too fast so that 5 to 10 percent of the rice crop is wiped out or seriously damaged. East Pakistan climate is frost free and thus permits year around cropping. Although acres suitable for crops are rather rigorously, limited to about 22.0 million, the annual acres of crops total about 29 million through double cropping.

The population of East Pakistan increased between 1950 and 1970 as follows:<sup>4/</sup>

1950 - 42.9 million  
1960 - 53.9 million  
1970 - 70.2 million

The rural sector accounted for an estimate 95 percent of the total population in 1970. The average size of a farm in this province is 3.5 acres. New areas being brought into cultivation through embankments (dikes) and reclamation just about equals the annual loss of farm land to industry, transportation, communication and power facilities, and dwellings for the rapid growing population. Thus, there is now scarcely one third acre of crop land per capita in East Pakistan and with a population growth rate close to 3 percent per annum, the arable land-population ratio will almost certainly worsen.

Unemployment and underemployment in rural East Pakistan are variously estimated at 20 to 30 percent of the total labor force. A large rural works program was carried out during the years 1963 to 1970 to create a rural infrastructure and to relieve unemployment.

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<sup>4/</sup> - GOP Central Statistical Office, Planning Commission.

2. Classification. West Pakistan has carried out with U.S. Geological Survey assistance a decade of intensive study of the ground waters of the Indus Plain. The hydrological information and data gained from these studies has provided valuable guidance for the economic exploitation of West Pakistan's vast ground water resources.

East Pakistan has acquired relatively little ground water information in the past but a U.S. Geological Survey team is starting a study of these resources in 1970. The information from this study is essential for guiding the installation of irrigation tubewells. Irrigation water is crucial for expanding the acreage of rice and other crops grown in the boro or winter season.

The control of flood waters is highly crucial to the future development of the East Pakistan economy. There have been a number of studies and projects of limited area and scope and a preliminary reconnaissance type study of the broad flood water regulation problem. The fact that the headwaters of the East Pakistan rivers lie outside the country vastly complicates the flood control problem.

Soil and land survey and classification information and data are inadequate in both provinces. The United Nation Food and Agriculture Organization has carried out, over several years, a limited "rapid soil survey" and there are generalized soil type maps for both areas. In addition, some soil information has been gathered on the major land reclamation projects in West Pakistan.

PAKISTAN: CULTIVATED AREA AND CROP ACREAGE \*

FY 1948 - 1967

(Millions of Acres)

Year	East Pakistan			West Pakistan			Total Pakistan		
	<u>1/</u> Total Area Cultivated	Total Acreage In Crops	Area Sown More Than Once	<u>1/</u> Total Area Cultivated	Total Acreage In Crops	Area Sown More Than Once	<u>1/</u> Total Area Cultivated	Total Acreage In Crops	Area Sown More Than Once
1947-48	22.0	25.3	5.9	36.3	28.8	2.4	58.3	54.0	8.2
1957-58	21.6	26.0	5.6	39.6	35.0	3.4	61.6	60.3	9.0
1966-67	22.4	29.0	7.9	48.7	39.3	4.1	71.1	68.3	12.0

\* GOP Yearbook of Agricultural Statistics 1968.

1/ Includes crop land that was fallow.

### 3. Land Ownership, Cadastral Information and Land Titles

#### East Pakistan

The Government technically owns all land, however, the cultivator proprietor is accorded a permanent heritable and transferrable right to his land. The cultivator establishes title (tenure) to the land by occupancy and by annual payment of land revenue.

In Dacca, detailed cadastral information for the Province is available from two major sources. These are the Directorate of Land Records and Survey and the Revenue Division of the Secretariat, GOEP.

On the district and thana level, information concerning proprietorship of land is kept by the district and sub-district registrars. Revenue information, which is also used to confirm proprietorship, is kept by the Revenue Officer at the district level and the various tabsildars (revenue collectors) at the lower levels.

The quality of the available information concerning proprietorship, amount of land fragmentation, assessed value, assessed productivity of the land, etc., is open to question. Much of the assessed value of the land, though supposedly revised in 1960-61, is based upon values established at the time of the Permanency Settlement, over 170 years ago. Further, land survey for the purpose of revising official records is complicated by the extremely fragmented land holding. The last survey reportedly was done in 1960-61 and the next one is not required until 1975. These two illustrations point out some of the difficulties which will be encountered when using available cadastral information. Detailed evaluation and verification of specific information would be necessary.

When the Zamindar system was abolished, each farmer who was cultivating a piece of land and paying rent for it was entitled to have this land recorded in his name on the official government revenue rolls and his holding registered by the registrar. The farmer is required to renew the registration and pay the land revenue annually. Failure to pay the revenue for several years may lead to the striking of the cultivator's name from the revenue rolls and auction of the land.

Three ways of obtaining land are: direct purchase, inheritance, settlement of government land. Inheritance is a frequent cause of land disputes and fragmentation of land holdings. According to Muslim law, each son is due an equal share of the father's land. Thus, when land is passed to the sons, it undergoes fragmentation and disputes often arise over who has the right to certain parcels of land.

At present, very small portions of government land are available for settlement. These are mostly land parcels in areas which have recently been reclaimed by means of coastal embankments or by extensive irrigation projects.

Briefly, the accepted legal basis for a property claim would consist of proof of current revenue payment as obtained from the tahsildar or proof of registration of the property from the district or sub-district registrar.

A claim to land from inheritance according to Islamic law is accepted by the courts as valid in lieu of other documents. That is, where no will or document is presented to the contrary, sons may claim equal portions of their father's land and their claim, based upon Islamic law, would be upheld in court.

#### West Pakistan<sup>a/</sup>

There are two laws in West Pakistan relating to land tenure. One is in respect to the maintenance of record of rights in land and the liabilities incident thereto in relations between the Government of Pakistan and the landowners. The other law deals with the relationships between the landowners and tenants.

Ownership in land is transferred to the cultivator either by sale or through grant by the Government of Pakistan. Such a transferee gets full proprietary rights in land free from all incumbrances, and whoever interferes with any of his rights or interest is liable to be prosecuted for criminal trespass.

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<sup>a/</sup> Information from a report by Moizuddin Sayyed, US-AID Rawalpindi

The land is classified in three productivity categories - A, B and C - by the Government for the purpose of fixing a transfer price at the time of sale to the landowners.

In each district of West Pakistan, documents showing the entries of record of rights of the landowners are maintained by the Government. Such entries contain the following particulars:

- (1) The name of the landowners, tenants or assigns;
- (2) The nature and extent of the interest of those persons;
- (3) The rent, land revenue, rates, cesses and other payments due from and to each of those persons and to the Government.

It is the duty of the patwari (the officer in the lowest cader) to maintain the record of rights up to date. The work of the patwari is checked from time to time by a supervising patwari, who in turn is supervised by a tehsildar and the revenue collector in each district.

Any claim arising out of or in connection with the proprietary rights of the land are decided in the first instance by the tehsildar. Appeal against the orders of the tehsildar is heard on facts as well as law by the collector of a district. In cases where the collector has passed order on the original jurisdiction then the appeal against such orders shall lie before the Commissioner of the Division. In cases where orders are passed by the collector or commissioner, then revision is on point of law alone and lies against such orders before the Commissioner or the Board of Revenue respectively.

The same procedure of appeal and revision is provided for claims arising out of the partition of land and/or the mode of making partition. The law has imposed time limitation on the aggrieved party to file an appeal. In the case of an appeal before the collector, the time limitation is thirty days from the date of the passing of the order, and in cases of appeal before the commissioner the time limitation is sixty days.

Except in cases where the Government under special contract or by grant, has exempted the landowner from the payment of land revenue, each landowner is liable for the Government land assessment on his land. In certain parts of Pakistan a specified amount is fixed for a given area of cultivated land for a season. The amount fixed varies each year according to the market rate of the produce of the land. This land revenue is collected by the Government only from land that is cultivated by the landowner. But there are certain parts of Pakistan where a certain amount of payment is fixed by the Government regardless of ownership or use of the land.

The same forum as mentioned above is available for appeal and revision of the assessment and recovery of land revenue.

Under Pakistan law, the total produce of cultivated land is divided 50/50 between the tenant and the landowner. It is the responsibility of the landowner to meet the cost for the development of the land including the cost of fertilizer. But the entire cost of seed is borne by the tenant. This practice gives rise to very few claims against the landowner.

The Government with the intention of providing maximum protection to long time tenants on given lands, has recognized the rights of such tenants on those lands. Except in cases of habitual thieves and constant defaulters in preparation and cultivation of lands according to the expectations of the landowners, the tenants acquire rights to cultivate their land without any let or hindrance from their landowners.

In the determination of any claim arising out of or in connection with the dispute between the landowner and the tenant, the same forum as mentioned above in matters of appeal and revision is applicable.

Any person who has any right or interest in the land can assert his claim in the manner mentioned above. But if a claimant fails and neglects to assert such a claim for a period of twelve years or more then the person in adverse possession gets legal rights over the land and the claimant cannot legally dispossess him from such land. The period of twelve years in such cases commences from the date of the knowledge of such a claim and the adverse possession thereto.

Under the land Acquisition Act of 1894 as amended, the Provincial Government is authorized to acquire any land within its Province if the same is needed for public purposes or for the need of a company registered under the Companies Act. But for the acquisition of land for such purposes the Provincial Government has to offer adequate compensation to the landowners.

The revenue officers under the rules that are framed by the Board of Revenue, erect trijunction pillars at every point where the boundaries of more than two estates meet. Such revenue officers are empowered to define the boundaries or limits of every estate, holding or field and to require survey marks to be erected or repaired for the purpose of indicating those limits.

#### D. Rural Production and Productivity

During the decade 1950-58 Pakistan agriculture was traditional and subsistence oriented. The compound growth rate of agricultural output in East Pakistan during this decade was 0.74 percent. West Pakistan did somewhat better with a 1.81 percent growth rate. The annual growth rate in Pakistan's population during the 1950's is estimated at 2.3 percent.

This alarming disparity in agriculture and population growth stimulated the new government (1958) and its planning commission to introduce important new measures for stimulating agricultural growth. In addition to accelerating the land reform program, there were introduced important new economic incentives for farmers and sharply expanded supplies of modern farm inputs. As a result of these and some other related measures, such as expanded research and extension services, the agricultural growth rate in the period 1958-68 increased to 2.76 percent and 3.91 percent for East and West Pakistan respectively. The population annual growth rate in the meantime moved up toward 3 percent.

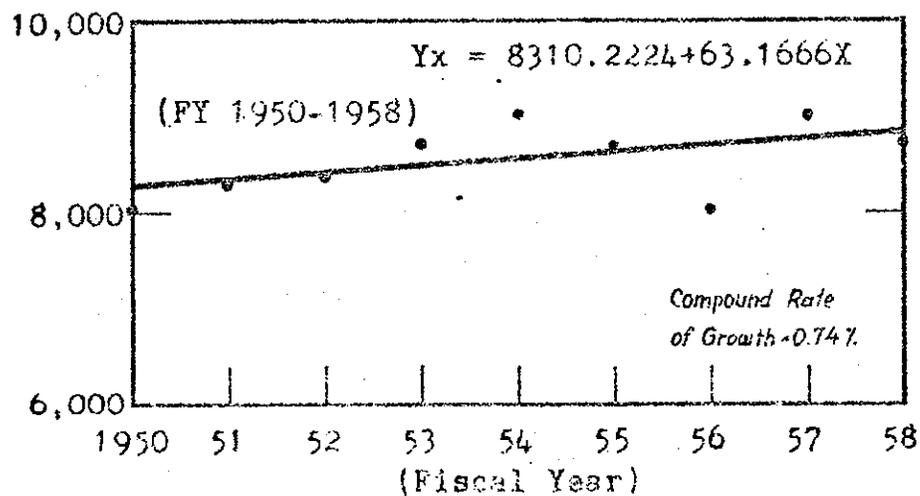
Starting in 1967 Pakistan started the introduction of the new high yielding varieties of Mexican wheat, IRRI rice and JI hybrid corn. The new varieties thrived magnificently in West Pakistan and by 1969 that province had not only achieved self sufficiency in food grains but also had a moderate export surplus.

Unfortunately the new seed varieties were not very well adapted to the East Pakistan environment. However, major plant breeding efforts are underway and a promising high yielding rice variety tailored specifically for East Pakistan is ready for widespread field trials in the summer of 1970. There is indeed a very good prospect that Pakistan will no longer need to import food grains (10 percent of grain supplies imported in recent past years) and can turn to expanded output of products of high nutritional value as well as marketing problems.

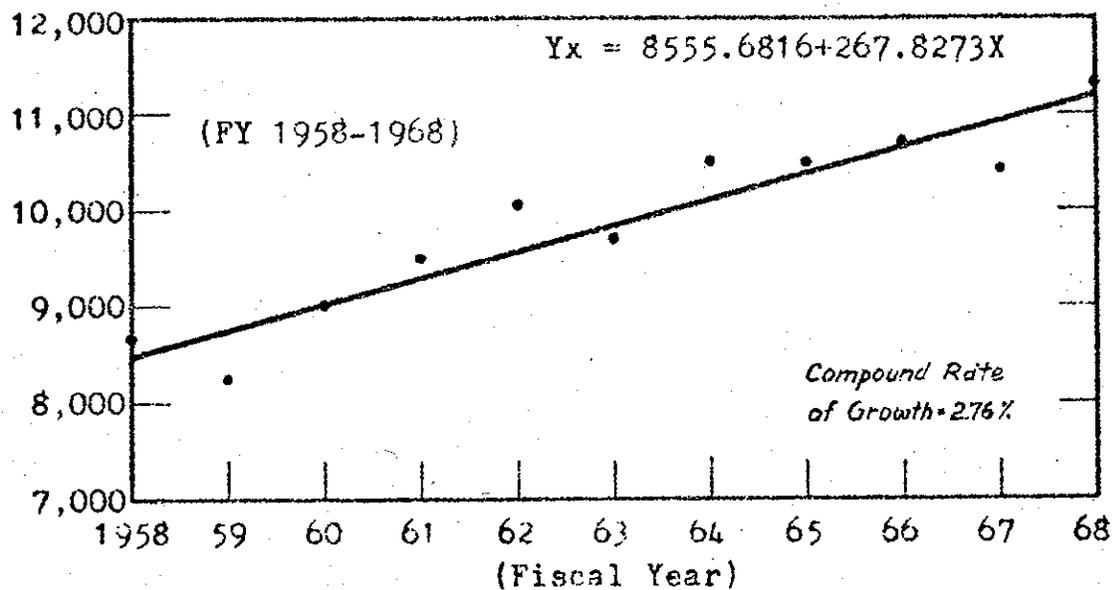
Food grains enjoy a strong competitive position in the Pakistan agricultural economy. Almost three fourths of the annual crop acres are devoted to food grain production. The rice crops is major in the East followed by jute, oil crops, pulses, sugar, tobacco, vegetables and fruit. West Pakistan features wheat and other food grains, cotton, rice, forage crops, vegetables, fruit, oilseed crops, pulses, sugar and tobacco. Livestock production is important in both provinces but the greatest promise for development in this sector lies with West Pakistan.

GROWTH IN AGRICULTURE SECTOR GROSS DOMESTIC  
 PRODUCT CONSTANT FY 60 FACTOR COST  
 EAST PAKISTAN

Million Rs.



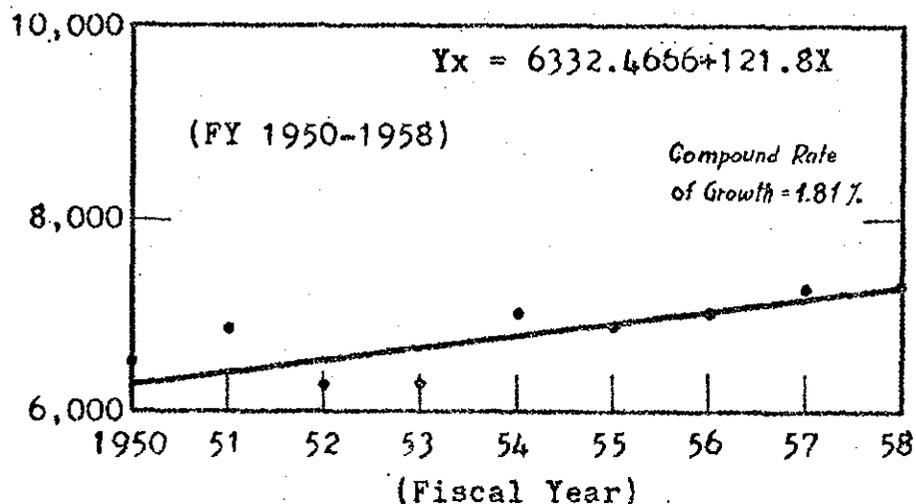
Million Rs.



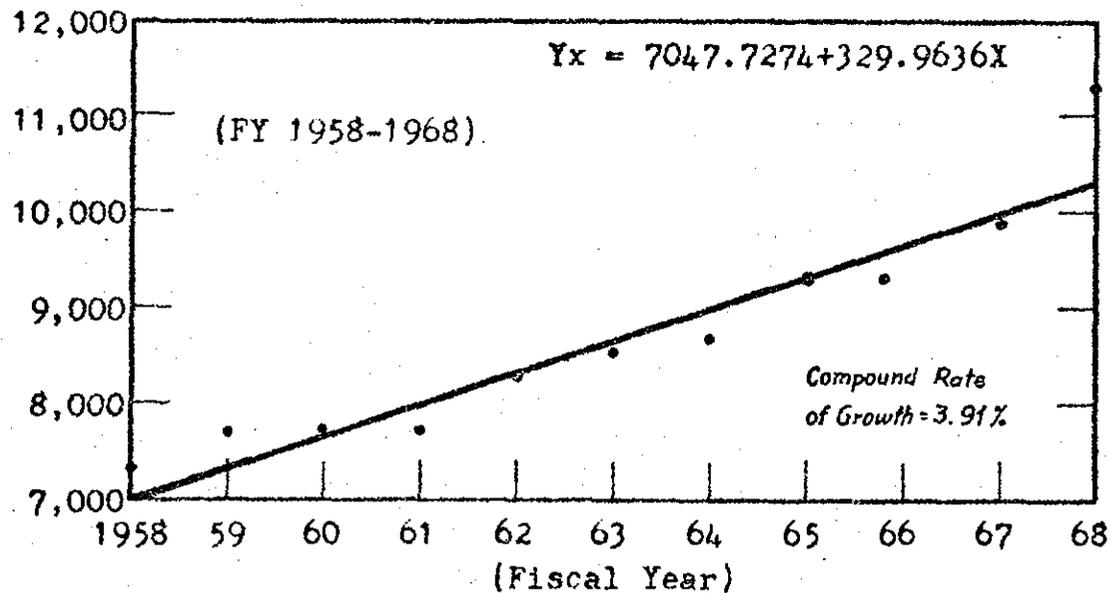
(Least square method)

GROWTH IN AGRICULTURE SECTOR GROSS DOMESTIC  
 PRODUCT CONSTANT FY 60 FACTOR COST  
 WEST PAKISTAN

Million Rs.



Million Rs.



(Least square method)

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PERCENTAGE INCREASE  
IN GROSS PRODUCT VALUE  
VARIOUS SECTORS  
BETWEEN 1949-50 and 1965-66

<u>Sector</u>	<u>% Increase</u>
Agriculture	36.0
Mining and quarrying	433.3
Manufacturing	247.6
Construction	865.5
Electricity, gas, water and sanitary services	939.4
Transportation, storage and communications	115.2
Wholesale and retail trade	48.7
Banking and insurance	419.5
Ownership of dwellings	49.1
Public administration and defense	109.2
Services	77.4

Source: Pakistan Economic Survey, 1965-66, Government of Pakistan

PAKISTAN  
COMPOSITION OF GROSS NATIONAL PRODUCT

(Percent)

Sector	1949-50	1959-60	1964-65	1965-66	1966-67	1967-68	1968-69
Agriculture	59.9	53.3	48.1	46.7	45.0	46.4	45.5
Mining and Manufacturing	5.9	9.5	11.8	11.8	12.2	12.0	12.1
Construction	1.0	2.1	4.7	4.3	4.5	4.6	5.3
Transportation, Storage & Communication	5.1	5.9	5.9	6.4	6.8	6.6	6.4
Wholesale and Retail Trade	11.7	11.7	12.4	12.4	12.6	12.2	12.3
Other Sectors	16.4	17.5	17.1	18.4	18.9	18.2	18.4
	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Pakistan Economic Survey, 1968-69, Government of Pakistan

### E. Rural Population, Employment and Underemployment

The Pakistan Economic Survey of 1965-66<sup>5/</sup> commented on Pakistan's employment problem. "One of the most pressing problems facing Pakistan is unemployment. More than one-fifth of the country's available manpower is wasted every year for lack of opportunities for employment. The remaining four-fifth is not even regularly and gainfully employed. In the rural areas, almost the entire labor force remains unemployed intermittently between the harvest and sowing seasons."

In an effort to cope in part with the unemployment problem, the Government of Pakistan established the National Manpower Council in 1962. The Council functioned through three agencies: (1) the Civil Sorks Board, (2) the National Training Board, and (3) the High Level Personnel Committee.

The Council proceeded to coordinate manpower statistics, organize the labor market, arrange the "...development of technical training and promote labor legislation and improved industrial relations."

The Economic Review of FY 1968 commented on the high rate of new entrants into the labor force. "The population growth rate is estimated at 2.6% per annum in 1965; in that year 45 percent of the population was below 15 years; the labor force is expected to increase from 37.3 million in 1965 to 41.5 million in 1970."

It was noted further that population was increasing faster than employment opportunities. Between 1951 and 1961 the urban population increased 57.4 percent and the rural population by 20 percent. Virtually all of these increases represent unskilled labor.

A very large rural works program offered partial relief to rural unemployment during the 1960's. (The rural works were financed mainly with PL 480 rupees.) Unfortunately a comprable program was not available to urban areas.

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<sup>5/</sup> Prepared by the Economic Advisors to the GOP and published by the Minister of Finance.

Sectorial Distribution  
of the Labor Force 12 Years of Age  
and Over Between 1951 and 1970 <sup>6/</sup>

(in millions)

<u>Sectors</u>	<u>1951</u>	<u>1961</u>	<u>1965</u>	<u>1970</u>
Agricultural labor force	17.1	21.9	27.6	30.3
Non-agricultural labor force	5.3	7.5	9.7	11.2
Total labor force	22.4	29.4	37.3	41.5

Increasing crop yields per acre will increase labor requirements somewhat, especially for harvest and threshing. On the other hand, a steady advance of mechanization, especially in West Pakistan, will decrease labor requirements for land preparation, harvesting and threshing.

Pakistan will continue to have a major unemployment problem in the country side. Decentralization of industry and continued rural works can relieve the problem to some extent.

F. Farm Supplies and Irrigation

The Pakistan Government made a major effort during the 1960's to sharply expand farmer use of modern inputs. Both the production and imports of fertilizer expanded sharply and substantial subsidies were granted on fertilizer, pesticides and irrigation water. The following table summarizes the impressive progress made in this important phase of agricultural development.

PAKISTAN AGRICULTURAL INPUTS\*

	<u>FY 1950</u>	<u>FY 1958</u>	<u>FY 1968</u>
Fertilizer nutrients, tons (000)	Nil	23.9	285.2
Acres irrigated (millions)	22.6	26.1	30.0
Area receiving plant protection (millions, acres)	Nil	0.6	9.8
Area planted to high yielding varieties (millions, acres)	Nil	Nil	2.5**
Area planted to crops (millions, acres)	57.0	60.3	68.3

\* GOP Yearbook of Agricultural Statistics, 1968.

\*\* In 1969 the high yielding varieties acreage was 7.2 million.

<sup>6/</sup>The total labor force from Economic Review, 1968. The division between agriculture and non-agriculture for 1965 and 1970 assumes the percentage in agriculture continues to decline at the same rate experienced in the 1951 - 1961 period.

West Pakistan has developed, during more than a half a century, a comprehensive canal irrigation system which draws water from the Indus River system. More recently irrigation tubewells have added greatly to irrigation water supplies. Probably as much as 90 percent of the agricultural output of this province is produced in part with irrigation water.

During the months November to April, East Pakistan gets little rain and the rivers are at low ebb. It is the season of major vegetable production but a winter rice crop (boro crop) requires irrigation. Thus, the provincial government has, during the 1960's, assisted farmers with the installation of low life pumps and irrigation tubewells. The average pump unit irrigates about 50 acres. The following table indicates the growing importance of irrigation to Pakistan agriculture.

PAKISTAN IRRIGATION\*

(000 acres)

<u>F.Y.</u>	<u>Total Pakistan</u>	<u>West Pakistan</u>	<u>East Pakistan</u>
1960	26,087	25,543	544
1961	26,487	25,709	788
1962	27,618	26,565	1,053
1963	28,374	27,199	1,175
1964	28,562	27,294	1,268
1965	29,544	28,266	1,278
1966	29,759	28,346	1,413

\*GOP Yearbook of Agricultural Statistics, 1968, p. 78.

The irrigation canals of West Pakistan are installed and operated by the provincial government and water is sold to farmers. The majority of tubewells are privately owned and operated. In East Pakistan the government installs and operates the pumps and wells and charge an annual rental fee. A few pumps are privately owned.

### III. LAND REFORM PROGRAM, MEASURES AND EFFECTS

#### A. East Pakistan

Studies of land policy prevailing in Bengal before the 18th century indicate that rulers of the period were interested in (a) keeping peasants on the land and producing and (b) collection of revenue from the cultivators.<sup>7/</sup>

In order to stabilize the land revenue Sher Shah (1540-45) assessed revenue payable on the average yield of different crops on 1/3 acres of land (one bigha). During the Akbar period, Todar Mall worked out in 1582 a "great settlement" of revenues of Bengal, Bihar and Orissa. The land assessment worked out at Rupees 1.5 per acre based on estimates of actual production. This "great settlement" held in effect during the regime of several successive governments.

During the early 18th century the Mugbol emperor was weak and turned to "revenue farming" to insure a steady flow of funds to the state treasury. Subsequently this system degenerated into the Zamindar System which involved grants of hereditary right to land revenue collection. When the British East India Company took control of Bengal, Bihar and Orissa in 1765, they initially sought land revenue from auction of rights to collect rent. This method was shortly abandoned in favor of the Zamindar System.

The permanent settlement system, introduced in 1793, made the existing Zamindars full proprietors of their estates. In return, the Zamindars agreed to pay the government in perpetuity approximately ten-elevenths of the actual rent collected at that time. In other words, taxes paid by the Zamindars was to remain fixed forever.

Over the next century and half the Zamindars, continuing to operate as absentee landlords, sublet their tax collection rights to intermediaries who, in turn, sublet their rights. In extreme cases, as many as fifty intermediaries existed between the Zamindar and the cultivator. The wide diffusion of proprietary rights was anything but conducive to efficient management of the land.

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<sup>7/</sup> Agriculture in East Pakistan, by Kalimuddin Ahmed, p. 413.

The Floud Commission, appointed by the East Bengal Government, recommended in 1940 that the Permanent Settlement be abolished and that cultivator tenants pay rent directly to the Government. A bill implementing these recommendations was presented to the Legislative Assembly at Bengal in 1947 but was not passed before partition and the creation of the new State of Pakistan.

### Legislation

When independence was achieved in 1947, 91 percent of East Pakistan's 54,000 square miles was under Permanent Settlement, and consequently the new government's revenue from these 49,000 square miles was fixed in perpetuity. An additional 2,000 square miles were held by tenants outside the Permanent Settlement scheme. Only about 3,000 square miles, or 5.5 percent of the total area, was held by the actual cultivators under the management of the government.

In 1950 the Government of East Pakistan passed the East Bengal State Acquisition and Tenancy Act, which provided for direct payment of land taxes to the state by the peasants. Under the Act as later amended, all rent receiving interests between the tenant and state were abolished as of April 14, 1956. The land was to belong to the government, and the tenants were to pay rent directly to the government. Full occupancy rights were assured with the right of transfer to other cultivators. Subletting was forbidden, thereby preventing the re-emergency of rent receiving intermediaries. Khas possession (land for self-cultivation) was limited to 33 acres or 3.3 acres per family member, whichever was greater, plus up to 3.3 acres for the homestead. In 1961 the limit was raised to 125 acres. All khas land in excess of this limit was to be distributed among small land owners and landless peasants. Some exceptions were allowed for cases such as large dairy farms and tea and sugar plantations. The Act also provided for the consolidation of fragmented holdings.

Outgoing rent receivers were entitled to compensation on the basis of net income from the land. Compensation was to vary from ten times net annual income for total net incomes not exceeding R's 500, to twice net annual income for total net incomes exceeding R's 100,000. Compensation was to be paid in non-negotiable bonds carrying 3 percent interest and payable within 40 years.

## Implementation of Legislation

Difficulties were encountered in implementing the legislation due to inadequate administration at the village level and the lack of detailed records of land rights. However, the Government did acquire about 300 thousand acres of khas (self-cultivated) land under the provisions of the Law. Implementation was to be completed during the third plan period (1965-70) except certain revisional settlement operations which were to be completed before 1980.

According to the 1960 Agricultural Census (Table I), 98.4 percent of East Pakistan's farmers owned some land, and 81.8 percent of the land area was cultivated by the land owner. Land ownership was distributed among approximately 6 million farmers.

Unfortunately, land fragmentation remains a very serious problem. In 1960, 38 percent of the farms contained 2 to 5 fragments, 23 percent contained 6 to 9 fragments, and 29 percent contained 10 or more fragments. Only 10 percent of the farms were not fragmented. Although the 1950 Act provided for compulsory consolidation, very little acreage has been consolidated. Since the Land Revenue Administration Inquiry Committee, appointed in 1912, recommended that no compulsory consolidation programs be undertaken, the land fragmentation problem will not be solved in the foreseeable future.

### Farm Tenure in East Pakistan, 1960<sup>8/</sup>

	<u>Area</u>		<u>Farmers</u>	
	<u>Acres</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Owner-Farmers	11,653,910	53.6	3,731,110	60.8
Owner-cum-tenant Farms				
Land-owned	6,125,657	28.2	2,308,330	37.6
Land-rented	3,704,156	17.1		
Tenant Farmers	242,104	1.1	100,040	1.6
Total	21,725,827	100.0	6,139,480	100.0

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<sup>8/</sup> GOP Census of Agriculture, 1960.

In East Pakistan the virtual elimination of the traditional and sterile rent collecting class made it possible to substantially extend the farm owner operator class. This step, important as it may be, has not solved the fundamental problem of the country side in East Pakistan.

In its simplest terms, there are some 65 million rural people living in a country side of 35 million gross acres and 22 million areable acres. The total area cannot be expanded and the prospect is for nearly 80 million people on this Florida-size area by 1975.

Of almost equal importance is the indication (1961 census) that 77 percent of East Pakistan's 6.1 million farmers are under 5 acres and they operate 42 percent of the land. More than half are under 2.5 acres (16 percent of the land) and one-fourth are less than one acre. The latter group and the landless farm laborers (probably 40 percent of farming population) are faced with dire chronic poverty. At the other end of the scale, 22 percent of the farms over 5 acres have 57 percent of the land. Three percent of the farmers with holdings above 12.5 acres operate 19 percent of the land. Many of the later group are rent collecting landlords and village money lenders.

Farm operators with 2.5 to 5 acres have been the most active group in regard to adopting new technology, especially fertilizers and low lift irrigation pumps and improved seed. There is a good prospect that a new high yielding rice variety, IR20, tailored especially for the East Pakistan Aman or summer rice crop, will lead the way to a food grain revolution in East Pakistan. If this comes to pass during the next two or three years, East Pakistan will dispense with the annual import of 1-1.5 million tons of food grains per year.

#### B. West Pakistan<sup>9/</sup>

At the time of partition most of the land was tilled by "tenants-at-will" who had no security of tenure and could be evicted without advance notice. In the sind, 80 percent of the land was farmed by such tenants. In the Punjab and Northwest Frontier Provinces the percentage was over fifty.

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<sup>9/</sup>Source: GOP Planning Commission, AGR-96, May 1961.

Further, there existed a seriously skewed ownership pattern. According to Planning Board data, 65 percent of the farm owners (3.3 million people) held about 7.4 million acres of land (15 percent) in holdings of 5 acres each. In contrast, one tenth of one percent of the people (6000) owned 7.5 million acres (over 15 percent of total area) in holdings exceeding 500 acres each.

Each of the provinces of West Pakistan took some action before 1958 to withdraw or abolish the Jagir class, that is, those persons who had been granted and held the right to collect revenue from farm operators.

In the mid 1950's the Planning Commission in shaping up the first five year plan proposed -

- (1) That the size of ownership and cultivation units should be limited;
- (2) Subdivision of farm units below economic size should be prevented;
- (3) A program for consolidation of fragmented holdings should be carried out;
- (4) Laws relating to ownership and tenancy in various parts of West Pakistan should be unified;
- (5) Jagirs should be abolished, and
- (6) Uncultivated cultivable land should be cultivated.

On the basis of these recommendations, the new president issued Martial Law Regulation No. 64, effective February 7, 1959. This regulation provided that an acreage ceiling be placed on individual holdings; all intermediary interests were abolished; ejection of tenants was forbidden; all areas less than floor limits were made "impartible" (non-fractionable); and compensation for resumption of excess areas (land to be redistributed by government) is provided.

"(i) Ceiling of Ownership:

32. The most important single reform was the limitation on individual ownership to a maximum area of 500 acres of irrigated or 1,000 acres of non-irrigated land. Certain exemptions were made for the benefit of

present owners, important of them provided that:  
(a) an existing owner might retain in his possession land equivalent to 36,000 produce index units, even if in terms of acres it exceeded 500 acres of irrigated land or 1,000 acres of unirrigated land; (b) the owner might transfer to his heirs land equivalent to 18,000 produce index units, unless he had already done so between 14 August, 1947, and 8 October, 1958; (c) the owner could retain 150 acres of orchards if in blocks of not less than 10 acres each, provided that it had been entered in the revenue records as such, at least since rabi, 1956-57; (d) owners of existing stud and livestock farms were allowed to retain such additional areas as the Government considered necessary. The phasing and operations of the land reforms were so designed as would minimize the problems of transition from unlimited to more restricted ownership of individual holdings.

"(ii) Payment of Compensation:

33. Compensation to the land owners was provided at a rate varying from Re. 1 to Rs. 5 per produce index unit, depending on the area of the land to be resumed, in fifty half-yearly equated instalments. The Government in turn would sell the land to new owners at the rate of Rs. 8 per produce index unit payable in fifty half-yearly equated instalments, including an annual interest of 4 percent on unpaid balance. The difference between the price realized and compensation paid would be used to meet the costs of the land reforms scheme. The rate of compensation was determined in the light of inflationary dangers, the financing capacity of the Government, the needs of the expropriated landlords for ready cash, and the capacity of the new proprietors to pay for land.

"(iii) Impartibility of Holdings:

34. Land cannot be partitioned into holdings of less than 50 acres (or 64 acres if it is in Hyderabad and Khairpur Divisions) if presently its area is more than 50 acres; likewise, it cannot be partitioned into holdings of less than 12½ acres (or 16 acres if it is in Hyderabad and Khairpur Divisions) if its present area is below 50 acres (or 64 acres).

35. In cases where land cannot be partitioned as described above, it shall continue to be managed as a single unit by one of the co-sharers either by selection or by nomination through the collector of the district."<sup>10/</sup>

Obstacles arising in the implementation of the Land Reform Program:<sup>11/</sup>

"43. Any attempt at introducing Land Reforms inevitably requires an elaborate administrative machinery of a quasi-judicial kind coupled with efficient and effective educational campaigns to implement the programme successfully. The absence or inadequacy of such a machinery can lead to serious difficulties and create bottlenecks in the process of implementation, especially because protective legislation is difficult to implement when those to be protected are illiterate and the actual facts about legislation do not trickle down to them. The Sind Tenancy Act, 1950, is a glaring example of such a legislation where, for want of adequate administrative machinery, the provision regarding entering tenants' names in the relevant records could never be implemented. Besides, in many cases, the tenants remained unaware of the right to which the legislation entitled them. Sir Malcolm Darling, who conducted an enquiry into the conditions of agricultural labour in Pakistan (1953-54), has aptly described the difficulties (which lend confirmation to our views about the ineffective implementation of the Sind Tenancy Act) in the following terms: -

"An attempt was made to ascertain the effect of the legislation. The immediate results had been somewhat disappointing. Though information about the Act is gradually seeping through to the village, the hari is in the main too helpless to take advantage of it and in many cases still too ignorant even to have heard of it. Formal eviction is not necessary; a landlord can always make things so uncomfortable for a tenant that he leaves of his own accord. To a bad landlord this is an obvious temptation. A collector said that, owing to incomplete or faulty revenue records, it was often difficult to decide who had cultivated the land in the last three years."

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<sup>10/</sup> GOP Planning Commission, AGR 96, May, 1961, p. 9.

<sup>11/</sup> Ibid., p. 12.

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Ten years after the issuance of Martial Law Edict No. 64 it appears that the land revenue free loaders, Jagirs, had been dispensed with. Some 2.4 million acres had been resumed (taken over by government) and 855,000 of these acres had been sold to 200,000 tenants and small holders. Large land holders giving up land had received Rupees 65.3 million and the government reported an annual saving of Rupees 3.1 million from abolition of Jagirs. Some degree of consolidation of holdings was done on 13.5 million acres. It will be recalled that West Pakistan has about 40 million acres suitable for crop production.

The 1961 census of agriculture indicated that 40.5 percent of all farm holdings (1.5 million) were tenant operated and that these farms occupied 45.2 percent of the cultivated area. The average size of these holdings was 9.3 acres.

The cultivators that owned a part or all of the land they operated numbered 2.2 million and accounted for about 54 percent of the cultivated land. These farms averaged about 6.2 acres.

The progress of major aspects of West Pakistan land reform is indicated in the following table:

(1) The Government by July 1968 had removed the rent collector or landlord rights from 2.3 million acres and had sold 855,000 acres of this land to tenants and small holders.

(2) The Government by July 1968 had paid compensation to former landlords in the amount of 65.3 million rupees, about two thirds of the total obligation.

(3) Some degree of land consolidation had been achieved on 13.6 million acres by July 1968. West Pakistan has 40 million acres of areable crop land.

(4) Given the relatively limited objectives of West Pakistan land reform, it appears that reasonably good progress toward the targets had been achieved by July 1968.

**LAND REFORMS AND CONSOLIDATION OF HOLDINGS IN WEST  
PAKISTAN**

**LAND REFORMS (upto 7-2-1968) :**

Total area resumed .. .. .	23,52,716 acres
1. (a) No. of Tenants to whom resumed land has been sold under the Sale Scheme.	150,000
(b) Area sold to them .. .. .	455,000 acres
2. (a) No. of Tenants to whom resumed land has been sold under the upgrading scheme.	46,000
(b) Area sold to them .. .. .	300,000 acres
3. (a) No. of small land owners to whom resumed land has been sold under the upgrading scheme.	4,000
(b) Area sold to them .. .. .	100,000 acres
4. (a) Total amount of compensation payable to affected declarants	Rs. 92.60 million
(b) Amount paid up to 7-2-1968 .. .. .	Rs. 65.26 ..
(c) Balance payable .. .. .	Rs. 27.34 ..
5. Annual Savings from the abolition of jagirs .. .. .	Rs. 3.1 ..

**CONSOLIDATION OF HOLDINGS**

					Area in '000' acres
Area consolidated up to 1955 .. .. .					1,608
Area consolidated during the First Plan Period :					
1955-56 .. .. .	..	..	..	..	144
1956-57 .. .. .	..	..	..	..	191
1957-58 .. .. .	..	..	..	..	159
1958-59 .. .. .	..	..	..	..	100
1959-60 .. .. .	..	..	..	..	241
Sub-Total .. .. .					835
Area consolidated during the Second Plan Period :					
1960-61 .. .. .	..	..	..	..	2,076
1961-62 .. .. .	..	..	..	..	2,249
1962-63 .. .. .	..	..	..	..	1,486
1963-64 .. .. .	..	..	..	..	906
1964-65 .. .. .	..	..	..	..	1,110
Sub-Total .. .. .					7,827
Area consolidated during the Third Plan Period :					
1965-66 .. .. .	..	..	..	..	1,077
1966-67 .. .. .	..	..	..	..	1,103
1967-68 .. .. .	..	..	..	..	1,106
Sub-Total .. .. .					3,286
<b>GRAND TOTAL .. .. .</b>					<b>13,556</b>

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The farm size distribution is also significant. There are 387,000 farms over 25 acres (8 percent of the total) who held 42 percent of the farm area and 35 percent of the crop land. Farms over 50 acres, 2 percent of the total, held 23 percent of the farm land and 15 percent of the crop land.

At the other end of the scale, farms under 25 acres were 92 percent of all farms and they accounted for 58 percent of the farm area and 65 percent of the crop land. Farms under 7.5 acres were 61 percent of the total number and operated 17 percent of the farm area.

Obviously the West Pakistan land reform policy and objectives aimed mainly at eliminating the rentier class and only moderately at breaking up large landed family estates. This is not unnatural since many of the members of government and other influential citizens responsible for the land reform policy were from relatively large land holding families.

The Government of Pakistan, in 1967, decided to give the highest priority to a policy of achieving self-sufficiency in the production of food grains by 1970. A high wheat support price (R's 17 per mound) was announced; a fertilizer subsidy of about 35 percent of landed import cost was continued; expanded fertilizer supplies were provided as well as the introduction of private initiative for fertilizer distribution. A rapid increase in private tubewells for irrigation was stimulated and an all-out acceptance of high yielding varieties of Mexican wheat, IRRI rice and JI synthetic corn prevailed.

About 100,000 West Pakistan farmers had holdings above 50 acres, and accounted for some 5.6 million acres of crop land. Among this relatively affluent land holding class there were many who were educated, knowledgeable and strongly motivated by the income motive. They quickly saw in the highly favorable cost-price ratio and the technological breakthrough an unprecedented opportunity for economic gain. Under these circumstances, the acreage of high yielding varieties and the production of wheat and rice increased at a dramatic rate and West Pakistan moved from a food grain deficit area to a surplus position with two crop years. Research efforts are focused on sustaining the viability of high yielding strains of wheat and rice. As noted, the initial technological breakthrough came rapidly with the larger more affluent farmers. There is already evidence that these improved cultural practices are spreading to neighboring farm operators with smaller holdings. How rapidly the downward flow of technology will proceed is difficult to assess.

In any case, income disparity in the agricultural sector has widened, not only as between large and small farmers but as between the larger farms with irrigation facilities and farms operating in high risk rain fed areas. Because of limited water supplies, these areas (some 8 to 10 million acres referred to as Barani land) cannot effectively use the new high yielding grain varieties. The Government of Pakistan is keenly aware of the dilemma occasioned new disparities but is finding solutions difficult. There is a proposal to reduce or eliminate the fertilizer subsidy - it obviously is not required for the modernized large farms but may be necessary to encourage a more rapid adoption of the new technology by the smaller farmers.

In assessing the agricultural and land policies of West Pakistan, the following points may be pertinent:

(1) An unproductive rent collecting class was successfully dispensed with.

(2) Only moderate progress has been made with the difficult problem of consolidating fragmented farms.

(3) The redistribution of land left in place a substantial segment of relatively large farms. These circumstances contributed notably to the rapid breakthrough in food grain technology.

(4) A relatively large segment (40.5 percent) of tenant operated farms was left in place by the land reform program.

(5) The Government of Pakistan successfully introduced a combination of technical and economic innovations to produce a green revolution in grain production. Plant protection and agricultural credit are the remaining shortcomings in this otherwise dramatically successful program.

(6) The breakthrough in grains gave rise to urgent second generation problems, e.g., grades and standards, storage, transportation, export markets. Also, urgent need to assess economic alternates in agriculture, e.g., oil crops, livestock and poultry, fruit, etc.

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AGENCY FOR INTERNATIONAL DEVELOPMENT

SPRING REVIEW

LAND REFORM

in

TURKEY

by

Edwin J. Cohn  
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## Land Reform in Turkey

### Introduction and Summary

The land reform undertaken so far in Turkey has a number of special features: 1) land redistribution has been going on gradually since the establishment of the Republic and especially since 1945, when a land reform law was enacted, rather than being compressed into a short time span; 2) the amount of land involved has been relatively modest, the cumulative total of land redistributed since 1945 not exceeding 10% of the country's total arable land; 3) distribution has involved mostly land held by the state and religious foundations (vakif) and land of no known ownership and has encompassed virtually no expropriation and breaking up of large private holdings.

Land redistribution has thus not been a major element in the gradual transformation of rural Turkey which has been underway during the post-war years. The creation of an integrated national highway system to which farm-to-market roads are now being linked, the virtual doubling since the late 1940's of the area cultivated at the expense of meadows and pastures, the spreading use of farm machinery, the expansion of area under irrigation, continuing high price supports for the major crops, the rapid rise in fertilizer consumption in the 1960's, the introduction of improved varieties (notably in cotton and Mexican wheat), and the increasing production of specialty crops (fruits and vegetables) for the urban and foreign markets have been more conspicuous aspects of the gradual and still far from complete conversion of Turkish agriculture which has been proceeding gradually over the past quarter century. In Turkey it is not meaningful, therefore, to speak of pre and post land reform periods or to attribute major changes in the structure of agriculture to any redistribution of land.

In part because of the very limited scope of the redistribution which has occurred, and especially the avoidance hitherto of breaking up large holdings, substantial inequalities in land holding exist, although the situation differs very much from region to region. Public awareness of and dissatisfaction with these discrepancies is growing somewhat and on both economic and socio-political grounds pressure for land reform is on the increase. The land question, although not the most crucial problem confronting Turkey, is therefore of considerable importance.

The History of Land Reform and the Land Reform Law of 1945

Efforts at land reform in Turkey go back to the early days of the Republic. Following the adoption of the Swiss Civil Code in 1926, which legally ended the surviving feudal practices but did not eliminate the large holdings which persisted, especially in the South and East, land redistribution laws were enacted in 1927 and 1929. Little land was actually distributed, however; much of the limited distribution which did take place was in the East where the government used land redistribution as a device to break the power of the tribal chiefs who led the Kurdish uprising of 1925 as much as to promote social goals.

Ataturk continued to advocate land reform and additional legislation was enacted in 1934 and in 1938. Only limited transfers of land actually took place, however.

The Land Reform Law of 1945 was essentially a social reform measure adopted with a view to improving the position of the peasantry in line with the principle of populism which had been incorporated into the Constitution. It called for the transfer to landless and land-poor peasants of

sufficient land to provide them and their families a living. It seems to have been visualized that some four million hectares, slightly more than one fourth of the area then cultivated, would be transferred and that about one million peasant families, or one third of the farm population would benefit. Turkey would be transformed into a nation of independent peasant small-holders.

The land to be distributed was held by the state, by pious foundations (vakif), by municipalities, by no known owners and by large land-holders. Private holdings in excess of 500 hectares could be expropriated. Land owners were to be compensated by 20-year government bonds on a sliding scale: the more land they owned, the lower the rate. A bitterly contested article of the law provided that in regions where these sources did not provide sufficient land for redistribution smaller private holdings could be broken up. This provision of the law was never implemented and was annulled in 1950.

The law was implemented by land commissions which visited villages, surveyed land use and ownership, tried to establish land titles, and received applications for land from poor peasants. Peasant families receiving land were required to cultivate it for at least twenty-five years during which they could not sell or share-crop it. They were also not to divide it among heirs.

The amount of land distributed in accordance with this act (but excluding pasture land, some of which was also distributed, and land given to immigrants) is shown in table 1. Between 1947 and 1960 1.8 million

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hectares were transferred and about 370,000 peasant families benefitted -- less than half of the target both in terms of land area and number of recipients. In all, about 7% of the nation's cultivated land had been affected.

In the early 1960's the process of land redistribution came to a virtual halt and was not resumed until 1967. These results are ironical because in the period following the 1960 coup land reform became a more prominent public issue than it had been in the 1950's. The Committee of National Unity, the group of officers who overthrew the Democratic Party Government of Adnan Menderes in 1960, strongly advocated land reform. A technical committee was established in the Ministry of Agriculture to prepare a report. The State Planning Organization viewed land reform as one of the important structural reforms which must be undertaken if Turkey was to achieve its economic and social development objectives and a special annex to the Plan was prepared on the subject. Opposition from politically powerful landowners, including some cabinet members, nullified these efforts toward land reform and resulted in the deletion from the Development Plan of any reference to it.

The widespread expectation at that time that a more far-reaching and fundamental approach to the land question was about to be undertaken may explain the suspension of the slow and partial redistribution which had been taking place in the previous decade. The resumption of modest land distribution in 1967 reflects the decision of the Justice Party Government, which came to office late in 1965 with a conservative land policy, to proceed with land distribution of the sort practiced in the 1950's but to eschew any fundamental measures such as the expropriation of large holdings.

Table 1  
Land Distributed to Peasants by Land Commissions\*  
1947-67

Year	Land Distributed (1,000 ha)	Number of Families given
		Land (1,000)
1947	5	1.4
1948	24	4.3
1949	39	8.4
1950	82	18.6
1951	103	19.0
1952	166	39.2
1953	210	39.2
1954	242	43.5
1955	181	36.0
1956	195	35.5
1957	153	29.8
1958	148	35.5
1959	126	27.8
1960	125	30.5
1961	6	.4
1962	2	.3
1963	1	.4
1964	.5	.5
1965	10	1.2
1966	16	1.4
1967	154	28.1
Total	1,984	401.0

Total: Cultivated area (including fallow and orchards/  
vineyards) is 26 million ha less than 8% of  
cultivated land was affected in 20 years..

\*Excludes 1.) pastures and 2.) land distributed to  
immigrants.

Source: Türkiye İstatistik Yıllığı 1968



The Present Landholding Situation

The existing land-holding situation in Turkey is far from clear. Title to much of the land has not been registered and the cadastral survey is proceeding very slowly. The most recent comprehensive data on land distribution, that contained in the 1963 Census of Agriculture, is suspect because of internal inconsistencies, because the estimate of total area in farms falls short by one third of the area generally accepted as being cultivated, and for various other reasons. Of the different types of Census data, however, that on land tenure seems more plausible than that on land ownership and is therefore presented in table 2. Whatever its limitations and inaccuracies, it gives some picture of the distribution of farm units by size although it probably understates large holdings more than small ones. The Census findings, if correct, show that the number of large holdings -- 491 over 500 hectares and an additional 981 in the 250-500 hectare range -- is smaller than is usually supposed. Under-reporting by the holders of large units may be a partial explanation -- and, as noted above, the total land area/<sup>reported</sup> in the Census falls short by one third of the generally accepted figure for area under cultivators. In addition in the Southeast, at least, where very large ownership units are generally believed to be numerous, both the distribution of rights within the family and the wide-spread practice of share-cropping may reduce the size of the units reported in the Census.

The 1963 Census shows that there were 3.1 million farm units occupying 16.7 million hectares. (Land under cultivation, including orchards, vineyards, and fruit and vegetable gardens is generally placed at

Table 2  
Distribution of Land Holdings by Size

Size of Unit (ha.)	Number of Units (1,000)	% of Units	Land area (1,000 ha)	% of land area
0.1 - 0.5	399	12.8	114	0.7
0.6 - 1.0	375	12.1	317	1.9
1.1 - 2.0	495	16.0	745	4.5
2.1 - 3.0	349	11.2	870	5.2
3.1 - 4.0	291	9.4	1,024	6.1
4.1 - 5.0	223	7.2	1,009	6.0
5.1 - 10.0	562	18.1	3,995	23.9
10.1 - 20.0	292	9.4	3,973	23.8
20.1 - 50.0	100	3.2	2,842	17.0
50.1 -100.0	11	0.4	755	4.5
100.1 -250.0	2.9	0.1	370	2.2
250.1 -500.0	1.0	.04	314	1.9
500 +	.5	.02	406	2.4
	3,101		16,734	100.1

Source: Türkiye İstatistik Yilligi, 1964-65, p. 242

26 million hectares so, as noted above, the Census underestimated total cultivated area by about one third). The Census data thus indicated an average farm unit of 5.4 hectares and a median one of just under 3 hectares.

In table 3 the data from table 2 is regrouped to divide the land area (roughly) into quartiles. This breakdown indicates that the 69% of farm units which consist of less than 5 hectares constitute not quite one quarter of all farm land; that the 18% of farm units which fall in the 5-10 hectare range account for almost an additional quarter; that the 9.4% of farms in the 10-20 hectare bracket account for almost a third quarter; and that the 4.8% of the farms of 20 hectares or more account for somewhat more than a quarter (28%). This breakdown excludes the 408,000 hectares occupied by 97 state farms. It also excludes, of course, landless laborers, who are placed by the Census at 300,000. <sup>figure for landless laborers</sup> This/seems very small compared with the findings of empirical studies in various parts of the country. On the other hand, the almost 400,000 units of less than half a hectare found in the Census are probably too small to support a farm family; members of these virtually landless farm families are probably obliged to seek employment as farm laborers, as are probably the holders of many of the 375,000 additional farm units of less than one hectare.

The foregoing data reported for the nation on an aggregate basis conceals significant differences between regions. In the fertile and generally well-watered alluvial plains created by the rivers flowing into the Aegean and in the Çukurova/<sup>at</sup>the northeastern corner

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of the Mediterranean large land holdings, many of them operated along modern lines by improving landlords, are numerous. These regions have the most productive, innovative and commercialized agriculture in Turkey. At least in the short run, land reform in this region would be likely to depress output. Much would depend, however, on how land redistribution was effected including the size of the new units, the availability of credit, marketing and other supporting services, and whether improving landlords were permitted to retain larger holdings than traditional, and especially absentee, landlords. Breaking up of the larger holdings would undoubtedly affect the pattern of agriculture, including the selection of crops, and would encourage more labor intensive practices, which is of major importance in view of the rapidly growing rural population and the migration to the cities in search of jobs which do not exist in sufficient quantity. In the dry Southeast, ownership units are also large, often running to several villages, and absentee landlords are numerous. The agriculture practiced here is mostly traditional with much of the land farmed on a share-cropping basis. Present tenure arrangements in this region are undoubtedly a barrier to innovation and to raising agricultural productivity; land reform in this region should both raise output and contribute to a more viable social and political order. Around the Sea of Marmara and along the Black Sea Coast, land is generally owned in smaller units of more nearly equal size. On the Anatolian plateau there is also believed to be relative equality in land ownership but large units do exist.

Table 3  
Landholdings by Quartiles

Quartile	Size of Unit (hectares)	% of all Units	% of all land
1	0.1 - 3.0	52.1)	12.3)
	3.1 - 5.0	16.6)	12.1)
2	5.1 - 10.0	18.1	23.9
3	10.1 - 20.0	9.4	23.8
4	20.1 - 50.0	3.2)	17.0)
	50 + above	0.6)	11.0)
		68.9	24.4
		4.8	28.0

Source: Based on data in Table 2

Another aspect of the land problem is fragmentation. In most of Turkey land holdings are badly fragmented as a result of inheritance practices. According to the 1963 Census more than 90% of all farm units consist of two or more parcels of land, more than 50% of 6 or more parcels, and 25% of 10 or more parcels. These parcels are often very small and located in different directions from the farmer's village. This makes for much waste of time and effort and inhibits the introduction of improved practices. Consolidation of these fragmented holdings is needed.

#### Land Reform as a Current Public Issue

The limited scope of the land reform which has taken place, the relatively high rate of population increase in the rural areas (almost 2% per year since 1950 after allowing for migration to urban centers) and the consequent over-crowding on the land, the progressive fragmentation of holdings into uneconomically small units as a result of inheritance practices, and the persistence of a number of large holdings many of them in the hands of local notables who exercise extensive social and political as well as economic power over the local peasantry, have all contributed to focussing attention on land reform. The leadership of the People's Republican Party, the major opposition grouping, advocates land reform but the forcefulness of its approach to the issue has been diluted by the fact that the party still relies to a degree on the support of large landowners, although not so much so as it did in the past. The Turkish Labor Party, a small left-wing group of Marxist outlook, has been attacking the Justice Party Government for its indifference to the land problem,

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but some observers feel that the TLP regards land reform as no more than a way station to collectivization. The JP, which numbers many large landholders among its supporters, has responded that what it advocates is agricultural reform, not just land reform. By this the JP spokesmen seem to mean that their policy is to raise agricultural production by assuring seeds, fertilizer, irrigation water and other inputs and the related credit, extending plant protection, and improving marketing rather than to providing a farm for every peasant family which wishes to practice agriculture. This debate has been going on in Turkey since the Land Reform Bill of 1945 was introduced into Parliament. The likelihood is that focussing on the technical and marketing aspects of agriculture will benefit large farmers more than small farmers, who generally enjoy inferior access to the resources required, including credit, and who can less well afford to take the risks inherent in the adoption of new practices. Attention to technical improvement coupled with neglect of the land question is therefore likely to produce growing inequalities in the rural sector.

Advisers from A.I.D. and its predecessor agencies over the years have tended to ignore the entire question of land reform in Turkey; what attention they have given to land tenure questions has gone to the problem of consolidation. In part this neglect is attributable to the political nature of land reform. In part, however, it may be explained by the preoccupation of US advisers with raising productivity and the fact that many of the farmers most receptive to innovation came from among the relatively large landowners. Whatever its cause, the lack of interest in land reform on the part

of US advisers and the inference it has conveyed that land reform is not a high priority problem for Turkey has probably contributed to official inertia and in effect strengthened the position of the opponents of land reform.

AGENCY FOR INTERNATIONAL DEVELOPMENT

SPRING REVIEW

LAND REFORM

in

INDONESIA

by

E. Utrecht

June, 1970

Country Papers represent the views of their authors and are not generally intended as statements of policy of either A.I.D. or the author's parent institution.

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Note by A. Shakow, EA/I, AID/Washington

[The following article presents a useful summary of land reform efforts in Indonesia over the past decade. As Professor Utrecht points out, land reform was an important political issue under President Sukarno in the early 1960's, but as was common at that time, actual implementation of the program fell far short of the rhetoric which extolled its importance to "the Indonesian Revolution".

Unlike many other developing countries, Indonesia is not marked by vast tracts of land held by a few wealthy families. As a result, the problem has not taken on major significance in the past several years. The Suharto Administration is strongly influenced by economic factors (unlike Sukarno) but has yet to emphasize land reform as an important element in the top priority program to increase agricultural production. This reflects the less critical nature of the issue as well as the desire to avoid contentious political subjects wherever possible, especially those championed by Sukarno and the Communist Party.

An indirect approach to improved land use worth mentioning as it has long been practiced in Indonesia is "transmigration". Since the early 1900's the transfer of population from overpopulated areas of Java and Bali to the outer islands has greatly attracted those officials seeking a panacea to correct the country's population imbalance and, more recently, to speed economic development. Although transmigration was prominently featured in government programs before 1966, little success was achieved as the cost was prohibitively high, preparations at the destination inadequate, and home area ties so strong that large numbers of migrants eventually returned to Java. (Between 1950 and 1963, for example, less than 350,000 people actually left Java under official auspices.)

Transmigration has not received as much attention since 1966, although the current government has a continuing interest in moving population to key labor shortages areas in hopes of strengthening regional development programs. The new 5-Year Plan emphasizes the need to make proper preparations, both of the migrants and the new territory, before proceeding. Transmigration schemes, however, are not now intended to solve the immediate land distribution and population problems of Java.

The current Indonesian Government has faced economic problems of immense proportions, including most importantly the absence of confidence in government and currency fostered by the wild inflation of the latter Sukarno years. President Suharto's administration has had remarkable success in controlling inflation and is now seeking to press forward with rapid economic development, a difficult task in a country of Indonesia's size and complexity. Land reform and related efforts to bring what Prof. Utrecht calls the "foundations of social justice" to the Indonesian countryside have not been forgotten but higher priorities - such as price stability - leading towards general economic growth are being given greater emphasis.]

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## LAND REFORM IN INDONESIA

Former President Sukarno based his guided democracy upon an ideology, *Indonesian socialism*, which he formulated as *Marxism adjusted to Indonesian conditions*.<sup>1</sup> But Sukarno was kept busy by the problem of how to maintain an equilibrium between the army and the leftist political parties. This largely accounts for the fact that during the period of guided democracy (1959-66) only a few regulations were made that could be called 'socialistic'. Among those few were the regulations for land reform, which began to be carried out on 24 September 1960.<sup>2</sup>

### PRINCIPLES OF THE BASIC AGRARIAN LAW OF 1960

On 17 August 1959 in his well known Political Manifesto (*Manipol*) address,<sup>3</sup> Sukarno announced the termination of the proprietary rights on land which had been imported from European law into Indonesian law. Five months later, on 13 January

<sup>1</sup> Donald E. Weatherbee, *Ideology in Indonesia: Soekarno's Indonesian Revolution*, South East Asia Studies Monograph Series No. 8, Yale University, 1967; Ruth T. McVey, 'Indonesian Communism and the Transition to Guided Democracy' in A. Doak Barnett (editor), *Communist Strategies in Asia: A Comparative Analysis of Governments and Parties*, New York/London 1963, pp. 148-195; and Herbert Feith, 'Dynamics of Guided Democracy' in Ruth T. McVey (editor), *Indonesia*, New Haven 1963, pp. 309-409. See also two important book reviews by L. Sluimers and J. H. A. Logemann in BKI (Contributions to [the] Philology, Geography, and Ethnology of the Netherlands East Indies) No. 122, 1967, pp. 526-8 and 528-30.

<sup>2</sup> Boedi Harsono, *Undang-undang Pokok Agraria, Sedjarah Penjusunan, Ist dan Pelaksanaannya*, Djakarta 1961; Gouw Giok Siong, *Tafsiran Undang-undang Pokok Agraria*, Djakarta 1967; A. B. Loebis, *Land-reform Indonesia*, Djakarta, no date; articles in *Penjuluh Landreform*, published monthly by the Departemen Agraria (now Direktorat Agraria). A collection of regulations was published by R. Soedargo, *Perundang-undangan Agraria Indonesia*, 2 volumes with supplements, Bandung 1962.

<sup>3</sup> *Manifesto Politik Republik Indonesia 17 Agustus 1959*, Departemen Penerangan, special issue No. 76, p. 53.

1960, at the first session of the Supreme Advisory Council (DPA) for that year convened especially for the purpose of discussing the need for land reform and of reporting on the matter to the government, Sukarno enunciated the theory that 'land reform is an indispensable part of the Indonesian Revolution'.<sup>4</sup> Seen within the framework of the Indonesian social revolution, land reform aimed at the abolition of the class of landowners who have their land tilled by hired labourers and a decrease in the number of landless peasants by granting real property only to those who till the soil themselves. In Indonesia, Sukarno claimed, it had been clearly demonstrated that the peasant who owns his own land cultivates it more intensively. Many arable acres of land left unproductive by landlords could be turned into flourishing fields. Landlords who would have to give up their property but would receive proper indemnification could, provided that efficient arrangements were made, grow into prosperous manufacturers. Properly implemented land reform could also result, he said, in a more just distribution of income among citizens and create a social structure that would open the way towards higher national production.

The DPA in its report to the government saw the goal of land reform as 'the creation of the society of justice and prosperity, in particular a raising of the living standard of the whole nation'.<sup>5</sup> The principles of land reform laid down in the report were a result of a compromise between two currents in the Council, one representing the interests of the landless peasants and the other the interests of the landowners. The majority of DPA members supported the compromise. The representatives of peasants and labourers advocated a system of allowing land only to those who actually till it (*sistim penggarap*). If this system were introduced, they claimed, it would simultaneously wipe out share cropping (*maro, mertelu*) which they regarded as the pre-eminent means of exploiting landless peasants in Indonesia.<sup>6</sup> The opponents of *sistim penggarap*, most of them representatives of religious organisations, argued that proprietary rights in land (*milik atas tanah*) are, according to Indonesian traditional law, inalienable: divine right ordains

<sup>4</sup> *Peraturan Dasar Pokok-pokok Agraria dan Landreform*, Departemen Penerangan, special issue No. 169, p. 11. See also Foreword by Agrarian Ministers on p. xvii of Boedi Harsono's *Undang-undang Pokok Agraria*.

<sup>5</sup> *Minutes of the DPA session, 13-17 January 1960.*

<sup>6</sup> Still very useful is A.M.P.A. Scheltema, *Deelbouw in Nederlandsch Indie*, Ph.D. thesis, Wageningen 1931.

inheritance to descendants. Thus the rights in land of religious institutions—mosques (so-called *wakap* soil), Hindu temples (*laba pura*, arable land belonging to the temple and intended to yield the rice necessary for offerings in the temple), and the churches—are also inalienable on account of the divine usage of the soil. A middle course was suggested as a provisional measure by the Agrarian Minister, Sadjarwo, who had been a member of the Barisan Tani Indonesia (BTI) before this peasants' organisation was affiliated to the Indonesian Communist Party (PKI) and who afterwards became a member of the Petani, the peasants' society of the Indonesian Nationalist Party (PNI). 'So we choose the radically revolutionary system', that is, 'the ending of the landlord system and a subsequent distribution of land among the landless peasants, as has been done not only in Russia and the Chinese People's Republic but also in non-communist countries, as for instance Japan, Egypt and India . . . but the plan will be carried out gradually, stage after stage . . . in the first stage we will determine a *maximum* and a *minimum* for real property. . . .'<sup>7</sup> So the compromise consisted of provisional recognition of real property up to a certain maximum, even if the landowner did not till the soil himself. This meant, incidentally, that the system of sharecropping remained,<sup>8</sup> although there was a provision that an end would be put to arbitrary actions by landowners.

The principle of a maximum and a minimum was further developed in the draft of the Basic Agrarian Law which was submitted to the Gotong-Rojong Parliament (DPR-GR) in the course of 1960. The new Basic Agrarian Law (Law No. 5 of 1960), which replaced the old Netherlands Indies agrarian legislation of 1870, was proclaimed on 24 September 1960.<sup>9</sup>

The new law put an end to the dualistic propriety rights which had attempted to accommodate the interests of Western

<sup>7</sup> *Peraturan Dasar Pokok-pokok Agraria dan Landreform*, pp. 18-19.

<sup>8</sup> Sharecropping is a traditional (*adat*) institution in many areas of Indonesia. Normally the landowner does not concern himself with cultivation, though he may agree to provide seed and cattle for ploughing. Two-thirds or three-quarters of the sharecroppers harvest were normally paid to landowners but in extreme cases, a landowner might receive as much as four-fifths of the harvest. The Law on Sharecropping Agreements (No. 2 of 1960) required the harvest to be divided equally between the sharecropper and the landowner.

<sup>9</sup> Like many laws of the period, it left some important details of implementation and interpretation to be dealt with later by regulation or, as often happened, by emergency law.

capital and those of the indigenous people who could not be alienated from their land. Formerly a mixture of European law and indigenous law, the latter hemmed in by the former, controlled land rule. The new legislation substituted a single code based on Indonesian traditional (*adat*) law 'purified' from 'feudal' and 'capitalistic' elements. The new legislation qualified indigenous law in various ways, although in vague terms, such as that it must not be 'contrary to national interests', 'contrary to Indonesian socialism', 'contrary to other agrarian legal precepts' or 'contrary to religious law' and that it would be 'founded on national unity' (Article 3). These limitations gave the new law more of a western than eastern tenor. The compromise with the religious groups, first in the DPA and later in the Parliament, was evident in the limitation, 'not contrary to religious law'. It was this limitation that proved to be a serious impediment to the implementation of land reform.

Another kind of dualism that disappeared with the introduction of the new agrarian legislation was the differentiation, made since 1950, between 'autochthonous' Indonesian citizens and citizens 'of foreign descent'. Since 1875 a 'prohibition on alienation of land' (*vervreemdingsverbod*) had made it unlawful for an autochthonous Indonesian to alienate, i.e., sell or donate, his land to a non-autochthonous Indonesian. The new law acknowledges only one category of citizens. 'Now every Indonesian citizen, whether autochthonous or not, is free to alienate his soil to any other person, except to a foreigner'.<sup>10</sup> The fixing of a maximum for the extent of real property and the exclusion of foreigners from land ownership averted the possible danger to autochthonous Indonesians from 'economically stronger' groups, a danger that might have arisen from the revocation of the prohibition on alienation of 1875. Registration of property was made obligatory in order to ensure efficient control over the amount of land held by any one owner.

At the end of 1960 the government started preparations for land reform. Articles 7, 10, and 17 of the Basic Agrarian Law of 1960 were to be put into effect immediately. These three articles forbade ownership of more than the permitted maximum of land and absentee ownership and gave the government authority to take surplus land for redistribution. The government hoped to complete this plan of reform by the end of 1964.

On 29 December 1960 the important Emergency Law 1960

<sup>10</sup> Gouw Giok Siong, *Tafsiran*, p. 12.

No. 56 was proclaimed. This law determined among other things the minimum and maximum for disposal of arable land. Article 8 said that 'the government will make efforts to provide every peasant family with a minimum of 2 hectares of arable land'. The maximum was made dependent on the population density of the region (*daerah*) in question. Differential maxima were fixed for irrigated rice land (*sawah*) and non-irrigated or dry land (*tanahkering, tegalan* or *ladang*). Table 1 gives the maximum hectarage permissible for the two types of land.<sup>11</sup> The maxima related not only to land in actual ownership but also to land at one's disposal through land pledging according to *adat* law (*gadai*) or land lease (*sewa*) from others. It was necessary to include this rule because it had been found that while in Java, Madura, South Sulawesi, Bali and Lombok there were only 5,400 persons who owned *sawah* of more than 10 ha (Table 2) a much larger number held more than 10 ha of irrigated land owned by others, mostly by poor peasants who did not have the means to till the soil themselves or whose land was so small that it did not pay to work it, so that of necessity they had surrendered it in *gadai* and *sewa* to richer fellow-villagers or town inhabitants. For dry fields the respective numbers were 11,000 persons owning more than 10 ha each and a much larger number of people having at their disposal on conditions of *gadai* or *sewa* more than 10 ha of land belonging to others.

TABLE 1 *Maximum Permitted Hectarage*

Population Density	<i>sawah</i> (hectares)	or	<i>tanah kering</i> (hectares)
1. 1-50 inhabitants per sq. km	15		20
2. 51-250 inhabitants per sq. km	10		12
3. 251-400 inhabitants per sq. km	7.5		9
4. over 400 inhabitants per sq. km	5		6

Source: Law 56 of 1960, Article 1 and Supplement.

The maxima given in the table determined the amount of land each family would be allowed to have at its disposal. A family was assumed to consist of 7 persons; for each family member

<sup>11</sup> Instruction No. Sk. 978/Ka/1960, which was issued by the Agrarian Minister two days after the Emergency Law 1960 No. 56 had been proclaimed, fixed for each regency its definite category of population density and the maximum amount of land which a family would be permitted to hold.

exceeding this number, an additional 10 per cent of land was allowed, up to a limit of 50 per cent. In cases of ownership of mixed *sawah* and *tanahkering* the maximum area of land allowed was 20 ha for sparsely as well as densely populated areas.

TABLE 2 *Number of Landholders by Size of Holding*

Province	Less than	0.6 to 1.0 ha	1.1 to 2.0 ha	2.1 to 5.0 ha	5.1 to 10 ha	10.1 to 20 ha	Over
	0.5 ha						20 ha
West Java	1,395,307	359,424	156,216	56,283	8,153	1,449	363
Central Java	1,388,352	405,067	115,304	25,787	3,265	905	111
East Java	933,615	464,532	167,565	40,954	4,369	577	93
Sulawesi and the Lesser Sunda Islands	468,151	197,286	105,704	42,277	5,770	1,468	433
<b>Total</b>	<b>4,185,425</b>	<b>1,426,309</b>	<b>544,789</b>	<b>165,301</b>	<b>21,557</b>	<b>4,399</b>	<b>1,000</b>

Article 3 of Emergency Law No. 56 of 1960 stipulated that anyone holding land in excess of the legally permitted maximum was to report this to the Head of the Agrarian Department of the regency concerned within 3 months after proclamation of the Emergency Law. Article 4 forbade the transfer of land surplus to others without the permission of the Head of the Agrarian Department of the region. All land surplus was intended to be distributed in 'the best possible way' among landless peasants; how this was to be done was not specified but left to the discretion of the committee. Subsequent experience with the implementation of land reform showed that it was precisely in this matter of distribution of land surplus that the chief difficulty lay. People tried, contrary to legal regulations, to keep their land surplus within the family circle or to transfer it to relations 'well disposed to the former owner'.

#### THE IMPLEMENTATION OF LAND REFORM FROM THE BEGINNING OF 1961 UNTIL THE END OF 1965

Three activities marked the execution of the land reform regulations from the beginning of 1961 to the end of 1965: registration of the land, determination of surplus and its distribution to as many landless peasants as possible, and implementation of the 1960 Law on Sharecropping Agreements.

Land registration was provided for in Government Regulation No. 10 of 1961 under Article 19 of the Basic Agrarian Law. Although registration is an indispensable factor in any efficient

execution of land reform, it also often introduces an obstructive element of bureaucracy and may easily become a means for falsification and fraud.

The task of local execution of the land reform, the assessment and distribution of land surplus, was placed in the hands of land reform committees formed according to Presidential Decree No. 131 of 1961. The committees were arranged in a hierarchical order: the central committee under the supreme guidance of the President, the provincial committees under the chairmanship of the respective Governors, the regency committees under the respective Regents (*bupati*), the committees in the *kejawatans* under the *tjams* and, finally, the committees in the village under the guidance of the village administration. Of all these committees, those of the Regencies were the most important since they had to do the actual work, such as survey and measuring of the land, the assessment of land surplus, determination of the compensation to be paid to landowners, composition of lists of persons eligible for allotments, and settlement of disputes. The decree prescribed that representatives of peasants' organisations were to be included in the committees. The procedures to be followed in redistributing the land and in assessing and paying the indemnifications were laid down in Government Regulation No. 4 of 1961.

The land reform committees started their work on 1 September 1961. It took one year of preparatory work before the actual activities of the reform could be started on 24 September 1962, the second anniversary of the Basic Agrarian Law. The redistribution of land was to be carried out in two stages. Java, Madura, Bali and Nusa Tenggara Barat (Lombok and Sumbawa) were made the region for stage I, in which the redistribution of land surplus and of the so-called *tanah absentee* (land of persons who have their domicile elsewhere), together with the distribution of land of former native kingdoms (*tanah swa-pradja*) and state demesne were to be concluded by the end of 1963 or early in 1964 at the latest. This was to be followed by stage II, covering the region of Sumatra, Kalimantan, Sulawesi and the rest of Indonesian territory. According to the first National Plan for General Development, which was approved of by the MPRS (Provincial People's Congress) in December 1960, the whole process of redistribution should be finished in 3 to 5 years.

Since in 1961 no exact figures were as yet available—the registration of land had only just got under way—the central

committee *estimated* the total surface of the land to be assigned for allotment at 966,150 ha.<sup>12</sup> In the course of 1963 the regency committees were able to give the correct figures for all the land that should be distributed or redistributed in the region of stage I as a total amount of 337,445 ha.<sup>13</sup> No official report has yet been issued for 1965 giving the figures of distributable land in the regions of stage II; at least the author has not been able to find such a report.

Closer examination of the agrarian legislation of 1960 reveals the extent to which both the legislation and the procedure for its execution rested on compromise. Much weight was given to the interests of the landowners. The maximum for permitted holdings were relatively high, and there were many loopholes for eluding the prohibitions on absenteeism and for keeping land surplus outside the range of the land reforms. Admittedly, in Java, Madura, and Bali there had for a long time been few large holdings. But it would have been possible to create a land surplus twice as large by lowering the maxima for land allowed as a holding and by treating the nearly 56,000 absentees less leniently.<sup>14</sup> This would have yielded somewhat more land for allotment than the 337,445 ha actually obtained for the more than three million landless peasant families at the start of the land reform.<sup>15</sup>

From the outset it was to be expected that serious obstruction would be raised by the landowners with the support of conservative groups, and that they would avail themselves of the weak spots in the law. A report by the Agrarian Minister issued on

<sup>12</sup> Menteri Agraria, *Laporan: Pelaksanaan Landreform dan Problem-problemja (tahun 1964)*, 14 January 1965, p. 7.

<sup>13</sup> See Menteri Agraria, *Laporan*, pp. 10-11.

<sup>14</sup> According to Menteri Agraria, *Laporan* (Appendix B), the number of absentee landowners in the area covered by stage I was reported to be 55,910. A Departemen Agraria in 1959 revealed that there were 6,010 absentees among the 20,488 landowners in the *ketjamatan* of Indramaju in West Java. Nearly all *sawah* in the villages of Karang Malang, Kali Beluk and Klidang Wetan in the *ketjamatan* of Batang (10 km east of Pekalongan) in Central Java were owned by people who had their domicile in towns. Real property of 10 ha up to 120 ha was very common among these landowners (*Peraturan Dasar Pokok-pokok Agraria dan Landreform*, p. 15).

<sup>15</sup> Taking the 1961 Census as the basis, it is possible to put the number of people living from agriculture in Java and Bali at 42 million. This means that, according to the Basic Agrarian Law, about 6 million peasant families draw an income from agricultural activities. In his address to the DPA, the Agrarian Minister reported that 60 per cent of these families were landless.

14 January 1965 gave the following resumé of the difficulties met by the the executors of the land reform regulations up to the end of 1964:

- a. Deficiencies in the registration of land hampered investigations of the land surplus, and opened the way to abuses.
- b. Lack of understanding of the necessity and significance of land reform as an instrument of social change among wide sections of the people made it easier for landlords to obstruct the reforms.
- c. There was insufficient cooperation among the members of the committees, partly because other duties kept some of them from devoting their full attention to the tasks of the committees, and partly because many of the committee members themselves were interested in the failure of land reform; in many cases land surpluses were even officially kept outside the land reform regulations.
- d. The peasants' organisations, which would have lent the strongest support, were prevented from playing a significant part on the committees.
- e. The peasants were still subject to strong psychological and economic pressure from the landowners which kept them from pushing for an efficient execution of land reform.
- f. It proved difficult to establish an order of priority in redistributing land either because many fields had no regular labourers or because, through changes in registration, the workers concerned had been listed as absentees. Such cases resulted in severe disputes between landowners and labourers or among the labourers themselves, which, in turn, often gave rise to quarrels among the various political organisations.<sup>16</sup>

Even this list of complaints by the Agrarian Minister was not complete. Not only was there insufficient awareness of the value and necessity of land reform on the part of certain groups, but the government itself aroused suspicions among landowners that redistribution of land would, in fact, amount to no more than plain confiscation, land theft committed by the government. The government had promised that it would buy the land surplus at a fair price<sup>17</sup> and sell it again at the same price—with provision

<sup>16</sup> Menteri Agraria, *Laporan*, pp. 11-12.

<sup>17</sup> See Sukarno's 17 August 1964 speech ('our government will never confiscate proprietary rights in land').

of credit—to new owners. But this promise was not kept, at least not in time. Understandably, many landowners came to resist the attempt of the government to have them cede their land surplus, and this resistance was often encouraged by interested political organisations. After some hesitation and after pressure was brought to bear upon it, the government finally proclaimed Emergency Law No. 3 of 1963 (later replaced by Law No. 6 of 1964) which now regulates the compensation to be paid to landowners. However, until February 1968, no compensation had been received by any of the former landowners, with the exception of a small payment made in the regency of Badung, Bali. Thus it is understandable, if not excuseable, that after the abortive coup of 1 October 1965, a number of landowners tried—some of them successfully—to regain the fields that had been ceded by them earlier. On 19 February 1968, for the second time in the history of Indonesian land reform, indemnifications were paid when, in the *pendopo* of the Regent's house at Krawang, West Java, 85 former landowners were recompensed to a total amount of 5 million rupiahs.<sup>18</sup> Shortly after that payments were made in the regencies of Banjumas and Kediri and in Bali.

Undaunted by the landowners' attitude, the peasants continued their struggle for land backed up by left-wing political organisations. The land reforms were a major element in the vehement political controversies that were a feature of the Indonesian scene between the years 1962 and 1965. The peasants were supported and in many cases even guided by the PKI, behind the back of the land reform committees. Although, as Basuki Gunawan rightly says, Indonesian land reform 'has a nationalistic rather than a communist signature',<sup>19</sup> the PKI supported land reform as an obvious manifestation of class struggle. The ideological propaganda of the PKI was able to exploit politically the manipulations of the landlords on the land reform committees. If, so the PKI argued, so much opposition is met from the counter-revolutionaries when an agrarian legislation is being carried out, which is only the product of a provisional and enforced compromise with the bourgeoisie, how much opposition would have been encountered had the DPA

<sup>18</sup> K, 21 February 1968, p. 11. For more details see B. S. Andangdjaja, 'Pembayaran ganti rugi di Kabupaten Krawang' *Penjuluth Landreform*, VII, 7-8 (January-February 1968), pp. 8-9 and 12-13.

<sup>19</sup> Basuki Gunawan, *Kudeta: Staatsgreep in Djakarta*, Meppel 1968, p. 96.

bill for the *sistim penggarap* been accepted? This was the gist of the propaganda spread by the PKI and the BTI to encourage the peasants, who were thus indoctrinated into the 'dialectical way of thinking'. Since its successes in the elections of provincial and regency representative councils, it had been the PKI's policy to win as large a *mass following* as possible. Apart from intensive ideological propaganda and vehement criticism of the slow pace and doubtful actions of the land reform committees, the communists made emphatic efforts to increase their influence on those committees. They demanded immediate '*nasakomising*' of the committees, which meant that the committees were to be 'purified from counter-revolutionary elements'.

For the Nationalist Party (PNI) land reform carried difficulties, particularly in Central and East Java. When land reform was started, its leaders came mostly from the rising national, non-religious bourgeoisie and from the ranks of higher civil servants, among whom the influence of the landowners and rich farmers was strong. This brought the PNI into conflict with those of its followers who were more interested in the success of land reform. By far the greater part of the peasants not belonging to religious organisations were Petani members, most of them landless. The antagonism between the two wings of the party sharpened when, in the first half of 1964, a number of landless peasants and a number of landowners in Central and East Java and in Bali resorted to direct or 'one-sided' action (*aksi sepihak*), sometimes leading to violence. Direct action took some of the following forms:

- a. A landowner learns that one of his labourers has on his own initiative or at the instigation of the BTI, requested the local land reform committee to assign to him the property rights over the stretch of land that he tills. Without waiting for the decision of the committee, the landowner tries to oust his dangerous labourer. The latter seeks help from the BTI if it was not behind him already. Then the landowner reports what is going on to the Petani. The Petani advises him to issue an ultimatum as to the date on which the labourer has to leave his field. But one morning, some days before the ultimatum is due, the landlord discovers on his field a crowd of 100 or more BTI members armed with sticks, hoes and sickles and working together. Off he hurries to the local board of Petani and after some time he returns accompanied by a

band of Petani members as big as or bigger than the BTI crowd on his field and provided with all sorts of weapons as well. A battle is fought and victims fall under the knives and the hoes or by the bullets of army or police units who have meanwhile intervened.

- b. A labourer, thinking that as a sharecropper he has a right to the field that he has already applied for to the local land reform committee, without awaiting the decision of the committee, refuses to hand in a part of the harvest to the landowner. (Not infrequently this happened on the advice of the BTI). The landowner, supported by Petani, then tries to get rid of his labourer by intimidating him. A mass of BTI members comes to the labourer's assistance and a fight develops.
- c. A landowner does await the decision of the land reform committee concerning a dispute on a stretch of his land, either because he is convinced that he will win the affair on objective, factual and legal grounds or because he feels assured of the support of some influential committee members who may have a party or a family relationship with him. Here again, the labourers, encouraged and supported by the BTI, frequently take matters into their own hands by mass occupation of the disputed field.

If one takes failure to await the decision of the committee as the criterion, direct action was liable to be resorted to by either side, and not, as was often said, only by the landless peasant. The organisation that sided with the party who had taken the initiative without awaiting the decision of the committee accused the opponent of having acted provocatively.<sup>20</sup> This was often true, which clouded the issue still more.

The leaders of the PNI were caught between the antagonistic wings of the party. Formally the party supported land reform. The more progressive among the PNI leaders, in an effort to maintain the unity of the party, did their utmost to achieve, within the circle of the party, a compromise between the interests of the landowners and the interests of the landless peasants. Another serious concern was to see to it that the peasants who had not yet joined any political organisation would not become members of the BTI and that Petani members would not go over

<sup>20</sup> An excellent example is Asmu's speech in the DPA session at Bogor on 11-12 July 1964 (*Minutes of the DPA session, 11-12 July 1964, Part two, pp. 6-18*).

to the BTI. They endeavoured to bring landowner and landless peasant together under one nationalistic roof, employing for this purpose the slogans which were founded on Sukarno's charismatic authority, such as 'loyalty to Pantjasila' (particularly to its first pillar, belief in God) or 'loyalty to Sukarno, the father of Marhaenism and the creator of Pantjasila' under whose supreme guidance land reform was being carried out.

However, the wave of direct action and violence in the first half of 1964 made it hardly possible to continue this internal policy of compromise. True, the PKI, too, was protecting a few landlords 'for strategic reasons' because they financed certain political activities or other activities from which the communists expected favourable political effects. But the number of 'PKI landlords' was much smaller than that of PNI-protected landlords. An increasing number of younger members and sympathisers of the PNI and its mass organisations began more and more openly to stand up for the landless peasants, and here and there voiced cautious support for the 'one-sided' actions. The leaders of the party, however, strongly condemned these actions and described them as 'events impeding the Revolution'. Most of the richer farmers, who still exerted traditional and economic influence on their labourers, were naturally anti-communist. But so were many of the landless peasants who, however desperate their position might become, would never join the BTI. They remained 'loyal to the landowner', or rather, 'loyal to the party', the party they shared with their landlord, and 'loyal to Pantjasila', which meant 'loyal to God'! PNI indoctrination, which appealed to traditional and religious feelings, had been effective, and party discipline stood strong. The attempt to introduce socialist principles and reforms came up against strong traditional and religious ties.

The BTI also lost much sympathy because of its rude behaviour and sly pettifoggery. Even Sukarno's state message on 17 August 1964, in which between the lines he approved of the 'one-sided' actions, could not help the BTI very much. The communists who had stimulated them got the blame when the 'one-sided' actions got out of hand.

The usual excuse of one-sided actions was the need 'to correct the corrupt decisions of the land reform committees'. Such a correction was, indeed, badly needed, and was a major motive for the actions. But there were other motives. One of them was the *sharecroppers' protest* against the slow pace of the execution of the Law on Sharecropping Contracts. Another

motive was the aim of the PKI to gain the largest possible mass following; land reform suited them nicely as a way of making themselves useful to the people. They frequently employed short sighted tactics, purposely creating controversies to provide themselves with reasons to emerge in consequent fights as 'the saviour of the small man'. They failed to exercise restraint, and in the end they got the reputation of being trouble makers.

There was, finally, a third and decisive motive for the one-sided actions. The Nasakom-front, the imposed coalition of religious organisations, nationalists and communists, had become too great a constraint on the PKI. In order to satisfy the demands of its followers it found itself having to burst now and then from the narrow trammels of Nasakom. This led the PKI to act illegally in some places. In a rural district, for instance, it might happen that a landless peasant claimed a piece of land which he tilled for a landlord but to which he had no right as it could not qualify as land surplus. In such a case the communists often encouraged the peasant to stick to his claim in spite of the fact that he had no legal grounds for doing so. In this manner they hoped to create a class struggle and to win a reputation of being the only true fighters for the proletariat. They were not concerned whether their provocative policy would strain further the precarious harmony of Nasakom. They felt sufficiently assured of the fact that they were well on their way to winning over Sukarno as a powerful ally—his State Address on 17 August 1964 could easily be interpreted in that direction—and they also relied upon the fact that the PNI had its own internal struggles to keep it busy.

It was not only the PKI that encouraged its members and sympathisers to act against the legal land reform regulations, sometimes with the intention of obstructing land reform, sometimes meaning to help land reform, depending on its own political interest. The PNI worked in a similar fashion. But the most formidable obstruction to land reform came from the religious organisations in Java, Lombok and Sumbawa. In the course of an investigation into the redistribution of land in Java it was found, for instance, that in the regencies of Demak and Pati, the law was evaded by arranging for the land surplus of *hadjis* (persons who have fulfilled a pilgrimage to Mecca) and *kijajis* (religious teachers) to be donated to religious institutions, the *wakap*, through antedated acts of transfer. Thus the land in question was put under the management of a *nadir*, a manager acting in the name of a *wakap*, but in practice more often than not a

puppet of the donor of the land, the *hadji* or *kijaji*. The labourers on such land were relatively amenable to religious pressure.

By mid-1964 the government could no longer ignore the 'one-sided' actions, particularly inopportune at the time of the confrontation against Malaysia. On 12 July 1964 the DPA members were summoned to a session at Bogor to make the first serious attempt to deal with the problem.<sup>21</sup> The outcome was Sukarno's speech of 17 August 1964 in which he indirectly approved of the 'one-sided' actions, thus morally backing the PKI and BTI. Sukarno explained that it was only logical to side with the peasants, as everywhere in the world they formed, together with other labourers, the 'pillars of the revolution' (*sokoguru revolusi*). He ordered the Agrarian Minister to finish immediately and successfully—before the end of 1964 or mid-1965 at the latest—the redistribution of surplus land in Java, Madura and Bali, and within another year or two stage II in the other regions of Indonesia. The Minister of Justice was ordered to establish as soon as possible the land reform courts which had already been promised. Sukarno warned the land reform committees to put an end to their 'incorrect practices', lest the peasants take their own measures to assert their rights. Similarly the manipulations over sharecropping contracts should be stopped without delay.<sup>22</sup>

Action followed promptly. On 31 October 1964, Law No. 21 of 1964 concerning the Land Reform Courts was put into operation and by the end of December 1964, the redistribution of surplus land in Java, Madura, Bali, Lombok, and Sumbawa had been carried out, so that in the area of Stage I, redistribution could be said to have been substantially completed.<sup>23</sup>

On 14 January 1965 the Agrarian Minister reported the following results up to the end of 1964:

<i>Stage I:</i>	surplus land	337,445 ha
	redistributed land	296,566 ha
<i>Stage II:</i>	redistributed land	152,502 ha

It appears that from the beginning of the land reform program

<sup>21</sup> Minutes of the DPA session, 11–12 July 1964.

<sup>22</sup> 17 August 1964 state address.

<sup>23</sup> For the results see Menteri Agraria, *Laporan and Panitia 3 Menteri, Laporan (lengkap) Tentang Pelaksanaan Landreform (Daerah-daerah: Djawa Barat, Djawa Tengah, Djawa Timur, Bali dan Nusa Tenggara Barat)*, 10–31 December 1964.

up to the end of 1964, about 450,000 ha of land were actually distributed or redistributed.<sup>24</sup>

#### THE CONSEQUENCES OF THE ABORTIVE COUP OF 1 OCTOBER 1965

An immediate consequence of the abortive coup of 1 October 1965 was a severe setback for land reform. Large numbers of members of communist organisations and suspect sympathisers were murdered, among them probably thousands of BTI members. Land reform, from the start stigmatised by its opponents as a product of the PKI, was stopped. A considerable number of former landowners tried to get their former property back. The next-of-kin of the murdered or arrested new landowners were prevented by their fellow-villagers from tilling the soil, often with the support of military and civilian authorities. New landowners who were accused of having sympathised with the communists simply dared not appear on their piece of land, and many of them fled to the city. All this provided opportunities to bring redistributed land back into the hands of the former owners and so to nullify some of the hard-won results of the land reform activities.

In an effort to save what positive results land reform had achieved, the then Agrarian Minister issued an instruction on 10 December 1965 (No. 42-PLP-1965) which contained orders 'to take measures against former landowners and other people who abuse the actions against the G-30-S (the abortive coup of 1 October 1965) by taking back illegally redistributed land or by obstructing redistribution through intimidations, insinuations, etc.'<sup>25</sup> This instruction does not appear to have been very effective. Although it probably stopped *unconcealed* taking back of redistributed land (in West Java legal action was taken in Banten, Krawang and Tasikmalaja, in Central Java in Tegal, Pekalongan and Demak, in East Java in the former residency of Besuki),<sup>26</sup> reversal of land redistribution probably continued surreptitiously and further redistribution virtually stopped during the years 1966 and 1967. No figures are available for 1966. Of the 200,000 ha that should have been redistributed in 1967 only 33,460 ha, that is less than 17 per cent was

<sup>24</sup> Menteri Agraria, *Laporan*, p. 13. See also the author's article 'Kleine boer niet in Tel' in *De Nieuwe Linie*, 24 February 1968, p. 3.

<sup>25</sup> *Penjuluh Landreform*, V. 1 (July 1966) pp. 18-19.

<sup>26</sup> Information from Inspeksi Agraria Djawa Barat, Inspeksi Agraria Djawa Tengah, and Inspeksi Agraria Djawa Timur.

actually redistributed. During 1966 and 1967 about 150,000 ha are thought to have either illegally reverted into the hands of the former owners or fallen into the hands of third persons, in many cases military people. In some cases land remained untilled, lying abandoned after the new owners had been murdered.<sup>27</sup>

In 1968 land reform proceeded much more smoothly and efficiently than in the two previous years. In the five years from 24 September 1962, when the land reform program was started, to the end of 1967 some 800,000 ha of land was redistributed to nearly 850,000 families, as follows:<sup>28</sup>

a. surplus land	116,559 ha	to 135,859 families
b. absentee owners' lands	17,477	40,037
c. land from regional governments	111,407	131,335
d. land from central government	555,874	539,912
	<u>801,317</u> ha	<u>to 847,143</u> families

The author has not yet been able to obtain the figures for 1968, but they are believed to have added at least another 200,000 acres, bringing the total to about 1 million ha of land redistributed to 1 million families. But this of course means that there are at least another 2 million families still without land and awaiting their turn.

Land reform is no longer hampered by party political struggle, for since 1966 there has been hardly any party political activity in Indonesia. Obstruction to land reform is still reported, now largely from the local military authorities. These functionaries are authorised to decide who were 'involved' in the abortive coup of 1 October 1965 and who were not. This enables them indirectly to influence the redistribution, although officially they have nothing to do with it. In many places they act as land brokers. Another difficulty for the Agrarian Department is the steady demand from military authorities to make land available for their civic mission activities (*operasi karja*).

The present Indonesian government does not have the political and ideological interest in land reform of its predecessors. But it is arguable that its efforts to raise food production,

<sup>27</sup> See author's article 'Kleine boer niet in Tel'.

<sup>28</sup> Quoted from *Penjuluh Landreform*, VIII, 4 (October 1968), p. 11. These figures are not reliable since they do not take into account the unconcealed and concealed taking back of redistributed land.

especially the production of rice, will fail unless the foundations for social justice are laid in the Indonesian countryside through further land reforms. As long as this foundation, a just distribution of land, is not laid, all other efforts to gain economic stability and progress will remain ineffective.

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